

Colt CZ Group SE reached revenues of CZK 10.2 billion in the first nine months of 2022

Prague (November 23, 2022) — Colt CZ Group SE (“Colt CZ, the “Group” or the “Company”) today announced its consolidated unaudited financial results for the first nine months of 2022 ending 30 September.

9M 2022 Financial Highlights:

- ▶ The Group’s revenues in the first nine months of 2022 amounted to CZK 10.2 billion, up by 34.4% y-o-y, mainly due to higher number of sold firearms and consolidation of Colt’s revenue.
- ▶ In the first nine months of 2022, the adjusted EBITDA reached CZK 2.3 billion, up by 45.1% y-o-y.¹
- ▶ Net profit for the first nine months of 2022 reached CZK 1.3 billion, which is 47.1% more compared to the same period in 2022.
- ▶ The number of firearms sold in the first nine months of 2022 increased by 10.4 % compared to the same period in 2021, exceeding 500 thousand units sold.

“Colt CZ Group has again registered record results. Year-on-year comparison was positively influenced by the consolidation of Colt revenues as well as an improved product mix and an increase in the number of firearms sold in key markets,” commented **Jan Drahotá, CEO and Chairman of the Board of Directors of Colt CZ Group.**

Revenues

Compared with the results as of 30 September 2021, the revenues for the first nine months of 2022 increased by 34.4% to CZK 10.2 billion, mainly thanks to the increase in firearm sales volumes in key territories (see the table below) and Colt’s revenue consolidation from 21 May 2021.

Regionally, the revenues generated in the Czech Republic went up y-o-y by 67.7% to CZK 875.9 million as of 30 September 2022 mainly due to the continued deliveries to the Czech Army under the framework contract. Revenues generated in the United States increased y-o-y by 26.9% to CZK 5.7 billion for the first nine months 2022, mainly as a result of the consolidation of Colt’s revenues. The revenues in Canada reached CZK 768.7 million in the

¹ In first nine months of 2022, adjusted by one-off items related to 2022 acquisitions and payments related to the employee stock option plan which are not related to operational performance and value creation in the given period.

first nine months of 2022, up by 133.3% y-o-y. Revenues generated in Europe (excluding the Czech Republic) increased y-o-y by 55.1% to CZK 1.1 billion for the first nine months ended 30 September 2022, mainly as a result of higher sales in Central and Eastern Europe.

Revenues generated in Africa declined by 88.7 % to CZK 76.2 million for the first nine months of 2022, as large sales to the military and law enforcement sector customers took place last year. Revenues generated in Asia increased y-o-y by 141.9% to CZK 1.3 billion for the first nine months of 2022 as a result of increased sales to both the military and law enforcement sector customers and commercial customers. Revenues from sales to other parts of the world reached CZK 326.2 million in the first nine months of 2022, up by 9.7% y-o-y.

Breakdown of Group's revenues for the reported periods by regions:

(in CZK thousand)	9M 2022	9M 2021	Change in %	Share on total revenues in %
Czech Republic	875,946	522,398	67.7%	8.6%
USA	5,709,242	4,497,731	26.9%	55.9%
Canada	768,731	329,560	133.3%	7.5%
Europe (excl. the Czech Republic)	1,137,150	733,338	55.1%	11.1%
Africa	76,185	673,315	(88.7%)	0.7%
Asia	1,326,471	548,398	141.9%	13.0%
Other	326,178	297,258	9.7%	3.2%
Total	10,219,903	7,601,998	34.4%	100.0%

Overview of the firearm units sold by type:

In units	9M 2022	9M 2021	Change in %
Handguns	293,037	277,965	5.4%
Long firearms	218,387	185,229	17.9%
Total firearms	511,424	463,194	10.4%

Adjusted EBITDA²

Adjusted EBITDA went up by 45.1% to CZK 2.3 billion for the first nine months of 2022 compared with the same period last year. The increase is attributable to the impact of higher global sales and higher number of sold firearms.

Operating profit

In the first nine months of 2022, the operating profit (EBIT) reached CZK 1.5 billion, up by 64.9% y-o-y, driven primarily by higher sales and consolidation of Colt.

Profit (loss) before tax

Profit (loss) before tax increased by 57.9% y-o-y to CZK 1.7 billion for the first nine months of 2022. The growth relates to higher operating profitability.

Net profit/ Adjusted Net profit

Profit for the first nine months of 2022 increased by 47.1% to CZK 1.3 billion compared with the same period last year.

Profit for the first nine months of 2022, adjusted by the cost of revaluation of equity earnout related to the Colt acquisition and by the employee stock option plan impact, increased by 32.8 % to CZK 1.5 billion compared with the same period in 2021.

Investments

The Group's cash capital expenditures were CZK 446,2 million in the first nine months of 2022, up by 13.4% y-o-y, representing 4.4% of total revenues in this period, in line with the 2022 guidance (approximately 5% of 2022 revenues).

2022 guidance confirmation

On the grounds of the favorable development of Colt CZ's financial results as at the date of preparation of this report, the Group's management **confirms its full year 2022 guidance published in the semi-annual report.**

The total revenues could reach CZK 14.0–14.6 billion in 2022, which is 31–36% higher than the 2021 consolidated revenues.

The expected EBITDA could reach CZK 3.0–3.3 billion in 2022, which is 38-52% up compared to the adjusted consolidated EBITDA in 2021.

The Group's capital expenditures in 2022 could reach 5% of the value of the expected total revenues in 2022, which corresponds with the Group's mid-term outlook.

The condensed consolidated interim financial statements for the period of nine months from 1 January to 30 September 2022 are attached to this report.

² In first nine months of 2022, EBITDA was adjusted by one-off items related to 2022 acquisitions and payments related to the employee stock option plan which are not related to operational performance and value creation in the given period.

About Colt CZ Group Group SE

Colt CZ Group (Colt CZ) is one of the leading producers of firearms for military and law enforcement, personal defense, hunting, sport shooting, and other commercial use. It markets and sells its products mainly under the Colt, CZ (Česká zbrojovka), Colt Canada, CZ-USA, Dan Wesson, Spuhr, and 4M Systems brands.

Colt CZ is headquartered in the Czech Republic and has production facilities in the Czech Republic, the United States, Canada, and Sweden. It employs more than 2,000 people in the Czech Republic, the USA, Canada, Sweden, and Germany. Colt CZ is owned by Česká zbrojovka Partners SE from 76.9%, with the remaining 23.1% being a free float.

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