

The background of the entire page is a dark, blue-toned image of various 3D metallic objects, including large numbers and mechanical parts, creating a sense of industrial precision and depth.

Annual Report

2024

Annual Report 2024

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This version of the Annual Report is not prepared in the single electronic reporting format (“ESEF”) and represents an unofficial version of the official Annual Report issued in compliance with ESEF in the XHTML format. The Company has taken all steps to ensure that this version conforms to the original, except for the use of machine-readable XBRL tags, which are included only in the official XHTML version. In case of any differences identified in the information, opinions, or interpretations, the official version of the Annual Report shall prevail over this version. The official Annual Report prepared in the ESEF format is available at czechoslovakgroup.com.

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Defending freedom is what
we stand for with all our...



Czechoslovak Group (“CSG” or “the Group”) is a global defence, industrial, and technology group active in five strategic business divisions: Defence, Ammo+, Aerospace, Mobility, and Business Projects.

Group Highlights

In 2024, CSG strengthened its market position by delivering both revenues and Operating EBITDA growth throughout its existing markets, reflecting the effectiveness of its strategic initiatives.

CSG remains committed to its growth strategy, consistently investing in the expansion of operations, vertical integration, enhancement of production capabilities, and advancement of innovation across its entities.

The company has continued to build strategic partnerships with technology leaders and industry experts, reinforcing its commitment to staying at the forefront of innovation and technological advancement.

4.0

Revenues, € billion

5.2

Pro-forma Revenues With
The Kinetic Group, € billion

1.1

Operating EBITDA,
€ billion

1.4

Pro-forma Operating EBITDA
With The Kinetic Group, € billion

26.9%

Operating EBITDA margin

1.3×

Net leverage

14,000+

Number of employees

30

Years of the
Group’s history

ESG AUDIT

ESG data independently
audited

CSRD

Sustainability report
aligned with ESRS

We invest in expansion to
multiple countries around the...



Letter from the Chairman

Dear readers,

2024 brought a significant improvement in CSG's financial results and the completion of a record acquisition: the purchase of The Kinetic Group in the USA. Thanks to The Kinetic Group, we have become the most significant producer of small caliber ammunition in the USA and one of the largest world-wide. But this is definitely not the end of CSG's journey. My ambition is to make CSG one of the two most significant defence companies in Europe, a goal we are steadily approaching with every strategic step we take.

It goes without saying that this growth is also driven by the global security situation, which is increasing the role of the defence industry in Europe as a supplier of technologies for the task of defending the basic values of civilization. However, I am convinced that the main credit here actually belongs to our initiative and diligence, driven by our vision of building a global industrial player in defence and other strategic sectors as well.

Let me first assess the acquisition of The Kinetic Group, which includes multiple major American small caliber ammunition manufacturers including tradition-laden brands such as Federal and Remington. When we first entered into the purchase agreement with Vista Outdoor – the company to which The Kinetic Group companies then belonged – in October 2023, I would

never have imagined the arduous journey that would lead up to the successful closing of this transaction, which did not arrive until November 2024. We faced very determined and strong competition that was trying to block this project, which was taking place on their home turf.

However, we were victorious in this competition, and this can above all be credited to the qualities that characterize our management team: experience, knowledge, strength, endurance, resilience, and the ability to make important decisions quickly.

With this acquisition we have strongly diversified our business, because our main customer group here is hunters and sport shooters, who purchase ammunition on an ongoing basis in other words, not customers from among defence forces. But we make no secret of the fact that we want to strengthen The Kinetic Group's position as a supplier to the armed forces in NATO and its allies in the future.

Defence is a very strong business segment and source of growth for CSG, and the production and trade of large caliber ammunition dominates within this segment. The outbreak of Russian aggression against Ukraine has shown that there is a huge shortage of production capacity for this strategic commodity on NATO territory. Very quickly, we decided to simply act rather than waiting for politicians to act – to

begin investing on our own in developing our production capacity and strengthening our global business network. Thanks to this, we were able to supply Ukraine with one million units of artillery ammunition in 2024, some of it under the "Czech Ammunition Initiative": a Czech government project for supporting ammunition supplies to Ukraine. We are working hard to ensure that a growing proportion of this ammunition is manufactured by us. It is because of this goal that we announced several major investments for expanding our production of large caliber ammunition and its vertical integration in 2024. Please allow me to mention at least one important project in this context: In Greece, we are preparing to resume full-scale production of large caliber ammunition in a joint venture with a local state-owned company, and with it the production of TNT: an important ammunition commodity that is currently produced in just one single location in Europe.

