

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2025
(unaudited)

Name of the company: Colt CZ Group SE

Registered office: náměstí Republiky 2090/3a, Nové Město, 110 00 Prague 1, Czech Republic

Legal form: European Company

Id. no.: 291 51 961

Components of the condensed consolidated interim financial statements:

Consolidated statement of profit and loss and other comprehensive income

Consolidated statement of financial position

Consolidated statement of changes in equity

Consolidated cash flow statement

Notes to condensed consolidated interim financial statements

These condensed consolidated interim financial statements were prepared and approved on 21 May 2025.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH

		31 Mar 2025	31 Mar 2024
	Note	CZK '000	CZK '000
Revenues from the sale of own products, goods and services	8.1	5,512,221	3,667,086
Other operating income		36,167	13,970
Change in inventories developed internally		445,844	13,296
Own work capitalized		73,263	50,647
Raw materials and consumables used		-2,805,164	-1,898,421
Services		-666,981	-492,223
Personnel costs		-1,276,113	-896,012
Depreciation and amortization		-385,362	-199,890
Other operating expenses		-105,458	-64,203
Allowances		-8,949	26,573
Operating profit		819,468	220,823
Interest income	9.1	252,363	391,945
Interest expense	9.1	-313,354	-350,472
Other financial income	9.1	3,379	126,843
Other financial expenses	9.1	-139,792	-17,494
Gains or losses from derivative transactions	9.1	67,756	2,343
Share in the profit of associates after tax		1,582	635
Profit before tax		691,402	374,623
Income tax	9.2	-167,493	-71,360
Profit for the period		523,909	303,263
Items that may be subsequently reclassified to the statement of profit or loss			
Cash flow hedges – remeasurement of effective portion of hedging instruments		156,473	-248,994
Foreign currency translation of foreign operations		-132,837	73,169
Other comprehensive income		23,636	-175,825
Comprehensive income for the period		547,545	127,438
Profit for the period attributable to:			
Owner of the parent company		523,909	303,263
Comprehensive income for the period attributable to:			
Owner of the parent company		547,545	127,438
Net earnings per share attributable to the owner of the parent company (CZK per share)			
Basic	21	9	8
Diluted	21	9	6

Notes are an integral part of these consolidated interim financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH

	Note	31 Mar 2025 CZK '000	31 Dec 2024 CZK '000
ASSETS			
Non-current assets			
Intangible assets	10	10,140,686	10,403,416
Goodwill	8	8,422,558	8,489,707
Property, plant and equipment	11	9,471,829	9,582,545
Equity-accounted securities and investments	17	45,685	44,102
Financial derivatives	18	427,220	413,372
Trade and other receivables		13,628	20,021
Other receivables		2,132	2,593
Deferred tax assets		76,510	75,589
Total non-current assets		28,600,248	29,031,345
Current assets			
Inventories	12	8,272,360	7,456,512
Trade and other receivables		2,380,692	2,829,759
Provided loans		19,032	20,017
Other financial assets		12,070	12,531
Financial derivatives	18	234,589	127,174
Other receivables		355,425	555,882
Tax receivables		81,742	81,210
Cash and cash equivalents		6,336,813	5,917,768
Total current assets		17,692,723	17,000,853
Total assets		46,292,971	46,032,198
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		5,646	5,646
Share premium		13,477,795	13,477,795
Capital funds		1,641,512	1,641,512
Cash flow hedge reserve		-47,021	-203,494
Foreign exchange translation reserve		-200,974	-68,137
Accumulated profits		5,714,181	5,175,107
Equity attributable to the owner of the Company		20,591,139	20,028,429
Non-controlling interests		-	-
Total equity		20,591,139	20,028,429
Non-current liabilities			
Bonds, bank loans and borrowings	16	15,916,066	16,336,227
Financial derivatives	18	276,481	532,473
Lease liabilities		60,584	58,922
Trade and other payables		56,797	46,802
Other payables		7,385	10,387
Provisions	13	101,042	101,095
Deferred tax liability		2,612,372	2,561,948
Employee benefit liabilities	15	224,349	234,725
Total non-current liabilities		19,255,076	19,882,579
Current liabilities			
Bonds, bank loans and borrowings	16	1,507,950	1,474,910
Financial derivatives	18	277,655	394,262
Lease liabilities		23,641	22,267
Trade and other payables		1,830,395	1,573,335
Other payables		2,437,439	2,333,203
Provisions	13	62,860	57,870
Tax liabilities		290,406	248,236
Employee benefit liabilities	15	16,410	17,107
Total current liabilities		6,446,756	6,121,190
Total liabilities		25,701,832	26,003,769
Total equity and liabilities		46,292,971	46,032,198

Notes are an integral part of these consolidated interim financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THREE-MONTHS ENDED 31 MARCH

CZK '000	Share capital	Share premium	Capital funds	Cash flow hedge reserve	Foreign exchange translation reserve	Accumulated profits	Equity attributable to the owner of the parent company	Non-controlling interests	Total equity
Balance at 31 December 2023	3,516	1,942,818	1,641,512	599,816	-142,688	5,229,872	9,274,846	-	9,274,846
Profit for the period	-	-	-	-	-	1,044,575	1,044,575	-	1,044,575
Other comprehensive income	-	-	-	-803,310	74,551	-	-728,759	-	-728,759
Total comprehensive income for the period	-	-	-	-803,310	74,551	1,044,575	315,816	-	315,816
Dividends	-	-	-	-	-	-1,511,069	-1,511,069	-	-1,511,069
Issue of shares	1,957	11,534,977	-	-	-	-	11,536,934	-	11,536,934
Share-based payments	173	-	-	-	-	411,729	411,902	-	411,902
Balance at 31 December 2024	5,646	13,477,795	1,641,512	-203,494	-68,137	5,175,107	20,028,429	-	20,028,429
Profit for the period	-	-	-	-	-	523,909	523,909	-	523,909
Other comprehensive income	-	-	-	156,473	-132,837	-	23,636	-	23,636
Total comprehensive income for the period	-	-	-	156,473	-132,837	523,909	547,545	-	547,545
Dividends	-	-	-	-	-	-	-	-	-
Issue of shares	-	-	-	-	-	-	-	-	-
Share-based payments	-	-	-	-	-	15,165	15,165	-	15,165
Balance at 31 March 2025	5,646	13,477,795	1,641,512	47,021	-200,974	5,714,181	20,591,139	-	20,591,139

