**PRESS RELEASE**

**CZG – Česká zbrojovka Group SE
achieved record revenues of CZK 6.8 bn in 2020**

**Prague (31 March 2020)** ― CZG - Česká zbrojovka Group SE(“CZG”, the “Group” or the “Company”) today announced its preliminary consolidated unaudited financial results for the full year ending 31 December 2020.

**2020 Financial Highlights**

* The Group’s revenues in 2020 amounted to CZK 6.8 bn, up by 14.6% y-o-y, mainly due to higher number of firearm units sold as a result of the strong demand for CZG products, particularly in the United States.
* Operating profit in 2020 was CZK 1,056.3 million, up by 11.9% compared to 2019, driven by higher revenues.
* Underlying EBITDA[[1]](#footnote-1) from continued operations reached CZK 1,470.7 million in 2020, up 11.9% y-o-y.
* The number of firearms sold in 2020 increased by 24.9% compared to the same period in 2019, reaching 467,463 units.
* Revenues generated in the USA represented 66 % share on total Group’s revenues in 2020, followed by Europe (excl. Czech Republic) with 13.8 %, the Czech Republic with 4.8 %. The share of the Asian revenues was 6.2%, Africa represented 5.7 % and 6.1% was rest of the world.
* The Company will propose a dividend payment of CZK 7.5 per share subject to shareholder’s approval

*“The year 2020 was a remarkable one from many perspectives. The COVID-19 pandemic brought many organisational and logistical challenges with it. I am happy to note that we tackled all of them successfully and CZG achieved record results, underlined by the launch of several new products and strong orders. It speaks volume about the dedication of our employees, the strength of our business model, and the overall market position of the CZ brand,”* commented **Lubomír Kovařík, President and Chairman of the Board of CZG**. “*Last year, we also marked another important milestone in the history of the Group when we successfully completed an IPO on the Prague Stock Exchange. With this step, we have strengthened our commitment to transparency and raised funds for CZG’s growth, including the acquisition of Colt, which we announced in February 2021 and which we expect to complete in the second quarter of this year,”* added Lubomír Kovařík.

**Jan Drahota**, Vice-Chairman of the Board of Directors of CZG, said: *“The year 2020 was a milestone year for CZG. Our Group continues to grow strongly in most financial parameters. Our sales growth and profitability were driven by high customer demand, primarily in the USA.* *We are excited as we head to 2021 and we hope to capitalize on market opportunities going forward, supported by newly created opportunities through the acquisition of Colt. CZG is perfectly placed to successfully achieve its vision to become a truly global player in the firearms industry. In addition, we plan to propose a dividend payment of CZK 7.5 per share.”*

Revenues increased by 14.6 %, from CZK 5.9 billion 2019 to CZK 6.8 billion in 2020, mainly due to an increase in the number of firearms sold as a result of increased demand in all key markets, in particular in the US.

1. Regionally, revenues in the Czech Republic decreased by 76.0 % to CZK 327.4 million in 2020 due to the shift of the start of deliveries to the Czech Army to 2021, a one-time ammunition delivery in 2019, which did not recur in 2020, as well as reduced sales to civilian customers related to COVID-19 shutdown measures. Revenues in the United States increased by 49.3%, reaching 4,506.7 million in 2020 mainly as a result of a surge in demand on the US commercial market. Revenues in Europe (excluding the Czech Republic) increased by 13.6%, to CZK 945.7 million in 2020. Revenues in Africa increased by 312.4%, to CZK 414.6 million in 2020 due to the realization of large contracts to several military and law enforcement customers. Revenues in Asia increased by 24.8%, to CZK 390.6 million in 2020 due to increased sales to military and law enforcement customers as well as increased sales to civilian customers.

Last year, the Group marked several significant developments. May 2020, the Company acquired a minority stake in Spuhr i Dalby AB, a Swedish manufacturer of optical mounting solutions for weapons. In October, CZG completed public offering of its shares on the Prague Stock Exchange.

In February 2021, CZG signed an agreement to acquire a 100% stake in Colt Holding Company LLC, the parent company of the US arms manufacturer Colt Manufacturing Company LLC, as well as its Canadian subsidiary Colt Canada Corporation. The transaction is subject to regulatory approval and is anticipated to close in the second quarter of 2021.

**About CZG - Česká zbrojovka Group SE**

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

CZG is headquartered in the Czech Republic. It has production facilities in the Czech Republic and in the United States and employs around 1,670 people in the Czech Republic, the United States and Germany.

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1. Underlying EBITDA from continued operations is not a measure of performance defined or recognized under IFRS. Underlying EBITDA from continued operations is defined as post-tax profit for the period less post-tax profit from discontinued operations plus income tax less other financial income plus other financial expenses less interest income plus interest expenses plus expense from derivatives transaction less income from derivatives transaction plus depreciation and amortization. [↑](#footnote-ref-1)