Another major acquisition we announced in 2024 is also related to the production of large caliber ammunition: In Lower Saxony, Germany, we are in the midst of acquiring a nitro-cellulose production plant, and the industrial park in which the plant is located, from the U.S. company International Flavors & Fragrances (IFF). This transaction is expected to be completed in the first half of 2025. Germany, the nearest neighbor and most important economic partner

of the Czech Republic – where CSG is based – will thereby be "added to the map" of countries where we are a manufacturer and employer.

The information I've presented so far has been about traditional industries; now I would like to mention the role CSG wishes to play in the use of modern technologies. In June 2024, we announced the launch of the Presto Tech Horizons investment fund together with Presto Ventures. This fund plans to support dozens of promising technology projects from NATO countries and their allies. It will focus primarily on companies whose solutions have dual-use applications in both the civilian and security sectors. We're moving fast here; already last fall we made our selection of the first firms that will be creating highly innovative products making use of drones or artificial intelligence thanks to this fund.

CSG is always ready to provide help wherever it is needed. In this context, please let me mention the tragic floods that hit the Czech Republic in fall of 2024. We donated Tatra vehicles worth more than €4 million to the Czech firefighters to help them deal with the aftermath. A team from Excalibur Army installed a temporary bridge over the Bělá River with great dedication and in difficult conditions, using bridge systems manufactured by a CSG company. As our Group grows, so must its ability to help and protect countries, communities, our employees, and talented young people. That is why we have major projects planned for 2025 that will significantly strengthen our ability to help and protect others.

Throughout 2025, CSG will be celebrating a full 30 years since its founding. Yes, that is how long it has been since the founding of our first company,

Excalibur Army – which today is a major European defence enterprise and a driving force for the Group's results. I am pleased to see how far we have come in these 30 years. Our companies deliver products and services that are of strategic value for the security of states and communities. As a result, we play a significant role in protecting the values of the Western world. I am confident that we will be celebrating this significant anniversary with a number of successful projects and dynamic growth throughout our Group.

I would like, above all, to thank everyone who has helped us along the way during our 30-year journey.

Michal Strnad

Owner of CSG and Chairman
of the Board of Directors



Our society cannot survive
without a strong...



Strategic Review

CSG is a global industrial and technology group focusing on sustainable growth through continuous investment in innovation and production, aiming to integrate new technologies into its diverse product portfolio.

CSG’s impressive financial performance, highlighted by significant growth in revenues and EBITDA, underscores the success of our strategic initiatives and operational excellence. Looking ahead, CSG is committed to strengthening its position as one of the key defence groups, with a focused strategy on expanding our capabilities, driving innovation, and enhancing financial resilience. A key milestone in this journey has been our recent strategic acquisition in the USA, which positions us to capitalize on growth opportunities within the American market and broader industrial landscape. In tandem with these growth strategies, the Group’s Sustainability Strategy, which spans a broad range of environmental, social, and governance objectives, is designed to embed sustainability into the heart of our business practices. The develop-

ment of division-specific sustainability plans is integral to our overarching strategy, enabling targeted and effective change that aligns with each division’s distinct priorities. This multifaceted approach not only supports our expansion and market share growth but also affirms our commitment to responsible business conduct and the generation of enduring value for all stakeholders. Looking forward, CSG is well-positioned for sustained growth, underpinned by cutting-edge defence technologies, a talented workforce, resilient supply chains, and continuous innovation. In response to the evolving security policy landscape, we anticipate strong growth for our revenues and earnings through 2024, solidifying our financial strength and strategic leadership in the global defence and industrial sectors.



Our Business at a Glance

Business Segments by Division

CSG is a defence, industrial, and technology group with a diversified portfolio spanning multiple sectors. The Group is structured into five divisions, each specializing in a distinct area while leveraging synergies across industries.