Notes are an integral part of these consolidated interim financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THREE-MONTHS ENDED 31 MARCH

CZK '000	Share capital	Share premium	Capital funds	Cash flow hedge reserve	Foreign exchange translation reserve	Accumulated profits	Equity attributable to the owner of the parent company	Non-controlling interests	Total equity
Balance at 31 December 2023	3,516	1,942,818	1,641,512	599,816	-142,688	5,229,872	9,274,846	-	9,274,846
Profit for the period	-	-	-	-	-	303,263	303,263	-	303,263
Other comprehensive income	-	-	-	-248,994	73,169	-	-175,825	-	-175,825
Total comprehensive income for the period	-	-	-	-248,994	73,169	303,263	127,438	-	127,438
Dividends	-	-	-	-	-	-	-	-	-
Issue of shares	-	-	-	-	-	-	-	-	-
Share-based payments	-	-	-	-	-	62,684	62,684	-	62,684
Balance at 31 March 2024	3,516	1,942,818	1,641,512	350,822	-69,519	5,595,819	9,464,968	-	9,464,968

Notes are an integral part of these consolidated interim financial statements.

CONSOLIDATED CASH FLOW STATEMENT FOR THE THREE-MONTHS ENDED 31 MARCH 2025

	Note	31 Mar 2025 CZK '000	31 Mar 2024 CZK '000
<i>Cash flows from principal economic activity (operating activity)</i>			
Profit from ordinary activity before tax		691,402	374,623
Depreciation/amortization of non-current assets	10, 11	385,362	199,890
Change in allowances and provisions	12, 13	16,429	-15,914
Profit from the sale of non-current assets		-1,069	-376
Interest expense and interest income		60,991	-41,473
Share in the profit of associates	17	-1,583	-635
Unrealized foreign exchange gain and losses		171,554	-157,065
Remeasurement of Other financial assets	9.1	-	-113,402
Cash flow hedging – remeasurement of the effective portion of hedging instruments		156,473	-248,994
Share-based payments	14	15,165	62,684
Adjustments for other non-cash transactions	9.1	9,456	7,505
Net operating cash flows before changes in working capital		1,504,180	66,843
Change in working capital			
Change in receivables and deferrals		429,311	37,398
Change in liabilities and accruals		266,307	-317,599
Change in inventories	12	-930,887	-142,325
Cash flow from operating activities		1,268,911	-355,683
Paid interest	9.1	-490,429	-488,415
Interest received	9.1	358,919	460,017
Income tax paid for ordinary activity	9.2	-145,351	-171,269
Net cash flow from operating activities		992,050	-555,350
Cash flows from investing activities			
Acquisition of non-current assets	10, 11	-270,142	-183,073
Proceeds from the sale of non-current assets		1,069	376
Advance on acquisition of financial assets		-	-2,011
Acquisition of equity-accounted securities and investments		-	-3,777
Proceeds from sale of Other financial assets		-	1,021,982
Provided loans		-	-18,979
Net cash flow from investing activities		-269,073	814,518
Cash flows from financing activities			
Proceeds from drawing of loans	16	42,858	11,613
Repayment of loans	16	-326,025	-34,335
Repayment of leases		-6,867	-8,778
Net cash flow from financing activities		-290,034	-31,500
Net change in cash and cash equivalents		432,943	227,668
Opening balance of cash and cash equivalents		5,917,768	3,328,684
Effect of exchange rate on cash and cash equivalents		-13,898	26,622
Closing balance of cash and cash equivalents		6,336,813	3,582,974

Notes are an integral part of these consolidated interim financial statements.

COLT CZ GROUP SE

**Condensed consolidated interim financial statements for the three-month
period from 1 January to 31 March 2025 prepared in accordance with IFRS
Accounting Standards as adopted by the European Union
(unaudited)**

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1. PARENT COMPANY

Colt CZ Group SE (the “Consolidating Entity” or the “Company”) is a European company registered in the Commercial Register kept by the Municipal Court in Prague on 10 January 2013, with its registered office at náměstí Republiky 2090/3a Nové Město, 110 00 Prague 1, Czech Republic, corporate ID No. 291 51 961. The Company together with its subsidiaries, is one of the world’s leading manufacturers of firearms, tactical accessories and ammunition for military and law enforcement, personal defense, hunting, sport shooting and other commercial use. Its products are marketed and sold mainly under the Colt, CZ (Česká zbrojovka), Sellier & Bellot, Colt Canada, CZ-USA, Dan Wesson, Spuhr, swissAA and 4M Systems brands.

The following table shows individuals and legal entities with an equity interest greater than 10 percent:

Shareholder	Ownership percentage as at	
	31 Mar 2025	31 Dec 2024
Česká zbrojovka Partners SE	51.80 %	51.80 %
CBC Europe S.á r.l.	24.37 %	24.37 %

Since 2017, the majority owner of the Company has been Česká zbrojovka Partners, SE, based at Opletalova 1284/37, Nové Město, 110 00 Prague 1, Czech Republic.

The Consolidating Entity and consolidated entities are part of a larger consolidation group of the ultimate parent company European Holding Company, SE, based at Opletalova 1284/37, Nové Město, 110 00 Prague 1, Czech Republic. The ultimate owner of the Company is Mr René Holeček.

