

## Proposal for resolution of the General Meeting and its reasoning

### Item 6 – Approval of the distribution of profit for 2025

#### Proposed resolution:

*“The General Meeting of the Company hereby resolves on the distribution of the Company’s financial results for the year 2025, i.e. the non-consolidated profit for the year 2025 in the amount of CZK 1,999,130,608.36 after tax, as follows:*

- (a) a profit in the amount of CZK 1,879,117,260 for 2025 will be distributed among the shareholders of the Company, to each shareholder in proportion of the par value of the shares held by such shareholder to the total share capital of the Company. The record date for exercising the right to a share in profits is 2 July 2026. The share in profits is payable by 2 October 2026. The share in profits will be paid to the Company’s shareholders in cash;*
- (b) the remaining profit in the amount of CZK 120,013,348.36 will be transferred to the account of retained (accumulated) earnings of previous years.”*

#### Reasoning:

In accordance with Section 421(2)(h) of the Companies Act and Article 7.3(l) of the Company’s Articles of Association, the Company’s General Meeting decides on the use of the economic result, i.e. distribution of profit.

In accordance with Section 435(4) of the Companies Act and Article 13.4(c) of the Company’s Articles of Association, a proposal is submitted to the General Meeting for the distribution of the Company’s financial result for 2025, i.e. the non-consolidated profit after tax for 2025 in the amount of CZK 1,999,130,608.36, so that an amount of CZK 1,879,117,260 is distributed among the shareholders of the Company, and the remaining profit in the amount of CZK 120,013,348.36 is transferred to the account of retained (accumulated) earnings from previous years.

The proposal of the Company’s Board of Directors for the distribution of profit reflects the Company’s declared dividend strategy and is in accordance with its adopted dividend policy. The Board of Directors proposes to distribute among the shareholders a profit of CZK 1,879,117,260, which represents 94% of the Company’s profit for the year 2025. In its IPO prospectus, the Company committed, under its dividend policy, to distribute at least 33% of the profit reported by the consolidated group. For the year 2025, this consolidated profit amounts to CZK 2,044,267,000. The proposed dividend thus corresponds to 91.92% of the consolidated profit, meaning that the Company has fulfilled its commitment. The remaining profit in the amount of CZK 120,013,348.36 is proposed by the Board of Directors to be transferred to retained (accumulated) earnings from previous years.

There are **important and substantively well-founded reasons** for the proposed measure in the form of retaining a portion of the earnings.

The Company has long pursued a strategy of organic growth through acquisitions of companies with complementary products and technologies. Nonetheless, the Board of Directors now proposes to distribute a major part of distributable profits to the Company’s shareholders. Retaining some of the profits may lead to a moderate and gradual strengthening of the Company’s capital and investment capacity and, in the long term, create one of the sources **for the further strategic development of the business of the group of**

companies controlled by the Company (“Colt CZ Group”). Such acquisitions may bring both market and product benefits (expansion of the offering for existing customers, entry into new segments) and operational benefits (sharing of production capacities, procurement optimization, logistics, harmonization of quality standards). At the same time, they make it possible to strengthen vertical integration, reduce dependence on external suppliers and increase the ability of Colt CZ Group to achieve its long-term growth objectives while maintaining financial stability. The use of retained earnings as an internal source of financing for acquisitions is potential alternative to external debt financing, including the cost of debt, which is why the Board of Directors proposes not to distribute a portion of these earnings to shareholders.

The sector in which the Company operates is also characterized by a high degree of technological dynamism and shortening innovation cycles, **while maintaining and developing the Company’s technological competitiveness requires continuous investment in research, development and the implementation of new technologies** (including automation and digitalization of production, increasing process efficiency and improving quality). The Company’s investments in expanding production capacities will also enable Colt CZ Group to increase productivity, reduce unit costs, strengthen operational reliability and, at the same time, better serve existing and new markets. These investments also support supply chain resilience and the ability to fulfil long-term contracts, including those with high demands for standardization, safety, and timely delivery. Sustainable building of Colt CZ Group’s market position requires continuous innovation and the ability to adapt the product portfolio to changing customer requirements and regulatory standards. Strengthening research and development will make it possible to accelerate the development of new products, shorten innovation cycles, and develop complementary technologies and material solutions. Retaining a portion of the profit creates a secure partial internal source of financing for these investments.

The global economic environment is moreover characterized by an increased level of uncertainty, volatility of input costs, geopolitical risks, and fluctuations in demand. The effort to retain an adequate level of own financial resources therefore strengthens the Company’s ability to partially absorb negative external shocks while also enabling the Company to respond flexibly to suddenly emerging market opportunities. **Given the current global situation and an environment characterized by structurally increased uncertainty, the effort to have an adequate capital reserve may be regarded as a standard instrument of prudent financial management** that protects the Company from the need to rely solely on external sources of fundings. In conditions of globally increased economic uncertainty, where sudden and difficult-to-predict fluctuations occur both on the cost side and on the revenue side, maintaining an adequate level of equity capital is becoming increasingly important. The proposed distribution of profit is consistent with the rationale behind the resolution authorizing the Company’s Board of Directors to increase the Company’s share capital, which was adopted at the Company’s last general meeting on 10 April 2026.

The implementation of the above-mentioned strategic objectives of the Company represents an opportunity to participate in the future economic results of a more profitable and stable business corporation, which will have a positive impact on the value of shareholders’ investments.

In addition to the above-mentioned facts, the Company is also bound by obligations arising from existing loan financing agreements and from the Company’s previous bond issues. Retaining a portion of the earnings and maintaining an appropriate capital reserve in the form of retained earnings is therefore justified by the interest in strengthening the Company’s

financial stability and preserving its ability to duly and timely perform obligations related to debt service.

The proposed measure is proportionate in scope to the objectives pursued. The portion of profit left in the retained earnings will not exceed 5% of the Company's total available profit for the relevant accounting period, while the majority of the profit, i.e. more than 90%, will be paid out to the shareholders in full.

In light of the above reasoning the proposed measure in the form of a partial non-distribution of the Company's earnings among its shareholders is, in the view of the Company's Board of Directors, **a proportionate measure, and the decision not to distribute a part of the earnings is in the interest of the Company.**

The calculation of the share in profit per share is based on the total number of shares issued by the Company. The share in profit thus amounts to CZK 30 per share before tax, assuming the profits were distributed among all of the Company's shares as of the date of this invitation. In accordance with the conditions arising from legal regulations, the applicable tax will be withheld (deducted) by the Company prior to the payment being made.

The record date for exercising the right to a share in profit, in accordance with Article 28.4 of the Company's Articles of Association, is 2 July 2026. This means that the right to a share in profit will belong to those who are shareholders of the Company as of the record date for exercising the right to a share in profit.

In accordance with Section 34(4) of the Companies Act and Article 28.6 of the Company's Articles of Association, the General Meeting may decide on a different due date for the payment of the share in profit. The share in profit will be payable no later than 2 October 2026.

The payment of the share in profit will be carried out through Komerční banka, a.s., with its registered office at Na Příkopě 33/969, 114 07 Prague 1, Czech Republic, Identification No. 453 17 054, registered in the Commercial Register maintained by the Municipal Court in Prague, File No. B 1360.

The terms and the method of the pay-out of the share in the profit are published on the Company's website at <https://www.coltczgroup.com/en/> under the "Investors" tab in the "General Meetings" section.