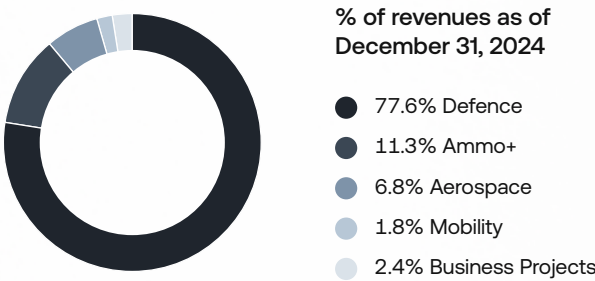
CSG Defence integrates traditional and modern defence companies, focusing on military vehicles, weapons, ammunition, and defence systems, along with lifecycle support. CSG Ammo+ is a global leader in small caliber ammunition production and trade, serving both civilian and defence markets. CSG Aerospace unites companies in the aviation industry, delivering specialized products and services for military and civilian applications.

CSG Mobility drives innovation in automotive and rolling-stock manufacturing, producing heavy-duty trucks, braking systems, and engineering solutions for transport. CSG Business Projects encompasses high-potential ventures outside the Group’s core sectors, including premium firearms, luxury watchmaking, and healthcare.

Through its defence, industrial, and technological expertise, CSG continues to expand its market presence, combining innovation, operational excellence, and strategic investments to drive long-term growth.

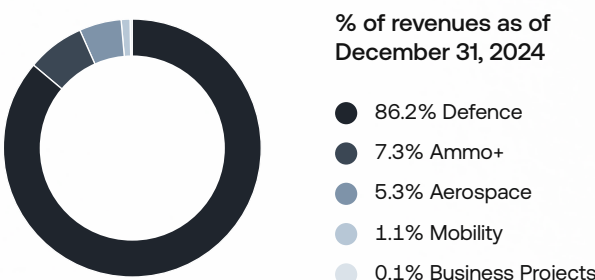
The following breakdown provides insights into the composition of CSG’s revenues and Operating EBITDA, highlighting the individual impact of each division on the Group’s overall financial results.

Revenues Contributions by Division



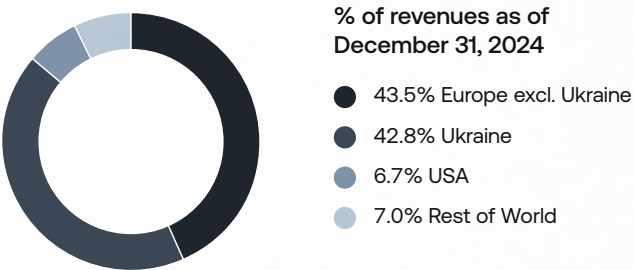
CSG Defence remains the most strongly contributing division, generating 77.6% of total revenues, solidifying its position as the Group’s core business. CSG Ammo+, our division for small caliber ammunition, contributed 11.3%, with an increasing presence on global markets through the acquisition of The Kinetic Group in November 2024. Therefore, only one month’s contribution from The Kinetic Group is presented in the Group’s 2024 consolidated figures. CSG Aerospace represented 6.8% of revenues, leveraging its advanced engineering and production capabilities. Meanwhile the CSG Mobility division focusing on specialized vehicle solutions accounted for 1.8%, and CSG Business Projects added 2.4% to total revenues through its diversified portfolio.

Operating EBITDA Contribution by Division



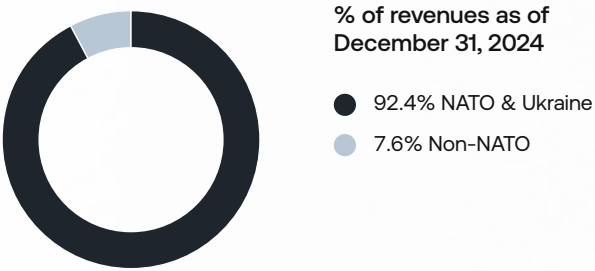
Moving on to profitability: CSG Defence, as the largest contributor, delivered an Operating EBITDA margin of 28.6%. The CSG Ammo+ division achieved an Operating EBITDA margin of 16.6%, reflecting only a single month of contributions from The Kinetic Group. The CSG Aerospace division generated an operating EBITDA margin of 20.2%, while CSG Mobility and other divisions maintained a healthy operating EBITDA margin of 15.3%. Overall, the Group achieved a solid operating EBITDA margin of 26.9%, reflecting the strength and efficiency of its diverse business segments.