Members of the Board of Directors and Supervisory Board as at the balance sheet date:

Board of Directors	
Chair:	Jan Drahota
Vice-chair:	Josef Adam
Member:	Jan Holeček
Member:	Radek Musil
Member:	Dennis Veilleux
Member:	Jan Zajíc
Supervisory Board	
Chair:	David Aguilar
Vice-chair:	René Holeček
Vice-chair:	Lubomír Kovařík
Member:	Daniel Birman
Member:	Jana Růžicková
Member:	Vladimír Dlouhý

The consolidation group (the “Group”) comprises the Company and the consolidated entities of the Group (subsidiaries). The consolidation group includes the Company and entities controlled by the Company.

All amounts in these financial statements and the related notes are reported in thousands of Czech crowns (CZK '000), which is also the functional currency.

2. GROUP DESCRIPTION

Company name	Principal activity	Place of foundation and business operation	Consolidation method	Share in voting rights held by the Group		
				31 Mar 2025	31 Dec 2024	31 Mar 2024
Česká zbrojovka a.s.	Production, purchase and sale of firearms and ammunition	Uherský Brod, Czech Republic	Full	100%	100%	100%
Česká zbrojovka a.s. Niederlassung Deutschland	Production, purchase and sale of firearms and ammunition	Regensburg, Germany	Full	100%	100%	100%
Latin America Holding, a.s.	Holding company	Uherský Brod, Czech Republic	Full	100%	100%	100%
ZBROJOVKA BRNO, s.r.o.	Purchase and sale of firearms and ammunition	Brno, Czech Republic	Full	100%	100%	100%
Sellier & Bellot a.s.*	Production, and sale of ammunition	Vlašim, Czech Republic	Full	100%	100%	-
Sellier & Bellot Trade a.s.*	Sale of ammunition	Vlašim, Czech Republic	Full	100%	100%	-
CZ – Slovensko s.r.o.	Production, purchase and sale of firearms and ammunition	Bratislava, Slovakia	Full	100%	100%	100%
Colt CZ Group North America, Inc.	Holding company	Kansas City, USA	Full	100%	100%	100%
CZ-USA	Purchase and sale of firearms and ammunition	Kansas City, USA	Full	100%	100%	100%
Colt's Manufacturing Company LLC	Production, purchase and sale of firearms and ammunition	West Hartford, Connecticut, USA	Full	100%	100%	100%
Four Horses Apparel, Inc.	Purchase and sale of clothing and fashion accessories	West Hartford, Connecticut, USA	Full	100%	100%	100%
Colt Electro Optics, LLC**	Research and development	West Hartford, Connecticut, USA	Full	100%	100%	-
Colt Admin, LLC**	Holding company	West Hartford, Connecticut, USA	Full	100%	100%	-
Colt Canada Corporation	Production, purchase and sale of firearms and ammunition	Kitchener, Ontario, Canada	Full	100%	100%	100%
Colt CZ Defence Solutions, s.r.o.	Purchase and sale of firearms and ammunition	Uherský Brod, Czech Republic	Full	100%	100%	100%
EHC-4M, SE	Holding company	Prague, Czech Republic	Full	100%	100%	100%
4M SYSTEMS a.s.	Trade with military material	Prague, Czech Republic	Full	100%	100%	100%
Colt CZ Group International s.r.o.	Holding company	Prague, Czech Republic	Full	100%	100%	100%
Spuhr i Dalby AB	Manufacture and assembly of optics	Löddeköpinge, Sweden	Full	100%	100%	100%

CZG VIB s.r.o.	Holding company	Prague, Czech Republic	Full	100%	100%	100%
Sellier & Bellot Int. a.s. (earlier Vocatus investment a.s.)	Holding company	Prague, Czech Republic	Full	100%	100%	100%
Colt CZ Insurance Limited	Captive reinsurance company	Saint Peter Port, Guernsey	Full	100%	100%	100%
swissAA Holding AG	Holding company	Däniken, Switzerland	Full	100%	100%	100%
aaltech GmbH	Purchase and sale of ammunition	Sollenau, Austria	Full	100%	100%	100%
laltech s.r.l.	Purchase and sale of ammunition	Bad Krozingen, Germany	Full	100%	100%	100%
galtech AG	Purchase and sale of ammunition	Bad Krozingen, Germany	Full	100%	100%	100%
saltech AG	Production and sale of ammunition	Däniken, Switzerland	Full	100%	100%	100%
haltech kft.	Production and sale of ammunition	Balatonfüzfő, Hungary	Full	100%	100%	100%
S-Pyrotech kft.	Rental of property and buildings	Balatonfüzfő, Hungary	Full	100%	100%	100%
CZ BRASIL LTDA	Production, purchase and sale of firearms and ammunition	Brazil	Equity	49%	49%	49%
CARDAM s.r.o.	Research and development	Dolní Břežany, Czech Republic	Equity	33%	33%	33%
EG-CZ Academy	Academy	Quimper, France	Equity	20%	20%	20%
VIBROM spol.	Production	Třebechovice pod Orebem, Czech Republic	Equity	25%	25%	25%
Colt CZ Hungary Zrt.***	Production of firearms	Hungary	Equity	51%	51%	51%

* On 16 May 2024, the Company acquired Sellier & Bellot a.s. and Sellier & Bellot Trade a.s.

** Colt Admin, LLC and Colt Electro Optics, LLC were established on 18 November 2024.

*** The Group holds 51% equity interest and 50% non-controlling interest in Colt CZ Hungary Zrt.

Česká zbrojovka a.s., Sellier & Bellot a.s., and Colt's Manufacturing Company LLC are the most significant entities in the Group. In the text below, the term 'Group' refers to the consolidation group.

3. SIGNIFICANT EVENTS IN THE CURRENT REPORTING PERIOD

The financial situation and financial performance of the Group were affected by the following events and transactions on a one-off basis:

As of 1 January 2025, Mr Radek Musil was elected Vice-Chairman of the Board of Directors of the Company.

As of 31 March 2025, Mr Dennis Veilleux resigned from the position of member of the Board of Directors of the Company.

