

REGULATORY ANNOUNCEMENT

CZG - - Česká zbrojovka Group SE **Decision on the distribution of profit for 2020**

Prague (3 July 2021) – The General meeting of CZG – Česká zbrojovka Group SE (“the Company”) adopted outside its meeting (decision per rollam) to dispose of the Company's economic result for 2020, i.e. the unconsolidated profit for 2020 in the amount of CZK 462,928,714.28 (in words: four hundred and sixty-two million nine hundred and twenty-eight thousand seven hundred and fourteen Czech crowns and twenty-eight halers) after tax, as follows:

- the profit in the amount of CZK 253,024,650 (in words: two hundred fifty-three million twenty-four thousand six hundred fifty Czech crowns) will be distributed among the shareholders. The share on the profit thus amounts to CZK 7.50 (in words: seven Czech crowns and fifty halers) per share before tax. The record date for exercising the right to a share on the profit is 28 June 2021. The share in the profit is payable on 19 July 2021;
- the profit in the amount of CZK 209,904,064.28 (in words: two hundred nine million nine hundred four thousand sixty-four Czech crowns and twenty-eight halers) will be transferred to the account of the retained earnings of previous years.

In accordance with the provision of Section 421(2)(h) of the CA and Article 7.3(l) of the Company's Articles of Association, the Company's General Meeting decides on the disposal of the economic result, i.e. also on the distribution of profit.

In accordance with the provision of Section 435(4) of the CA and Article 13.4(c) of the Company's Articles of Association, the General Meeting was submitted a proposal for the distribution of the unconsolidated profit in the amount of CZK 462,928,714.28 (in words: four hundred and sixty-two million nine hundred and twenty-eight thousand seven hundred and fourteen Czech crowns and twenty-eight halers), i.e. so that the profit for 2020 in the amount of CZK 253,024,650 (in words: two hundred fifty-three million twenty-four thousand six hundred fifty Czech crowns) is distributed to the shareholders and the profit in the amount of CZK 209,904,064.28 (in words: two hundred nine million nine hundred four thousand sixty-four Czech crowns and twenty-eight halers) is transferred to the account of the retained earnings of previous years.

The distribution of profit reflects the Company's proclaimed dividend strategy and is in line with the Company's adopted dividend policy. The Board of Directors proposed to the General Meeting to distribute to the shareholders the profit of CZK 253,024,650, which represents 37.4% of the share on the profit of the consolidated group. In the IPO prospectus, the Company committed to pay out, within its dividend policy, a share on the profit of at least 33% of the share on the profit reported by the consolidated group, i.e. it has kept this commitment. The Company's Board of Directors proposed to transfer the remaining profit of CZK 209,904,064.28 to the retained earnings of previous years, mainly for the purpose of settlement of the acquisition of 100% interest in Colt Holding LLC, with its registered office at 547 New Park Avenue West Hartford, Connecticut 06110-1336 and its subsidiaries CDH II Holdco Inc, Colt Defence LLC, New Colt Holding Corp, Colt Manufacturing Company, Colt's Manufacturing IP Holding Company LLC, Colt Defence Technical Services LLC, Colt International Cooperatief U.A., Colt Canada Corporation, Colt Canada IP Holding Partnership CA, Colt Canada IP Holding Company (the "Colt Group"), by the Company and the subsidiary CZ-

US Holdings Inc. The terms and conditions of the settlement of this transaction were set out in the agreement on the 100% acquisition dated 11 February 2021). The Transaction was further described in a presentation entitled "PROJECT CONSTITUTION: ACQUISITION OF 100% COLT HOLDING COMPANY LLC. Shareholders were already familiarised with the transaction documentation as part of the original decision per rollam of the General Meeting held in the period from February to March 2021, with the underlying documents being published on the Company's website (at <https://www.czg.cz> under the "Investors" link in the "General Meetings" section).

The calculation of the share on the profit per share is based on the total number of shares issued by the Company. The share on the profit thus amounts to CZK 7.50 (in words: seven Czech crowns and fifty halers) per share before tax. Under the terms of the Czech legislation, the relevant tax will be withheld (deducted) by the Company before the payout is made.

The record date for exercising the right to a share on the profit in accordance with Article 28.4 of the Company's Articles of Association is 28 June 2021, which means that the right to the share on the profit have the persons who are shareholders of the Company as of the record date for the exercise of the right to the share on the profit.

In accordance with the provision of Section 34(4) of the CA and Article 28.6 of the Company's Articles of Association, the General Meeting may decide on a different maturity of the share on the profit. The share on the profit is payable on 19 July 2021.

The payout of the share on the profit will be made through Komerční banka, a.s., with its registered office at Prague 1, Na Příkopě 33 no. 969, Postal Code 114 07, ID No: 453 170 54.

The terms and methods for the payout of the share on the profit are published on the Company's website at <https://www.czg.cz> under the "Investors" link in the "General Meetings" and "Dividend" sections.

About CZG - Česká zbrojovka Group SE

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

CZG is headquartered in the Czech Republic and has production facilities in the Czech Republic, the United States and Canada. It employs around 2,000 people in the Czech Republic, the USA, Canada and Germany.

Contact for investors

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