The overall results demonstrate the Group’s ability to adapt to shifting market demands while maintaining sustained profitability and operational excellence across its business segments. The accompanying pie charts in the report offer a clear visual representation of revenue distribution by country, end market, and division, reinforcing the Group’s diversified yet focused business model.



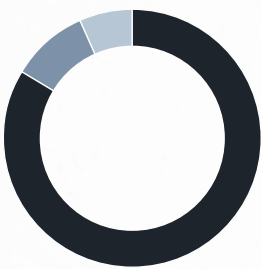
Business Segments by Countries/Regions

The Group continues to strengthen its global footprint by leveraging its diverse business segments to drive growth across multiple industries and geographies. With more than 100 companies and 35 production sites located primarily across the EU and the USA, we distribute our products to over 70 countries worldwide. Our customer base ranges from government bodies and ministries of defence to large corporations, managed through long-term contracts that ensure sustainable partnerships and operational stability.



The Group maintains a strong presence in Europe and the USA, with substantial revenue contributions from its key regions. In FY24, Europe (excluding Ukraine) accounted for 43.5% of total revenues, reflecting the Group’s continued dominance in its home markets. Ukraine contributed 42.8%, underscoring the significance of defence-related business in the region. The USA accounted for 6.7% of revenues, driven by strategic initiatives. The rest of the world represented 7.0%, demonstrating the Group’s ability to expand into diverse international markets and reinforce its global outreach.

In terms of exposure to NATO and non-NATO markets, 49.6% of the Group’s total revenues originated from NATO countries, while 50.4% came from non-NATO markets, with the vast majority being in Ukraine. 7.6% of the total revenues come from non-NATO markets when excluding Ukraine. This distinction underscores the Group’s strong positioning within NATO-aligned defence markets.



% of revenues as of
December 31, 2024

- 83.8% Defence
- 9.7% Civil
- 6.5% Industrial Non-defence

Business Segments by End Markets

The Group remains a key supplier to both defence and non-defence markets, with the Defence segment continuing to dominate. In FY24, 83.8% of total revenues originated from the defence sector, reflecting the Group’s role as a trusted partner for NATO, EU, and allied countries.

The civil market accounted for 9.7%, driven by the small-caliber ammunition business, which serves hunters, sport shooters, and the broader civilian market. Meanwhile, the industrial non-defence market contributed 6.5%, representing the Group’s activities in mobility, aerospace, and other engineering programs. These include automotive and rolling-stock manufacturing, aerospace solutions for civilian applications, and engineering projects supporting various industries.

Our main customers remain government institutions—primarily ministries of defence—along with large corporate clients in the aerospace, transport, and industrial sectors.

Business Divisions

CSG’s product portfolio is very broad, and the Group’s organizational structure corresponds to this. CSG’s companies are organized into divisions, which also represent the main pillars of the Group’s business: **Defence, Ammo+, Aerospace, Mobility, and Business Projects.**



Defence

military land equipment and large caliber ammunition production



Mobility

automotive and railway transportation



Ammo+

small caliber ammunition production



Business Projects

other entrepreneurial activities outside core sectors



Aerospace

radar systems, aviation repairs, and air traffic control

CSG Defence

The CSG Defence division brings together traditional and new defence companies operating in the Czech Republic, Slovakia, and other European countries.

The activities by the portfolio of companies within the CSG's Defence division include, for example, the development, production, and sale of military and specialized wheeled and tracked vehicles, heavy off-road trucks, weapons, and specialized weapon systems. Companies in this division also develop and manufacture medium and large caliber ammunition for combat vehicles, artillery, and tanks, and sell handguns, equipment, and so on for explosive ordnance disposal services. Additionally, they produce engineering products for the automotive and aerospace industries, special mobile containers, and accessories. The division's offerings also include crew and support personnel training, logistics support, and comprehensive technical lifecycle management.

* EXCALIBUR INTERNATIONAL a.s. is a separate entity that does not belong directly under the CSG Defence division. However, due to the nature of its core business, the Group has decided to include it under the defence segment for reporting purposes.