During the first quarter of 2025, the Company sold part of the COLTCZ VAR/30 bonds maturing in 2030 with a nominal value of CZK 483 million. The Company purchased from the market COLTCZ VAR/27 bonds maturing in 2027 in the same nominal amount. This step reduced the volume of bonds maturing in 2027 and at the same time extended the average maturity of the total debt financing.

4. BASIC PRINCIPLES FOR PREPARATION OF THE INTERIM REPORT

These condensed consolidated interim financial statements for the three-month period ended 31 March 2025 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The condensed interim consolidated financial statements do not include all notes that are normally included in the annual financial statements. Accordingly, the condensed interim consolidated financial statements must be read together with the consolidated financial statements for the year ended 31 December 2024, which were prepared in accordance with the International Financial Reporting Standards as adopted by the European Union (“IFRS”).

The condensed interim consolidated financial statements have not been reviewed by an auditor in accordance with applicable regulations.

5. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies that were utilized are consistent with those of the most recent annual financial statements. A number of new or amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

6. ESTIMATES AND SOURCES OF UNCERTAINTY

During the preparation of the condensed interim consolidated financial statements, the Group’s management makes judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, revenues and expenses. The actual results may differ from these estimates. Apart from this, the Group’s future business may be adversely impacted by factors beyond the Group’s control. In the preparation of these condensed interim consolidated financial statements, the significant judgements made by management and the key sources of uncertainty in making estimates were the same as those used in the consolidated financial statements for the year ended 31 December 2024.

7. FINANCIAL RISK MANAGEMENT

The Group's activities give rise to many financial risks: market risk, credit risk and liquidity risk. The condensed interim consolidated financial statements do not include all financial information on risk management and other information required in annual consolidated financial statements. They should be assessed together with the annual consolidated financial statements of the Group as at 31 December 2024. No changes in the rules and policies of managing these risks have been made since the end of 2024.

The Group uses financial derivatives to manage financial risks. The method of measurement of financial derivatives and information on the fair value of financial assets and liabilities as at 31 March 2025 and 31 December 2024 are disclosed in note 18 Financial assets and liabilities at fair value.

8. INFORMATION ABOUT SEGMENTS AND REVENUES

The Group's operations are organized into two operating segments as at 31 March 2025 – the Firearms and Accessories segment and the Ammunition segment. The structure of the segment information corresponds to the structure of the Group's principal business activities and the structure of financial ratios and information that are regularly monitored and evaluated by the Group's management.

As at 31 March 2024, the production, purchase and sale of firearms and accessories represented the Group's primary business activity. The Group's other activities at 31 March 2024 were considered insignificant as none of the Group's other activities accounted for more than 10% of revenue from sales to external customers.

Firearms and accessories segment

The firearms and accessories segment includes the design, production, assembly and sale of firearms, tactical accessories and optical mounting solutions for the military and law enforcement, personal defense, hunting, sport shooting, and other commercial uses.

Ammunition segment

The ammunition segment consists of the design, production and sale of small-caliber ammunition, including pistol and rifle ammunition, together with shotgun shells for hunting, sport shooting, and military and law enforcement, as well as the production and sale of grenades and other military material. It also includes development and production of ammunition manufacturing machinery and tools.

The tables below provide information on operating segments for the three-month period ended 31 March 2025 and as at 31 March (in CZK '000).

2025	Firearms and accessories segment	Ammunition segment	Group financing	Elimination of inter-segment transactions	Total
External revenues	2,823,615	2,688,606	-	-	5,512,221
Inter-segment revenues	15,590	10,634	-	-26,224	-
Revenues from the sale of own products, goods and services	2,839,205	2,699,240	-	-26,224	5,512,221
Other operating income	19,294	17,126	-	-253	36,167
Change in inventories developed internally	279,320	166,524	-	-	445,844
Own work capitalized	44,375	28,888	-	-	73,263
Raw materials and consumables used	-1,404,711	-1,411,315	-	10,862	-2,805,164
Services	-503,832	-178,533	-	15,384	-666,981
Personnel costs	-817,766	-458,347	-	-	-1,276,113
Depreciation and amortization	-156,741	-228,621	-	-	-385,362
Other operating expenses	-71,680	-34,009	-	231	-105,458
Allowances	-13,511	4,562	-	-	-8,949
Operating profit	213,953	605,515	-	-	819,468
Interest income	100,604	40,820	155,009	-44,070	252,363
Interest expense	-32,972	-13,757	-310,695	44,070	-313,354
Other financial income	22	3,357	-	-	3,379
Other financial expenses	-59,022	-80,770	-	-	-139,792
Gains or losses from derivative transactions	109,135	-58	-41,321	-	67,756
Share in the profit of associates after tax	1,582	-	-	-	1,582
Profit before tax	333,302	555,107	-197,007	-	691,402
Income tax	-91,209	-117,655	41,371	-	-167,493
Profit for the period	242,093	437,452	-155,636	-	523,909

31 Mar 2025	Firearms and accessories segment	Ammunition segment	Group financing	Elimination of inter-segment transactions	Total
Total assets per segment	27,752,326	21,196,350	166,838	-2,822,543	46,292,971
Acquisition of tangible and intangible fixed assets	103,177	77,464	-	-	180,641
Equity-accounted investees	1,583	-	-	-	1,583
Total liabilities per segment	-5,807,154	-5,285,304	-7,431,916	2,822,543	-25,701,832

The Group Financing includes issued bonds, syndicated loan, fair values of related derivative instruments, related interest expense or income and gains/ losses from derivative transactions. As these items cannot be reliably attributed to individual reportable operating segments, they are presented separately.

8.1. Geographical breakdowns

The table below specifies revenues from the sale of own products, goods and services by the most significant regions (in CZK '000).

