

Report of the Supervisory Board of Colt CZ Group SE for 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, entered in the Commercial Register maintained by the Municipal Court in Prague, File No. H 962 (the "**Company**"), 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 Sb., on Commercial Companies and Cooperatives (Business Corporations Act), as amended (the "**CCA**"), to the General Meeting of the Company, this report containing a summary of the results of its audit activities, a review of the financial statements including the auditor's opinion, related parties report and remuneration report for the period from 1 January 2024 to 31 December 2024.

In carrying out its supervisory activities in the period from January 1, 2024 to December 31, 2024, the Supervisory Board adhered to the Company's Articles of Association and applicable laws, in particular the relevant provisions of the CCA, and Act No. 256/2004 Sb., on Capital Market Business, as amended.

The report has been prepared for the purpose of the Annual General Meeting of the Company, which will approve the Company's audited annual results for 2024 and decide on the disposition of the 2024 results.

The Company's Supervisory Board regularly attended meetings of the Company's Board of Directors and held a total of 8 separate regular meetings of the Supervisory Board and on 6 occasions, per-rollam decisions were made.

Depending on the content and seriousness of the issues discussed, members of the Company's Board of Directors, the Company's employees or external advisors and the Company's auditors were invited to attend meetings of the Company's Supervisory Board.

As part of its monitoring activities, the Company's Supervisory Board also cooperated with the Audit Committee, the Supervisory Board's Strategy Investments and Acquisitions, Remuneration and Compliance and Ethics Committees.

At its meetings, the Supervisory Board of the Company regularly discussed:

- ▶ information on the course and results 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 SE;

- ▶ up-to-date information on the arms industry in the Czech Republic and abroad, including possible developments in the political and regulatory environment in affecting the operations of Colt CZ Group SE with regard to the impact that the war conflict in Ukraine has on the arms industry.

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

- ▶ Approval of the Company's annual individual and consolidated financial plan for 2024 and 2025,
- ▶ approval of an additional issue of CZK-denominated bonds maturing on 18 May 2030 with a maximum total nominal value of CZK 1 071 000 000
- ▶ approved the proposal to authorize the Company's Board of Directors to increase the Company's share capital;
- ▶ approved the acquisition of 100% of the shares of Sellier & Bellot a.s. through the Company's subsidiary, Vocatus Investment a.s.; and
- ▶ Approval of the financial documentation regarding the loan granted by Komerční banka a.s. in the amount of EUR 505,000,000 to cover part of the purchase price for 100% of the shares of Sellier & Bellot a.s.

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;
- ▶ substantial 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 not be in due managerial care.

Moreover, the Company's Supervisory Board has not ascertained any breach of the ban on competition by 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 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. Statement on the annual report

The Supervisory Board has reviewed the Company's 2024 Annual Report containing the individual and consolidated financial statements for 2024. Regarding the presentation and content of the individual and consolidated financial statements for 2024, the Supervisory Board does not have any comments significant to their preparation and concludes that the results presented fairly reflect the state of the Company's business and its assets.

The Supervisory Board has discussed the Board of Directors' 2024 Report on Relations between the controlling and the controlled entity, and the controlled entity and other entities controlled by the same controlling entity for 2024 and asserts that it has no objections to that report.

The Supervisory Board has discussed with the Company's auditor, Deloitte Audit s.r.o., the method of compiling the financial statements, the content of the auditor's report and the auditor's opinion, without finding any drawbacks in this respect.

The Supervisory Board discussed the ESG 2024 report and found no deficiencies.

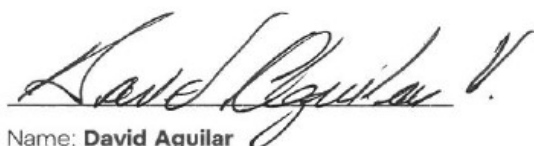
Therefore, the Supervisory Board recommends that the General Meeting of Colt CZ Group SE approve the individual and the consolidated financial statements for 2024, constituting part of the Annual Report for the same year.

The Supervisory Board further recommends the Annual General Meeting to approve the Company's audited financial statements for 2024, the ESG report for 2024 and the related entities report for the year 2024.

3. Conclusion

This report of the Supervisory Board of the Company was discussed at a regular meeting of the Supervisory Board of the Company on 28 April 2025 and was approved by all attending members in the form of a resolution.

In Prague, on 28 April 2025



Name: **David Aguilar**

Position: Chairman of the Supervisory Board