COMPANIES IN THE DIVISION



EXCALIBUR
ARMY



TATRA
DEFENCE
VEHICLE



TATRA
DEFENCE
SLOVAKIA



msm
LAND SYSTEMS



MSM GROUP



ZVS



VOP
NOVÁKY



FMG Granada
FABRICA DI INGENIERIA DI SICUREZZA



VÝVOJ
Martin
INNOVATION SPECIALISTS



14. OKTOBAR
KRUŠEVAC



Excalibur
International



CSG Ammo+

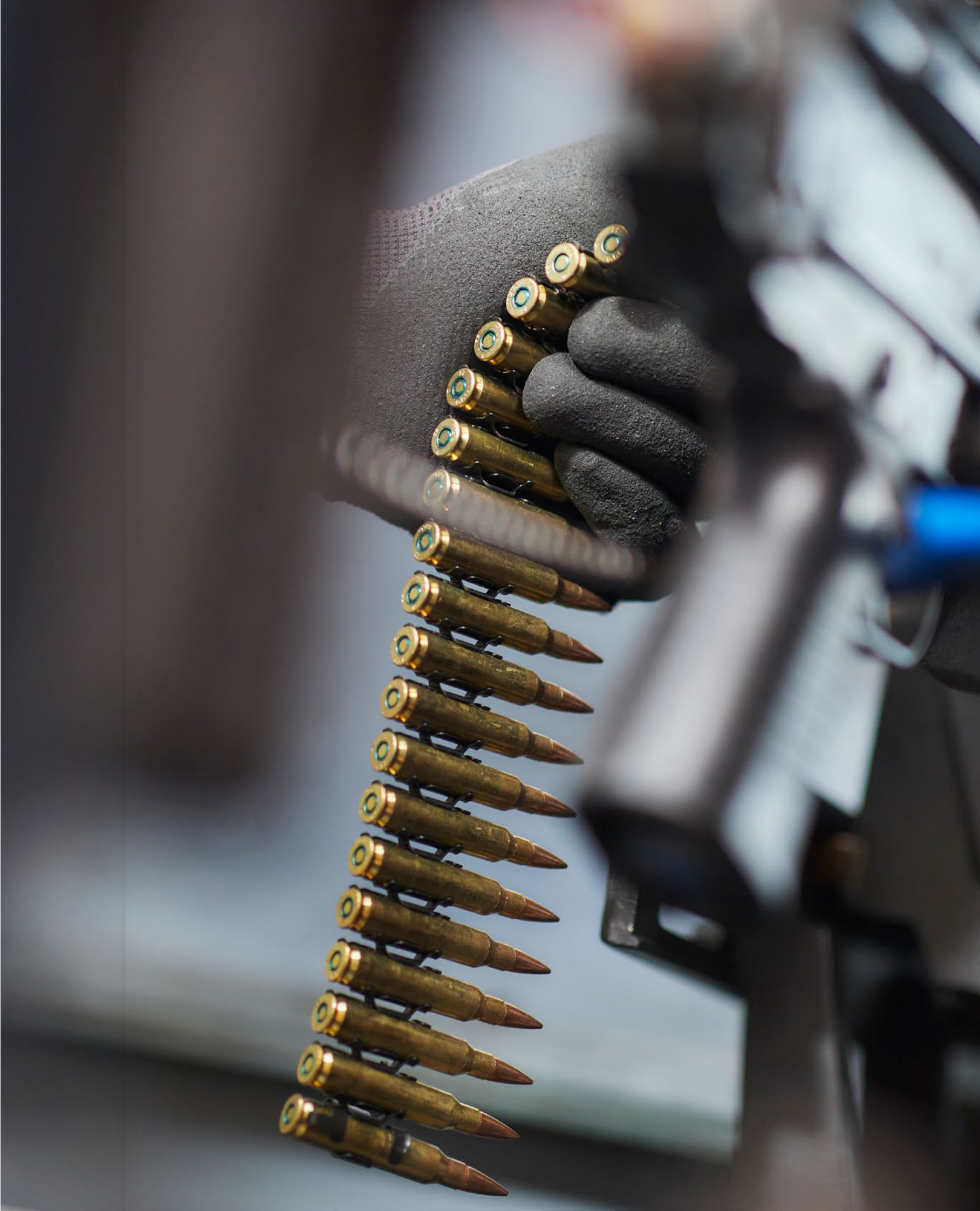
The CSG Ammo+ division brings together companies engaged in the production and trade of small caliber ammunition.