Sales to external customers		
	31 Mar 2025	31 Mar 2024
Czech Republic (home country)	532,146	628,227
United States	2,408,856	1,749,145
Canada	201,870	409,384
Europe (excluding the Czech Republic)	1,825,055	421,412
Africa	64,440	30,310
Asia	306,908	159,124
Latin America	149,751	254,977
Other	23,195	14,507
Total	5,512,221	3,667,086

The Group has production facilities in the Czech Republic, USA, Canada, Sweden, Switzerland and Hungary.

Carrying amount of property, plant and equipment		
	31 Mar 2025	31 Dec 2024
Czech Republic (home country)	7,373,233	7,416,390
United States	731,621	757,717
Canada	200,863	208,297
Sweden	31,176	31,048
Switzerland	1,046,830	1,082,687
Hungary	88,106	86,406
Total	9,471,829	9,582,545

Carrying amount of intangible assets		
	31 Mar 2025	31 Dec 2024
Czech Republic (home country)	7,420,678	7,546,199
United States	1,911,103	2,016,674
Canada	467,281	497,793
Sweden	302,713	296,388
Switzerland	38,911	46,362
Total	10,140,686	10,403,416

Goodwill		
	31 Mar 2025	31 Dec 2024
Czech Republic (home country)	6,110,998	6,110,998
United States	2,047,493	2,111,577
Canada	195,314	201,427
Sweden	68,753	65,705
Total	8,422,558	8,489,707

Goodwill represents the expected synergies arising from the integration of the companies' activities within the existing Group.

9. PROFIT AND LOSS INFORMATION

9.1. Financial result

- An interest expense of CZK 313,354 thousand (CZK 350,472 thousand in the three-month period ended 31 March 2024) is mainly represented by interest incurred on issued bonds and bank loans of CZK 254,271 thousand (CZK 228,122 thousand in the three-month period ended 31 March 2024). Information on the issued bonds and bank loans is disclosed in Note 16. An interest expense of CZK 59,083 thousand (CZK 122,350 thousand in the three-month period ended 31 March 2024) mainly represents interest from cross-currency interest rate swaps.

These swaps also generate interest income in the amount of CZK 155,009 thousand (CZK 354,164 thousand in the three-month period ended 31 March 2024) presented under Interest income position. The remaining interest income in the amount of CZK 97,354 thousand (CZK 37,781 thousand in the three-month period ended 31 March 2024) mainly represents interest from deposits.

- Other financial income in the amount of CZK 3,379 thousand (CZK 126,843 thousand in the three-month period ended 31 March 2024) mainly represent gains on settlements of commodity swaps. In the three-month period ended 31 March 2024 other financial income mainly represented revaluation of Other financial assets as at the date of sale of CZK 113,402 thousand and related foreign exchange gain in netto basis of CZK 13,441.
- Other financial expenses of CZK 139,792 thousand (CZK 17,494 thousand for the period from 1 January to 31 March 2024) mainly represent foreign exchange loss in total amount of CZK 101,425 thousand and bank fees in total amount of CZK 31,326 thousand. Other financial expenses in the three-month period ended 31 March 2024 represented mainly bank fees.

- Gains or losses from derivative transactions – The Group manages its exposure to currency, commodity and interest rate risk by using derivative instruments. As not all of the derivatives are accounted for as hedging instruments, the amount of the financial result was impacted by a change in fair value of open financial derivatives held for trading. In the three-month period ended 31 March 2025, the Group recognized gain from derivative instruments of CZK 67,756 thousand (gain CZK 2,343 thousand in the three-month period ended 31 March 2024).

In other comprehensive income for the three-month period ended 31 March 2025, the Group recognized gain of CZK 156,473 thousand from the remeasurement of financial derivatives classified as hedging instruments (loss of CZK 248,994 thousand in the three-month period ended 31 March 2024).

9.2. Income tax

Reported Income tax expense is based on an estimate of the weighted average effective annual income tax rate expected for the full financial year. The estimated average annual tax rate for the period from 1 January to 31 March 2025 is 24.23% (19.05% for the period from 1 January to 31 March 2024).

The amount of the effective tax rate is affected by the level of tax rates in individual countries, where the Group operates (Czech Republic – 21%, USA – 26-28%, Canada – 25%, Sweden – 20.6%, Switzerland – 16%, Hungary – 9%).

10. INTANGIBLE ASSETS

The following tables summarize changes in intangible assets from 1 January to 31 March 2025 (in CZK '000):

Acquisition costs

GROUP	Opening balance	Business combination – balance at the date of entry into consolidation	Additions	Disposals	Transfers	Impact of FX rate fluctuations	Closing balance
Software	238,279	-	1,587	-1,412	2,048	-1,586	238,916
Intangible assets under construction or being acquired	187,542	-	17,079	-	-5,346	-1,243	198,032
Other intangible assets	1,138,669	-	9,228	-	-	-52,110	1,095,787
Trademarks and logos	3,899,650	-	-	-	-	-74,516	3,825,134
Capitalized development	585,523	-	1,301	-340	3,298	-	589,782
Concessions, license rights and other intellectual property rights	356,962	-	-	-232	-	-10,985	345,745
Contractual customer relations	6,179,619	-	-	-	-	-16,476	6,163,143
Total	12,586,244	-	29,195	-1,984	-	-156,916	12,456,539

Accumulated amortization and carrying value

GROUP	Opening balance	Amortization	Disposals	Changes in allowances	Impact of FX rate fluctuations	Closing balance	Carrying amount
Software	-165,172	-4,385	1,330	-	426	-167,801	71,115
Intangible assets under construction or being acquired	-25	-	-	-	25	-	198,032
Other intangible assets	-523,398	-19,836	-	-	23,917	-519,317	576,470
Trademarks and logos	-	-	-	-	-	-	3,825,134
Capitalized development	-274,825	-6,432	340	-	982	-279,935	309,847
Concessions, license rights and other intellectual property rights	-271,808	-6,202	232	-	10,359	-267,419	78,326
Contractual customer relations	-947,600	-149,053	-	-	15,272	-1,081,381	5,081,762
Total	-2,182,828	-185,908	1,902	-	50,981	-2,315,853	10,140,686

The Group's management has considered and assessed all assumptions used in determining the value-in-use calculations of the recoverable amount of the cash generating unit to which goodwill and intangible assets with indefinite useful lives belong. The Group's management has concluded its assumptions as disclosed in the most recent annual financial statements are still appropriate and that there is no indication of impairment.

