

## **Report on the activities of the Audit Committee**

of Colt CZ Group SE, having its registered office at Opletalova 1284/37, Nové Město, 110 00 Prague 1, Identification No. (IČO): 291 51 961, registered in the Commercial Register kept by the Municipal Court in Prague, section H, file 962 (the “**Company**”)

The Audit Committee has been established in connection with the fact that CZG – Česká zbrojovka Group SE (currently Colt CZ Group SE) became a public-interest entity upon a share issue in a public market in 2020. Its establishment strengthened the independent supervision over the procedure of preparing the Company’s financial statements and consolidated financial statements, financial reporting, over the monitoring of the efficiency of the risk management system, internal controls and internal audit, and over the performance of mandatory audit. The work of the Audit Committee relies on REGULATION (EU) No 537/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 16 April 2014, and DIRECTIVE 2006/43/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 17 May 2006.

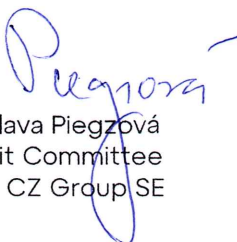
In compliance with Sections 44 through 44aa of Act No. 93/2009 Sb., on auditors, as amended (the “**Act on Auditors**”), and in compliance with Article 24.5 of the Company’s Articles of Association, the Audit Committee prepares a report on its activities, in which it assesses its work in relation to the activities under the Act on Auditors.

The Audit Committee held five meetings in 2021, with minutes taken of each of those meetings. In 2021, the Audit Committee:

- ▶ monitored the efficiency of internal control and of the internal risk management system of the company in which it was established;
- ▶ verified the status of selected profit/loss and balance sheet accounts (receivables, liabilities);
- ▶ monitored the procedure of preparing the financial statements and consolidated financial statements with a view to presenting to the Board of Directors and the Supervisory Board recommendations to ensure the integrity of the bookkeeping system and financial reporting. In doing so, the Audit Committee monitored and verified whether
  - ▷ internal policies exist in respect of account closure transactions, an internal policy exists in respect of stock taking, and how the stock-taking process takes place
  - ▷ appropriate accounting methods have been used in respect of adjustments, provisions and estimated items, deferred tax
  - ▷ the entity complies with the disclosure requirements laid down in the Accounting Act;
- ▶ monitored the process of statutory audit with a view to finding possibilities of improving the system;

- ▶ ascertained how the auditor's findings and recommendations from the previous audit of the annual financial statements we applied;
- ▶ informed the Supervisory Board about the results of the statutory audit and its findings derived from the monitoring of the statutory audit process, and about how the statutory audit contributed to the integrity of the bookkeeping and financial reporting system;
- ▶ assessed the independence of the statutory auditor and audit company and their performance of non-auditing services to the Company, and approved the performance of other non-auditing services by the company performing the statutory audit;
- ▶ discussed with the company performing the statutory audit their findings regarding the functioning of the control and risk management system within the Company;
- ▶ reviewed the auditor's recommendations for the year 2022 to the Company's General Meeting for the performance of mandatory statutory audit of Colt CZ Group SE (formerly CZ - Česká zbrojovka Group SE);
- ▶ engaged in other activities under Art. 16 of Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 and under the Act on Auditors.

Prague, date: 28 April 2022

  
Věslava Piegzová  
Audit Committee  
Colt CZ Group SE