Since 2024, it has newly included The Kinetic Group, and it brings together the leading American manufacturers and brands of small caliber ammunition for pistols, revolvers, rifles, and shotguns: CCI, Federal, HEVI-Shot, Remington, and Speer. The Kinetic Group's manufacturing facilities are located in Minnesota, Arkansas, Idaho, and Oregon.

In addition to The Kinetic Group, Ammo+ division also includes Fiocchi Munizioni, an Italian manufacturer of small caliber ammunition with plants in Italy itself as well as the UK and the USA. It became a member of CSG in 2022.

A significant portion of this division's revenues is generated on the civilian market, where the customers are mainly hunters and sport shooters. The remainder of sales is generated in the defence and law enforcement segments in the US as well as other countries.

COMPANIES IN THE DIVISION



CSG Aerospace

CSG Aerospace is the division of the Group that brings together companies operating in the aerospace industry.

Their products and services complement each other and offer a response to customer requirements in both the civilian and military sectors. Thanks to product diversification, synergies, and cooperation among these companies, as well as high flexibility in adapting their products to specific customer requirements, the division's companies have successfully built up significant positions among the global aerospace industry's controlling players.

COMPANIES IN THE DIVISION









CSG Mobility

This division brings together companies engaged in vehicle engineering, and particularly in automotive and rolling-stock manufacturing.

The leader in automotive engineering is Tatra Trucks, the second-oldest truck manufacturer in the world, with over 170 years of tradition in vehicle manufacturing. This company focuses on heavy vehicles for extreme terrain and the most challenging weather conditions through its unique chassis concept. The division's flagship company in rolling-stock manufacturing is DAKO-CZ, one of the three largest European manufacturers of brake systems and components for the world's leading manufacturers and operators of rolling stock, such as Siemens and Stadler. The division also includes the Tatra Trucks' subsidiary Tatra Metalurgie, CSG Mobility's portfolio is suitably complemented by the manufacturer of containers and box superstructures Karbox, the service company Truck Service Group, and Truck Machinery Group.

COMPANIES IN THE DIVISION









CSG Business Projects

The CSG Business Projects division includes companies that fall outside CSG’s core business areas and yet are important to the Group or have strong potential—or represent an interesting business opportunity.

Its most significant representative is Armi Perazzi, a manufacturer of high-quality shotguns for sport shooters and elite hunters. Another long-standing member is Elton hodinářská, the maker of the history-rich Prim watches dating back to 1949. In 2020, the innovative Prague Fertility Centre IVF clinic was incorporated into this division as well.

COMPANIES IN THE DIVISION







We are proud of our
rich industrial...



Our History in Milestones

Before the Birth of CSG

Late 14th cent. The production of gunpowder and firearms began in Granada, Spain—a tradition still drawn upon today by Fábrica de Municiones de Granada.	1850 A carriage manufacturing business was founded in Kopřivnice, Czech Republic. It is now known worldwide as Tatra, a producer of heavy off-road vehicles.	1957 Young Italian gunsmith Daniele Perazzi founded a company near Brescia, Italy, bearing his name, fulfilling his dream of crafting the world's finest shotguns.
1816 Eliphalet Remington II founded a firearms manufacturing company in the village of Ilion, New York, USA—a tradition that continues with today's small caliber ammunition producer still bearing the founder's name.	1876 Giulio Focchi opened a factory in Lecco, Italy, for small caliber ammunition production, laying the foundation for a prominent group that today also manufactures in the UK and the USA.	
1816 A machinery plant was established in Třemošnice, Czech Republic, which gradually evolved into DAKO-CZ, now a manufacturer of braking systems and components for rail vehicles.		

The CSG Era

2005 Excalibur Army acquired its first production facility, a former military repair plant in Přelouč, Czech Republic.	2010 Jaroslav Strnad took control of DAKO-CZ, a Czech company manufacturing braking systems for rail vehicles, thereby expanding into the railway industry.	2013 Jaroslav Strnad, in cooperation with entrepreneur René Matera, acquired the renowned Tatra automaker, quickly reviving it from a prior crisis.
1995 Czech entrepreneur Jaroslav Strnad founded Excalibur Army, a company trading in military equipment and technology, marking the inception of CSG.	2008 CSG's founder expanded operations to Slovakia, securing long-term leases for several state-owned defence industry companies and ensuring export contracts.	2013 Excalibur Army won a tender to sell military repair facilities in Šternberk, which soon became the Czech Republic's leading producer of military and specialized ground equipment. Michal Strnad, Jaroslav's son, became the CEO of the emerging group.