11. PROPERTY, PLANT AND EQUIPMENT

The following tables summarize the changes in property, plant, and equipment from 1 January to 31 March 2025 (in CZK '000):

Acquisition costs

GROUP	Opening balance	Business combination – balance at the date of entry into consolidation	Additions	Disposals	Transfers	Impact of FX fluctuations	Closing balance
Buildings	3,018,147	-	23,248	-	-	-21,546	3,019,849
Machinery, instruments and equipment	7,631,856	-	45,601	-32,037	59,805	-34,681	7,670,544
Other non-current tangible assets	106,470	-	13,177	-	1,550	-4,310	116,887
Other non-current tangible assets under construction	339,907	-	65,358	-214	-11,861	-6,015	387,175
Prepayments made for non-current tangible assets	396,753	-	14,198	-	-49,494	-6,832	354,625
Lands	1,833,442	-	79	-	-	-15,276	1,818,245
Total	13,326,575	-	161,661	-32,251	-	-88,660	13,367,325

Accumulated depreciation and carrying value

GROUP	Opening balance	Depreciation	Disposals	Changes in allowances	Impact of FX rate fluctuations	Closing balance	Carrying amount
Buildings	-876,621	-36,770	-	-	5,781	-907,610	2,112,239
Machinery, instruments, and equipment	-2,783,126	-145,848	31,029	-	9,001	-2,888,944	4,781,600
Other non-current tangible assets	-52,196	-16,836	-	-	2,177	-66,855	50,032
Other non-current tangible assets under construction	-9,166	-	-	-	-	-9,166	378,009
Prepayments made for non-current tangible assets	-22,921	-	-	-	-	-22,921	331,704
Lands	-	-	-	-	-	-	1,818,245
Total	-3,744,030	-199,454	31,029	-	16,959	-3,895,496	9,471,829

Machinery, instruments and equipment and Buildings as at 31 March 2025 include right of use assets arising from lease contracts of CZK 81,618 thousand (CZK 77,864 thousand as at 31 December 2024).

Additions to the rights of use arising from lease contracts amounted to CZK 10,215 thousand in 2025 (CZK 1,062 thousand in the three-month period ended 31 March 2024). These primarily include lease contracts for warehouses and office space, as well as cars and technical office equipment.

Depreciation for the three-month period ended 31 March 2025 includes depreciation of right of use assets of CZK 6,766 thousand (CZK 6,778 thousand in the three-month period ended 31 March 2024).

12. INVENTORIES

The structure of inventories as at 31 March 2025 and 31 December 2024 is as follows (in CZK '000):

	31 Mar 2025	31 Dec 2024
Material	3,330,971	3,031,141
Work-in-progress and semi-finished products	1,895,123	1,754,466,
Finished products	2,523,165,	2,209,967,
Goods	384,848	342,508
Prepayments made for inventories	138,253	118,430
Total	8,272,360	7,456,512

The valuation of redundant, obsolete, and slow-moving inventories is decreased to the selling price net of the costs of sale. As at 31 March 2025, allowances for inventories of CZK 602,379 thousand (CZK 611,904 thousand as at 31 December 2024) were included in the statement of financial position. In the three-month period ended 31 March 2025, loss from impairment of inventories change of CZK 10,009 thousand was recorded in the profit and loss (gain of CZK 36,727 thousand in the three-month period ended 31 March 2024).

13. CURRENT AND NON-CURRENT PROVISIONS

The table below shows current and non-current provisions as at 31 March 2025 and 31 December 2024 (CZK '000):

	31 Mar 2025	31 Dec 2024
Warranty repairs	25,807	25,131
Other current provisions	37,053	32,739
Total current provisions	62,860	57,870
Warranty repairs	40,017	40,718
Share-based payments	57,909	57,105
Other non-current provisions	3,116	3,272
Total non-current provisions	101,042	101,095
Total provisions	163,902	158,965

14. SHARE-BASED PAYMENT ARRANGEMENTS

The Group provides a stock option plan (the "Share Program") to its employees. The Share Program entitles the Group's key executives and employees (option holders) to purchase the Company's shares. The plan is currently only available to executives and senior employees.

Shares designated for the Share Program will be newly issued. The maximum number of shares issued will be 3,373 thousand.

The following table below shows the number and weighted average realisable price of share options under the Share Program.

Total options	Number of options	Weighted average exercise price (in CZK)
Not settled at 1 January 2025	946,355	0.10
Change in allocation during the period	-59,000	0.10
Not settled at 31 March 2025	887,355	0.10

14.1. Expenses recognized in the statement of profit and loss

In connection with the Share Program, the Group recognized expenses of CZK 15,165 thousand in Personal expenses (CZK 62,684 thousand for the period from 1 January to 31 March 2024). Of this amount, CZK 3,013 thousand represents personnel expenses related to key management personnel (CZK 27,274 thousand for the period from 1 January to 31 March 2024).

In addition, the Group has created a provision for social and health insurance recognized under Other operating expenses in the amount of CZK 958 thousand (CZK 4,339 thousand for the period from 1 January to 31 March 2024). In connection with this provision, the Group recognized deferred tax in the amount of CZK 204 thousand (CZK 1,012 thousand for the period from 1 January to 31 March 2024).

14.2. Items recognized in the statement of financial position

The fair value of 887,355 stock options (946,355 stock option as at 31 December 2024) allocated to own employees of CZK 150,969 thousand is recognised in Accumulated profits (CZK 135,804 thousand as at 31 December 2024).

The fair value of employee stock options was determined using the Black Scholes measurement model. The options are subject to the employment term/function term and non-market performance condition which were not considered in the fair value determination.

