

PRELIMINARY CONSOLIDATED FINANCIAL STATEMENTS

under International Financial Reporting Standards as Adopted by the European Union

as of 31 December 2021

(unaudited)

Name of the Company: CZG - Česká zbrojovka Group SE

Registered office: Opletalova 1284/37, Nové Město, 110 00 Praha 1

Legal form: European Company (Societas Europaea – SE)

IČO: 291 51 961

Preliminary consolidated statement of profit and loss and other comprehensive income

Preliminary consolidated statement of financial position

Preliminary consolidated statement of changes in equity

Preliminary consolidated cash flow statement

PRELIMINARY CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

	31 Dec 2021	31 Dec 2020
	CZK '000	CZK '000
Revenues from the sale of own products, goods and services	10 688 927	6 819 673
Other operating income	61 679	50 431
Change in inventories developed internally	160 441	-380 396
Own work capitalised	139 611	123 511
Materials, goods and energy used	-5 133 946	-2 736 016
Services	-1 764 899	-1 094 683
Personnel expenses	-2 088 146	-1 299 086
Depreciation and amortisation	-789 623	-393 496
Other operating expenses	-162 992	-105 310
Allowances	-99 871	71 691
Operating profit	1 011 181	1 056 319
Interest income	50 038	17 280
Interest expense	-204 985	-76 504
Other financial income	32 488	513
Other financial expenses	-168 509	-66 218
Gains or losses from derivative transactions	184 139	-101 255
Share of profit of equity accounted investees, net of tax	26 780	20 888
Profit before tax	931 132	851 023
Income tax	-171 086	-174 452
Profit for the period	760 046	676 571
Items that may be subsequently reclassified to the statement of profit or loss		
Cash flow hedges – remeasurement of effective portion of hedging instruments	-39 742	274 923
Foreign currency translation of foreign operations	-167 497	-50 402
Other comprehensive income:	-207 239	224 521
Total comprehensive income for the period	552 807	901 092
Profit for the period attributable to the owner of the parent		
Profit for the period	760 046	672 948
Profit for the period attributable to non-controlling interests		
Profit for the period	-	3 623
Profit for the period attributable to:		
Owner of the parent	552 807	896 055
Non-controlling interests	-	5 037
Net earnings per share attributable to the owner of the parent company (CZK per share)		
Basic	23	21
Diluted	23	21

PRELIMINARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31 Dec 2021	31 Dec 2020
	CZK '000	CZK '000
ASSETS		
Non-current assets		
Intangible assets	3 505 464	770 194
Goodwill	2 390 127	280 686
Property, plant and equipment	2 810 115	2 050 783
Equity-accounted securities and investments	109 030	110 524
Provided loans	-	259 260
Financial derivatives	171 195	436 267
Long-term receivables	61 296	27 414
Other receivables	8 866	9 586
Deferred tax assets	-	2 825
Total non-current assets	9 056 093	3 947 539
Current assets		
Inventories	2 861 673	1 622 702
Trade and other receivables	1 012 879	589 186
Provided loans	197 973	7 000
Financial derivatives	156 118	93 303
Other receivables	175 717	123 819
Current tax receivables	6 357	34 334
Cash and cash equivalents	3 573 467	2 358 608
Total current assets	7 984 184	4 828 952
Total assets	17 040 277	8 776 491
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	3 374	3 264
Share premium	1 139 211	722 944
Capital funds	1 641 512	1 642 107
Cash flow hedge reserve	123 023	161 794
Foreign exchange translation funds	-215 457	-47 960
Accumulated profits	2 538 784	2 027 994
Total equity attributable to the owner	5 230 447	4 510 143
Owner of the parent	5 230 447	4 510 143
Non-controlling interest	-	12 543
Total equity	5 230 447	4 522 686
Non-current liabilities		
Bonds, bank loans and borrowings	5 000 000	2 250 000
Financial derivatives	270 515	268 219
Lease contract liabilities	32 606	75 939
Other financial liabilities	372 531	-
Trade and other payables	5 422	-
Other payables	27 357	160
Provisions	63 695	754
Tax liabilities	800 612	324 145
Employee benefit liabilities	357 707	6 836
Total non-current liabilities	6 930 445	2 926 053

Current liabilities		
Bonds, bank loans and borrowings	2 317 579	40 747
Financial derivatives	20 097	55 372
Lease contract liabilities	20 695	11 436
Other financial liabilities	185 568	-
Trade and other payables	1 116 373	540 621
Other payables	1 074 021	655 267
Provisions	50 780	10 649
Deferred tax liability	76 156	12 682
Employee benefit liabilities	18 116	978
Total current liabilities	4 879 385	1 327 752
Total liabilities	11 809 830	4 253 805
Total equity and liabilities	17 040 277	8 776 491

PRELIMINARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Thous. CZK	Share capital	Capital funds	Share premium	Cash flow hedging funds	Foreign exchange translation funds	Accumulated profits	Equity attributable to the shareholder of the parent company	Non-controlling interests	Total equity
Balance at 31 December 2021	2 984	0	1 641 721	-111 045	2 442	1 921 501	3 457 603	11 358	3 468 961
Profit for the period	0	0	0	0	0	672 948	672 948	3 623	676 571
Other comprehensive income	0	0	0	273 192	-50 085	0	223 107	1 414	224 521
Total comprehensive income for the period	0	0	0	273 192	-50 085	672 948	896 055	5 037	901 092
Dividends	0	0	0	0	0	-328 218	-328 218	-4 049	-332 267
Impact of the spin-off of the investment in CZ-AUTO	0	0	0	0	0	-207 291	-207 291	0	-207 291
Issue of shares	280	811 720	0	0	0	0	812 000	0	812 000
Cost of IPO	0	-88 776	0	0	0	0	-88 776	0	-88 776
Change in non-controlling interests and treasury holdings	0	0	386	-353	-317	-30 946	-31 230	197	-31 033
Balance at 31 December 2020	3 264	722 944	1 642 107	161 794	-47 960	2 027 994	4 510 143	12 543	4 522 686
Profit for the period	0	0	0	0	0	760 046	760 046	0	760 046
Other comprehensive income	0	0	0	-39 742	-167 497	0	-207 239	0	-207 239
Total comprehensive income for the period	0	0	0	-39 742	-167 497	760 046	552 807	0	552 807
Dividends	0	0	0	0	0	-253 025	-253 025	-8 101	-261 126
Change in other capital funds	0	0	-297	0	0	0	-297	0	-297
Issue of shares	110	416 267	0	0	0	0	416 377	0	416 377
Change in non-controlling interests and treasury holdings	0	0	298	971	0	3 769	4 442	- 4 442	-297
Balance at 31 December 2021	3 374	1 139 211	1 641 512	123 023	-215 457	2 538 784	5 658 093	0	5 230 447



PRELIMINARY CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

	31 Dec 2021	31 Dec 2020
	CZK '000	CZK '000
<i>Cash flows from principal economic activity (operating activity)</i>		
Profit from ordinary activity before tax	931 132	851 023
Depreciation/amortisation of non-current assets	789 622	393 496
Change in allowances and provisions	139 546	-53 824
Loss from the sale of non-current assets	-2 340	-791
Interest expense and interest income	154 947	73 036
Share of profit of equity accounted investees, net of tax	-26 780	-20 888
Effect of unrealized FX differences	-149 784	0
Adjustments for other non-cash operations (deficit and damage on assets and inventories, remeasurement of derivative transactions)	-30 762	-90 245
Net operating cash flows before changes in working capital	1 805 581	1 151 807
Change in working capital		
Change in receivables and deferrals	299 175	95 187
Change in liabilities and accruals	499 830	197 278
Change in inventories	-410 096	163 717
Cash generated by operations	2 194 490	1 607 989
Interest paid	-84 098	-87 891
Interest received	44 934	9 141
Income tax paid for ordinary activity	-249 620	-213 839
Net cash flow from operating activities	1 905 706	1 315 400
<i>Cash flows from investing activities</i>		
Acquisition of fixed assets	-651 936	-330 657
Proceeds from sale of tangible and intangible fixed assets	-	1 481
Acquisition of subsidiaries – net of cash	-5 527 993	0
Acquisition of subsidiaries – cash	319 499	0
Acquisition of other investment	-595	-69 823
Loans provided	74 000	0
Pension & Post-retirement health plan - settlement & paid	-19 628	0
Net cash used in investing activities	-5 806 653	-398 999
<i>Cash flows from financing activities</i>		
Income from issue of bonds	5 000 000	-17 410
Public offer of shares	416 377	722 944
Dividends paid to owners	-253 025	-328 218
Dividends paid to non-controlling interests	-8 101	-4 049
Cash flow hedges – remeasurement of effective portion of hedging instruments	-38 771	272 839
Net cash flow from financing activities	5 116 480	646 106
Net change in cash and cash equivalents	1 215 532	1 553 105
Impact of the spin-off of the investment in CZ-AUTO	0	-74 812
Opening balance of cash and cash equivalents	2 358 608	880 315
Effect of foreign exchange rate changes	-673	-9 402
Closing balance of cash and cash equivalents	3 573 467	2 358 608