

PRESS RELEASE

CZG – Česká zbrojovka Group SE achieved record revenues of CZK 5.0 bn in the first nine months of 2020

Prague (November 24, 2020) — CZG – Česká zbrojovka Group SE, one of the leading European producers of small arms, today announced its consolidated unaudited financial results for the first nine months ended 30 September 2020.

CZG revenues amounted to CZK 5.0 billion in the first nine months of 2020, up by 10.2% year-on-year, mainly due to a higher number of firearm units sold as a result of the strong demand for CZG products, particularly in the United States.

Operating profit in the first nine months of 2020, driven by higher revenues, increased by 10.2% year-on-year resulting in CZK 815.7 million. EBITDA from continued operations reached CZK 952.4 million in the first nine months of this year, down 7.7% compared to the same period last year. The decrease was mainly caused by the revaluation of the FX hedging instruments due to the significant depreciation of CZK against both EUR and USD.

The number of firearms sold in the first three quarters of 2020 increased by 18.1% compared to the same period in 2019 and reached 337,489 units sold.

As for the territorial distribution of sales in the first nine months of the year, the USA accounted for 70% of CZG's total sales, followed by exports to European countries (9.7%), Asia (6.2%), Africa (4.4%) and other markets (2.9%). Revenues from sales in the Czech Republic accounted for 6.8%.

"Despite the challenging economic conditions of this year, which have caused complications in production and logistics to many, we have managed to keep the pace of our sales at a very good level and, at the same time, not lag behind in the preparation of our new products for the market," commented Lubomír Kovařík, President and Chairman of the Board of CZG. "This year's new products include the CZ P-10 Micro pistol, the CZ TS 2 sport pistol series, three new CZ 457 rimfire rifles and other products intended for Military and Law Enforcement. Even in difficult times of the covid-19 pandemic, we are able to bring top-level products to the market," added Kovařík.

Jan Drahota, Vice-Chairman of the Board and Chief Financial Officer of CZG, said: *"Our group continues to grow strongly. The achieved results are robust in all key indicators, especially in sales, operating profit, firearms produced and sold. This is truly notable given the unprecedented global uncertainty caused by the covid-19 pandemic. Thanks to a robust business model, strong financial performance and overall market position, CZG has every*

disposition to successfully achieve its vision of becoming a truly global player in the firearms sector. "

During the course of November, certain changes in the composition of the statutory bodies of CZG and its subsidiary Česká zbrojovka, a. s., ("CZUB") took place. Mr. Jan Zajíc has been elected as a new member of the CZG Board of Directors with effect from 24 November 2020. Mr. Zajíc has also become the CEO and Chairman of the Board of CZUB, replacing Mr. Ladislav Britaňák, who has resigned from his positions in CZG and CZUB.

About CZG – Česká zbrojovka Group SE

CZG – Česká zbrojovka Group (CZG), together with its subsidiaries, is one of the leading European producers of firearms for military and law enforcement, personal defence, hunting, sport shooting and other civilian use. CZG markets and sells its products mainly under the CZ (Česká zbrojovka), CZ-USA, Dan Wesson, Brno Rifles and 4M Systems brands. CZG's subsidiaries include Česká zbrojovka, CZ-USA, Brno Rifles, 4M Systems and CZ Export Praha. CZG owns a minority stake in Spuhr i Dalby, a Swedish manufacturer of optical mounting solutions for weapons.

CZG is headquartered in the Czech Republic. It has production facilities in the Czech Republic and in the United States and employs around 1625 people in the Czech Republic, the United States and Germany.

CZG was founded in 2013, yet its history dates back to 1936 when the Česká zbrojovka (CZ) firearms factory was established in Uherský Brod with the strategic aim of moving firearms production further away from the German border. The factory's production of a full range of firearms started to develop gradually after WWII, resulting in strong product positioning in the major segments of the firearms market.

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