The related social security and health insurance liabilities as at 31 March 2025 of CZK 57,909 thousand are recognised in non-current provisions (CZK 59,976 thousand as at 31 December 2024). The Group also recognised deferred tax in respect of these liabilities in the amount of CZK 12,816 thousand (CZK 12,612 thousand as at 31 December 2024).

15. EMPLOYEE BENEFIT LIABILITIES

Employee benefit liabilities (CZK '000):

	31 Mar 2025	31 Dec 2024
Net employee benefit liability	112,301	118,280
Liability for medical (healthcare) benefits	128,458	133,552
Total net employee benefit liability	240,759	251,832
Non-current net employee benefit liabilities	224,349	234,725
Current net employee benefit liabilities	16,410	17,107
Total net employee benefit liability	240,759	251,832

16. BONDS, BANK LOANS AND BORROWINGS

			31 Mar 2025	31 Dec 2024
	Maturity date	Interest rate	CZK '000	CZK '000
Issued bonds	23 Mar 2027	6M Pribor + margin % p. a.	4,517,000	5,000,000
Issued bonds – unpaid interest			4,131	79,144
Issued bonds – issue cost			-10,342	-11,633
Issued bonds	27 Jan 2029	6M Pribor + margin % p. a.	1,998,000	1,998,000
Issued bonds – unpaid interest			18,257	50,948
Issued bonds – issue cost			-7,385	-7,860
Issued bonds	18 May 2030	6M Pribor + margin % p. a.	3,000,000	2,517,000
Issued bonds – unpaid interest			60,128	17,580
Issued bonds – issue cost			-8,236	-8,632
Syndicated loan	7 May 2029	3M Euribor + margin % p. a.	7,679,915	8,044,030
Syndicated loan – unpaid interest			748	760
Syndicated loan – drawing cost			-91,839	-97,768
Other			263,639	229,568
Total			17,424,016	17,811,137
Repayments in the following year			1,507,950	1,474,910
Repayments in future years			15,916,066	16,336,227

17. EQUITY-ACCOUNTED SECURITIES AND INVESTMENTS

The carrying amount of equity-accounted investments changed as follows in the three-month period ended 31 March 2025 (in CZK '000):

	31 Mar 2025
Beginning of the period	44,102
Share in the profit of associates after tax	1,582
Rounding	1
End of the period	45,685

18. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE

This note provides an update on the judgements and estimates made by the Group in determining the fair value of financial instruments since the last annual financial statements.

As at 31 March 2025, assets and liabilities represent financial derivatives and share-based payment arrangements.

18.1. Financial derivatives

The fair value of interest rate swaps, commodity swaps, currency forwards and swaps is based on the present value of future cash flows based on market data as yield curves of referential interest rate and commodity swaps, spot foreign exchange rates and forward points. For currency and interest rate options, the respective option model is used (primarily the Black-Scholes model or its modifications), with the specific input data including the volatility of currency exchange rates and interest rates reflecting specific realization rates of individual transactions (“volatility smile”). The fair value of cross-currency interest rate swaps is determined as the present value of future cash flows. The estimate of future variable cash flows is based on quoted swap rates and interbank deposit rates. The estimated future cash flows are discounted using a revenue curve constructed from the above sources.

The fair values of derivative transactions are classified as level 2, whereby the market data used in models originate from active markets.

The following table provides an overview of nominal values and positive or negative fair values of open trading derivatives as at 31 March 2025 and 31 December 2024 (CZK ‘000):

CZK ‘000	31 Mar 2025			31 Dec 2024		
	Fair value			Fair value		
	Nominal	Positive	Negative	Nominal	Positive	Negative
Interest rate put options	1,294,285	-	2,599	1,324,642	-	4,344
Interest rate call options	2,444,598	27,422	-	2,523,001	32,207	-
Currency forwards	1,059,476	53,021	5,646	1,745,064	19,680	22,742
Currency swap	451,080	29,986	-	1,238,034	29,459	1,054
Interest rate swaps	1,119,306	-	9,061	1,129,169	-	12,162
Total	6,368,745	110,429	17,306	7,959,910	81,346	40,302

The following table provides an overview of nominal values and positive or negative fair values of open hedging derivatives as at 31 March 2025 and 31 December 2024 (CZK '000):

CZK '000	31 Mar 2025			31 Dec 2024		
	Fair value			Fair value		
	Nominal	Positive	Negative	Nominal	Positive	Negative
Interest rate swap	6,277,729	26,786	160,524	6,437,571	36,925	159,840
Currency put options	553,896	16,012	-	581,688	9,701	-
Currency call options	553,896	-	10,950	581,688	-	20,609
Currency swap	3,710,863	270,418	38,609	4,232,242	257,251	57,243
Currency forwards	5,646,279	131,085	35,164	5,363,204	46,476	157,179
Cross currency interest rate swap – USD	3,212,700	-	87,244	3,212,700	-	187,825
Cross currency interest rate swap – EUR	1,500,000	87,032	-	1,500,000	98,331	-
Cross currency interest rate swap – CHF	724,200	-	130,533	724,200	-	171,056
Commodity swaps - Zinc	109,397	1,423	1,373	134,458	10,516	-
Commodity swaps - Copper	1,612,031	18,624	35,110	1,943,387	-	110,065
Commodity swaps - Lead	514,504	-	37,323	309,201	-	22,616
Total	24,415,495	551,380	536,830	25,020,339	459,200	886,433

The remaining financial assets and liabilities are measured at amortized cost. The fair value of all these instruments does not significantly differ from their carrying amount, as the interest rate is close to current market rates, or they are short-term.

19. PROFIT DISTRIBUTION

In the three-month period ended 31 March 2025, the Company has not yet decided on the distribution of the 2024 profit.

