**PRESS RELEASE**

**CZG – Česká zbrojovka Group SE increased revenues by 41 percent year-on-year and net profit by 54 percent in the first half of the year**

**Prague (29 September 2021)** ― CZG – Česká zbrojovka Group SE (“CZG”, “Group” or “Company”) reported an increase in all key indicators in the first six months of this year, mainly due to higher firearms sales in the United States, Africa, and Asia. The acquisition of Colt and the consolidation of its revenues into CZG's overall operations since 21 May 2021 also made a positive contribution. This follows from the consolidated unaudited financial results published today.

**H1 2021 Financial Highlights:**

* The CZG revenues for the first half of 2021 reached CZK 4.7 billion, representing a year-on-year increase of 40.6%.
* Net profit for the first six months of this year increased to CZK 587.9 million, which is increase by 54.0% compared with the first half of 2020.
* EBITDA went up by 12.5% to CZK 984.1 million for the six months ended 30 June 2021 compared to the same period in 2020. The increase is attributable mainly significant increase in global sales, primarily on continents other than Europe.
* Normalised EBITDA net of extraordinary effects connected with the acquisition of Colt amounted to CZK 1,203.6 million for the six months of this year. These effects mainly include the costs of professional advisors and other services linked to the Colt acquisition and write-offs related to the previously announced postponement of the project in Arkansas.
* The number of firearms sold in the first half of this year increased to 304 322 units, which is up by 33.3% compared to the first six months of 2020. Short guns represent 60.1%, long guns 39.9%.
* Revenues generated in the USA represented 62.5% of CZG's total revenues in the first half of this year, followed by a 10.7% share of revenues achieved in Europe (excluding the Czech Republic). Africa represented 10.5% of total revenues, Asia 6.1%, Canada 3.3%, the Czech Republic 2.9%, and the rest of the world 4.0%.

*"CZG has experienced another record half-year. For the first time, these financial results reflect the performance of the Colt Group from the date of completing the acquisition. CZG also marked several business successes,”* said **Jan Drahota, President and Chairman of the Board of Directors of CZG***. "The demand for our products remains high and exceeds our current production capacities. We are in a strong position on our way to creating long-term sustainable values for our employees, customers, business partners, shareholders and the society,”* he added*.*

Regionally, the revenues generated in the Czech Republic decreased year-on-year by 56.2% to CZK 135.1 million as at 30 June 2021. The Czech Republic thus represents 2.9% of the Company’s total revenues. This result was mainly due to a slight postponement of deliveries to the Czech Army. The Company expects to realize deliveries under a framework agreement in the second half of this year. Revenues generated in the United States increased year-on-year by 26.5% to CZK 2,957.4 million for the six months ended 30 June 2021, mainly thanks to increased demand on the US commercial market and the consolidation of Colt’s revenues in the USA. The USA thus represents 62.5% of total revenues of CZG in the first half of this year. Thanks to the acquisition of Colt, the Group has also started to report revenues realised in Canada. In the first six months of this year, revenues in Canada reached CZK 156.6 million, which is 150.3% more year-on-year, and Canada thus accounts for 3.3% of the Group's revenues.

Revenues generated in Europe (excluding the Czech Republic) increased year-on-year by 77.8% to CZK 507.2 million in the first half, mainly due to higher sales in Central and Eastern European countries. Europe thus represents 10.7% of total revenues. Africa represents 10.5% of total revenues. Revenues generated in Africa increased by 307.4% year-on-year by to CZK 496.8 million in the first half, as a result of sales to the military and law enforcement sector customers. Revenues generated in Asia increased year-on-year by 45.3% to CZK 288.3 million for the six months ended 30 June 2021, as a result of increased sales to both the military and law enforcement sector customers and commercial customers. Asia represents 6.1% of Company’s total revenues, other countries 4.0%.

Given the favourable development of CZG’s financial performance at the date of this report, the management of CZG confirms its full year guidance communicated during the second quarter of 2021. CZG expects that the total revenues could reach the range of CZK 10.34 -10.64 billion in 2021. The expected EBITDA could reach CZK 1.99 – 2.19 billion in 2021.

The main challenge for the Group remains its ability to satisfy the globally strong demand, both in terms of its own production capacities and in terms of its supplier chain, which is caused by a number of factors, including by the continuation of the strained Covid-19 reality.

**About CZG - Česká zbrojovka Group SE**

CZG – Česká zbrojovka Group (CZG), together with its subsidiaries, is one of the leading world’s 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), Colt, Colt Canada, CZ-USA, Dan Wesson, Brno Rifles and 4M Systems brands. CZG’s subsidiaries include Česká zbrojovka, Colt Manufacturing Company, Colt Canada Corporation, CZ-USA, Brno Rifles, 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. CZG is owned by Česká zbrojovka Partners SE from 81.2%, with the remaining 18.8% being a free float.

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