

Report of the Supervisory Board of Colt CZ Group SE on supervisory activities for the period from 1 January 2024 to 11 September 2024

1. Introduction

The Supervisory Board of **Colt CZ Group SE**, with its registered office at náměstí Republiky 2090/3a, Nové Město, 110 00 Prague 1, ID No.: 291 51 961, registered in the Commercial Register entered by the Commercial Register maintained by the Municipal Court in Prague, File No. H 962 (the "**Company**"), hereby submits, in compliance with the provisions of Article 7, paragraph 7.3, letter y) of the Articles of Association of the Company and Section 449, paragraph 1 of Act No. 90/2012 Coll, on Corporations and Cooperatives (Corporations Act), as amended (the "**CCA**"), to the General Meeting of the Company, this report summarizing the results of its supervisory activities for the period from 1 January 2024 to 12 September 2024.

In the period from 1 January 2024 to 11 September 2024, the Company's Supervisory Board performed its activities in compliance with the Company's Articles of Association and applicable legislation, in particular the relevant provisions of the CCA and Act No. 256/2004 Coll., on Capital Market Business, as amended.

The report has been drawn up for the purposes of the General Meeting of the Company, that will pass resolutions per rollam with voting taking place between 13 September 2024 and 3 October 2024 at the latest.

The Company's Supervisory Board regularly attended the meetings of the Company's Board of Directors, and held a total of 12 separate regular meetings of the Supervisory Board. Representatives of the Company's Supervisory Board regularly attended meetings 8 times and 4 times per-rollam decisions were taken.

Depending on the content and gravity of the issues discussed, persons invited to the meeting of the Company's Supervisory Board included competent members of the Company's Board of Directors, Company's employees and/or external advisors and auditors of the Company.

As part of its supervisory activities, the Company's Supervisory Board also cooperated with the Audit Committee, the Supervisory Board's strategic investments and acquisitions, remuneration, and compliance and ethics committees.

At its meetings, Company's the Supervisory Board regularly discussed:

- ▶ Information on the course and outcomes of the Company's Board of Directors meetings;
- ▶ Potential acquisition opportunities and specific projects abroad;
- ▶ Profit/loss of Czech and foreign holdings of Colt CZ Group;
- ▶ Up-to-date information on the arms industry in the Czech Republic and abroad, including possible developments in the political and regulatory environment

affecting the operations of Colt CZ Group, with regard to the impact that the war conflict in Ukraine and in the Middle East has on the arms industry;

- ▶ Issues related to the energy crisis, the inflation rate changes and their impact on the Colt CZ Group's profit/loss, and measures taken to stabilize the negative impacts.
- ▶ The process of integrating new acquisitions within the Group;
- ▶ Evaluating the Group's stock option program;
- ▶ The Group's strategic issues.

In accordance with the currently valid wording of the Company's Articles of Association (Article 13.6), the Company's Supervisory Board has given the Company's Board of Directors prior approval to carry out the following crucial decisions:

- ▶ Approval of the Company's annual individual and consolidated financial plan for 2024;
- ▶ approval of an additional issue of bonds denominated in Czech crowns and governed by Czech law, maturing on 18 May 2030, with a maximum total nominal value of CZK 1 071 000 000;
- ▶ Approval of financial documentation regarding the loan provided by Komerční banka a.s. in the amount of USD 100,000,000 to cover part of the purchase price for 100% of the shares of Sellier & Bellot a.s.;
- ▶ Approval of new candidates for the stock option program.

Furthermore, the Supervisory Board recommends that the General Meeting approve the proposed increase in the Company's share capital, including the exclusion of the pre-emptive right to subscribe for shares in connection with the acquisition of Sellier & Bellot a.s., with its registered office at Lidická 667, 258 01 Vlašim, Czech Republic, ID No.: 289 82 347, entered in the Commercial Register maintained by the Municipal Court in Prague, File No. B 15674.

The Supervisory Board notes that, while carrying out its supervisory activities, it has not ascertained any:

- ▶ risks, or any suspected fraud or unlawful conduct that might have a material impact on the accounting reports, profit/loss or the operations of the Company;
- ▶ committed fraud or unlawful conduct with a material impact on the accounting reports, profit/loss or operations of the Company;
- ▶ substantial weaknesses in the internal control system;
- ▶ material aspects in the Company's operations that could be perceived as breach
- ▶ of law, or the Company's Articles of Association;

Furthermore, the Company's Supervisory Board has not encountered any conduct on the part of the Company's Board of Directors that would be contrary to due managerial care.

The Supervisory Board of the Company was duly informed by the members of the Board of Directors of the Company, Jan Drahota, Josef Adam, Jan Zajíc, Jan Holeček, Dennis Veilleux, and the Chairman of the Supervisory Board, David Aguilar, of their intention to enter into agreements for the subscription of the Company's Employee stock option program between the Company and the respective directors, as underwriters and pre-determined purchasers under the Company's Employee stock option program, and of their intention to enter into agreements with the Company to prohibit the alienation and encumbrance of the Company's Employee stock option program so subscribed. For completeness, the Supervisory Board of the Company notes that at the time of the establishment of this Employee stock option program in 2021, Mr. David Aguilar was a member of the Board of Directors of the Company. Furthermore, the Company's Supervisory Board has been duly informed by Mr. David Aguilar and Mr. Dennis Roland Veilleux of their intention to enter into a subscription agreement for the Company's shares between the Company and the gentlemen in question, as underwriter and pre-designated subscriber, as part of the 2023 stock dividend.

The Supervisory Board of the Company acknowledged the conclusion of the agreements referred to above, this potential conflict of interest and the fulfilment of the information obligation by the persons concerned. The Company's Supervisory Board also acknowledged the advantageous nature of the concluded contracts for the Company and decided that there are no grounds for taking any measures within the meaning of Section 54 of the CCA. The Supervisory Board also stated that, in its view, all of the notified acts, in view of their nature, qualify as acts in the ordinary course of business within the meaning of Section 57 of the CCA.

Moreover, the Company's Supervisory Board has not ascertained any breach of the ban on competitive activities on the part of members of the Company's Board of Directors within the meaning of the relevant provisions of the CCA, i.e., the Supervisory Board has not found any member of the Company's Board of Directors to engage in business, serve on the governing body (except for the governing bodies of companies within the Colt CZ Group controlled by the Company, and/or duly reported engagements) or participate in the business of any other legal entities with objectives similar to those of the Company.

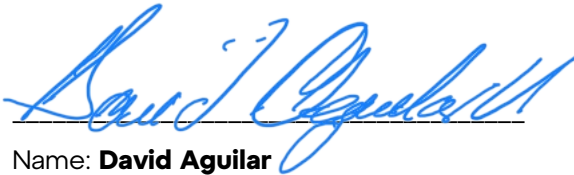
2. Conclusion

This report of the Supervisory Board was discussed at a regular meeting of the Company's Supervisory Board on 11 September 2024 and was approved by all attending members in the form of a resolution.

COLT CZGROUP

Place: Brest

Date: 11.9.2024



Name: **David Aguilar**

Function: chairman of the supervisory board