20. TRANSACTIONS WITH RELATED PARTIES

The Group's related parties include subsidiaries and associated companies as well as key management personnel and their family members. Transactions that the Group ensures for related parties primarily include trade receivables and loans provided, and the costs of transactions with related parties include remuneration to members of the Supervisory Board and Board of Directors, together with trade payables. Transactions with related parties are part of regular activity and are implemented at arm's length. During the three-month period ended 31 March 2025, the Group conducted the following transactions with related parties.

Key management personnel

During the three-month period ended 31 March 2025, key management personnel included all members of the Board of Directors and Supervisory Board. Short-term benefits provided to key management personnel (including gross remuneration, annual bonuses, health and social insurance and additional pension insurance) amounted to CZK 9,649 thousand (CZK 6,842 thousand for the period from 1 January to 31 March 2024).

The Company also provided its key management personnel with the Share Program described in Note 14. The Company provided no other benefits (e.g. monetary or non-monetary benefits related to a member's termination of office from a body) to its key management personnel.

The Group records the following outstanding balances with related parties as at 31 March 2025 and the following transactions with related parties in the three-month period ended 31 March 2025 (in CZK '000):

Entity	Relationship	Liabilities as at 31 Mar 2025	Purchases from 1 Jan to 31 Mar 2025	Receivables as at 31 Mar 2025	Sales from 1 Jan to 31 Mar 2025
Keriani, a.s.	Company in the ultimate owner's group	568	1,358	2,069	-
CZ-SKD Solutions a.s.	Company in the ultimate owner's group	1,440	536	706	603
CZ-AUTO SYSTEMS a.s.	Company in the ultimate owner's group	19	77	10,395	12,470
ITeuro, a.s.	Company in the ultimate owner's group	284	2,700	-	-
Sinterfire Inc.	Company in the ultimate owner's group	35	5,093	-	-
Fritz Werner Industrie-Ausrüstungen GmbH	Company in the ultimate owner's group	56	44,799	-	-
Magtech Ammunition Company, Inc. - USA	Company in the ultimate owner's group	217	102	238,003	449,463
Metallwerk Elisenhütte GmbH	Company in the ultimate owner's group	-	-	43,100	85,834
VIBROM spol. s r.o.	associated company	28,439	35,138	9,181	445
CARDAM s.r.o.	associated company	764	292	1,254	287
CZ BRAZIL, LTDA	associated company	-	63	-	-
Colt CZ Hungary zrt.	associated company	17,687	29,988	173,001	61,910
EG-CZ Academy	associated company	-	-	989	-
Total		49,509	120,146	478,658	611,012

The Group records the following outstanding balances with related parties as at 31 December 2024 and the following transactions with related parties in the three-month period ended 31 March 2024 (in CZK '000):

Entity	Relationship	Liabilities as at 31 Dec 2024	Purchases from 1 Jan to 31 Mar 2024	Receivables as at 31 Dec 2024	Sales from 1 Jan to 31 Mar 2024
Keriani, a.s.	Company in the ultimate owner's group	592	1,423	2,029	-
CZ-SKD Solutions a.s.	Company in the ultimate owner's group	-	778	118	-
CZ-AUTO SYSTEMS a.s.	Company in the ultimate owner's group	-	545	14,306	13,177
ITeuro, a.s.	Company in the ultimate owner's group	655	2,957	2,626	-
Magtech Ammunition Company, Inc.	Company in the ultimate owner's group	153	-	208,655	-
Companhia Brasileira de Cartuchos S.A.	Company in the ultimate owner's group	-	-	31,651	-
Fritz Werner Industrie-Ausrüstungen GmbH	Company in the ultimate owner's group	1,541	-	-	-
Metallwerk Elisenhütte GmbH	Company in the ultimate owner's group	-	-	1,835	-
VIBROM spol. s r.o.	associated company	21,524	35,479	6,749	494
CARDAM s.r.o.	associated company	766	367	118	-
CZ BRAZIL, LTDA	associated company	-	-	970	-
Colt CZ Hungary Zrt.	associated company	40,844	585	80,398	3,941
EG-CZ Academy	associated company	126	188	-	-
Total		66,201	42,322	349,455	17,612

21. NET EARNINGS PER SHARE

Basic and diluted earnings from continued operations per share were determined as follows:

	31 Mar 2025	31 Mar 2024
Numerator (CZK '000)		
Profit after tax attributable to the owner of the parent company	523,909	303,263
Denominator (average number of shares in CZK '000)		
Basic	56,463	36,402
Diluted	56,463	49,878
Net earnings per share (CZK/share) attributable to the owner of the parent company		
Basic	9	8
Diluted	9	6

22. CONTINGENT LIABILITIES

As at 31 March 2025, the Group has issued no guarantees in respect to third-party liabilities.

As at 31 March 2025 and 31 December 2024, the Group records no significant legal disputes where the Group acts as a defendant or investments, environmental or other off-balance sheet commitments.

The Group's management regularly monitors and evaluates the development of individual legal claims and litigations. The Group's management is currently not aware of the existence of potential losses that may have a significant unfavorable impact on the Group's results of operation and its cash flow.

23. SUBSEQUENT EVENTS

On 9 May 2025, Colt CZ Group North America, Inc. signed a stock purchase agreement to acquire 100% of the shares of New England Expert Technologies Corp., the sole owner of Valley Steel Stamp Inc. The transaction is expected to close in June 2025 after all regulatory approvals are obtained.

The Group is closely monitoring the situation regarding the introduction of tariffs by the U.S. administration on imports from the European Union and is taking proactive steps to maintain its competitiveness on the key U.S. market.

The Group does not expect a major impact on its planned total revenues; however, it does foresee a potential impact on its operating profitability, particularly on EBITDA. The Group is currently taking steps to mitigate the impact on profitability, whether through price adjustments, changes to the product mix, or redirecting exports to other territories. For the time being, the Group will not revise its guidance for 2025 until it evaluates potential scenarios, including developments in the commercial market in the USA.

No other subsequent events have occurred since the balance sheet date that would have any material impact on the condensed consolidated interim financial statements as at 31 March 2025.