Our History in Milestones

2014 Companies controlled by Jaroslav Strnad were consolidated into a holding structure initially named Excalibur Group, with Michal Strnad appointed as the Chairman of the Board of Directors a year later.	2016 The holding was renamed Czechoslovak Group (CSG), a name it retains today.	2018 Jaroslav Strnad transferred ownership of CSG to his son Michal and focused on founding CE Industries, a new holding company.	2020 CSG acquired its first Western European production company: it purchased Fábrica de Municiones de Granada (FMG) from GDELS.	2023 CSG purchased a majority stake in the Italian family firm Armi Perazzi, a world-renowned manufacturer of top-tier shotguns for sport shooting and hunting.	2024 CSG announced the acquisition of a nitrocellulose production facility and an adjacent industrial park in Lower Saxony, Germany, from the US company IFF.
	2016 CSG acquired new companies, including the radar manufacturer RETIA and the aviation repair firm JOB AIR Technic.	2018 CSG established its aerospace division, CSG Aerospace, incorporating the radar manufacturers ELDIS and RETIA, as well as the air traffic control system developers CS SOFT and ATRAK.		2022 CSG acquired a majority stake in Fiocchi, a leading global ammunition manufacturer with operations in Italy, the UK, and the USA, thereby becoming a global group.	2024 CSG completed its largest acquisition to date, purchasing The Kinetic Group from US-based Vista Outdoor, uniting leading US small caliber ammunition brands like Remington and Federal.
	2016 TATRA DEFENCE VEHICLE (TDV) was established to develop and produce ground equipment, now manufacturing the Pandur and TITUS wheeled armored vehicles.				

Our History in Words

The Origins of CSG

The history of CSG dates back to 1995, when EXCALIBUR ARMY was founded in the Czech Republic. The company initially specialized in trading surplus military equipment and materials, sold through tenders from the Czech Army and other NATO forces. Its founder and owner was Czech entrepreneur, Jaroslav Strnad.

As part of his strategic development and vertical integration activities, in 2005, Strnad acquired a production facility—a bankrupt military repair plant in Přelouč. This step enabled the company to not only repair acquired equipment but also increase its value.

In 2008, Strnad expanded into Slovakia, leasing several state-owned enterprises from the Slovak Ministry of Defence. By securing export contracts, he stabilized their economic situation, preserved jobs, and supported the continuation of Slovakia’s defence industry.

Business diversification led to an entry into the railway industry in 2010. Strnad acquired stakes in DAKO-CZ, a global leader in manufacturing braking systems and components for rail vehicles, supplying major players like Siemens, Alstom, and Bombardier.

The Acquisition of Tatra and the Formation of the Holding

A pivotal milestone in CSG’s growth and consolidation was the 2013 acquisition

of a majority stake in the automaker Tatra. This firm, the world’s third-oldest car manufacturer, known for heavy off-road vehicles, was in financial and operational distress. Within the same year, a successful restructuring, revival of production, and new contracts led to a swift return to profitability. That same year, the acquisition of a military repair facility in Šternberk, previously owned by the Czech Ministry of Defence, was completed. This strategic move diversified Tatra’s production portfolio and secured export contracts, gradually increasing employment. Today, the Šternberk plant is a key production site for EXCALIBUR ARMY and one of Europe’s leading manufacturers of military ground equipment, significantly contributing to supplies of heavy military hardware and equipment to Ukraine.

In 2014, the group began formalizing its holding structure, initially named Excalibur Group. In 2016, it was renamed Czechoslovak Group (CSG), reflecting its international scope and honoring the historic industrial tradition of the “MADE IN CZECHOSLOVAKIA” label, which retains a strong position on export markets in Asia and Africa.

Michal Strnad’s Leadership and Divisional Structure

In 2013, Michal Strnad, son of Jaroslav Strnad, took over leadership of the emerging group, becoming its CEO and, later, after the establishment of the holding structure, Chairman of the Board of Directors.

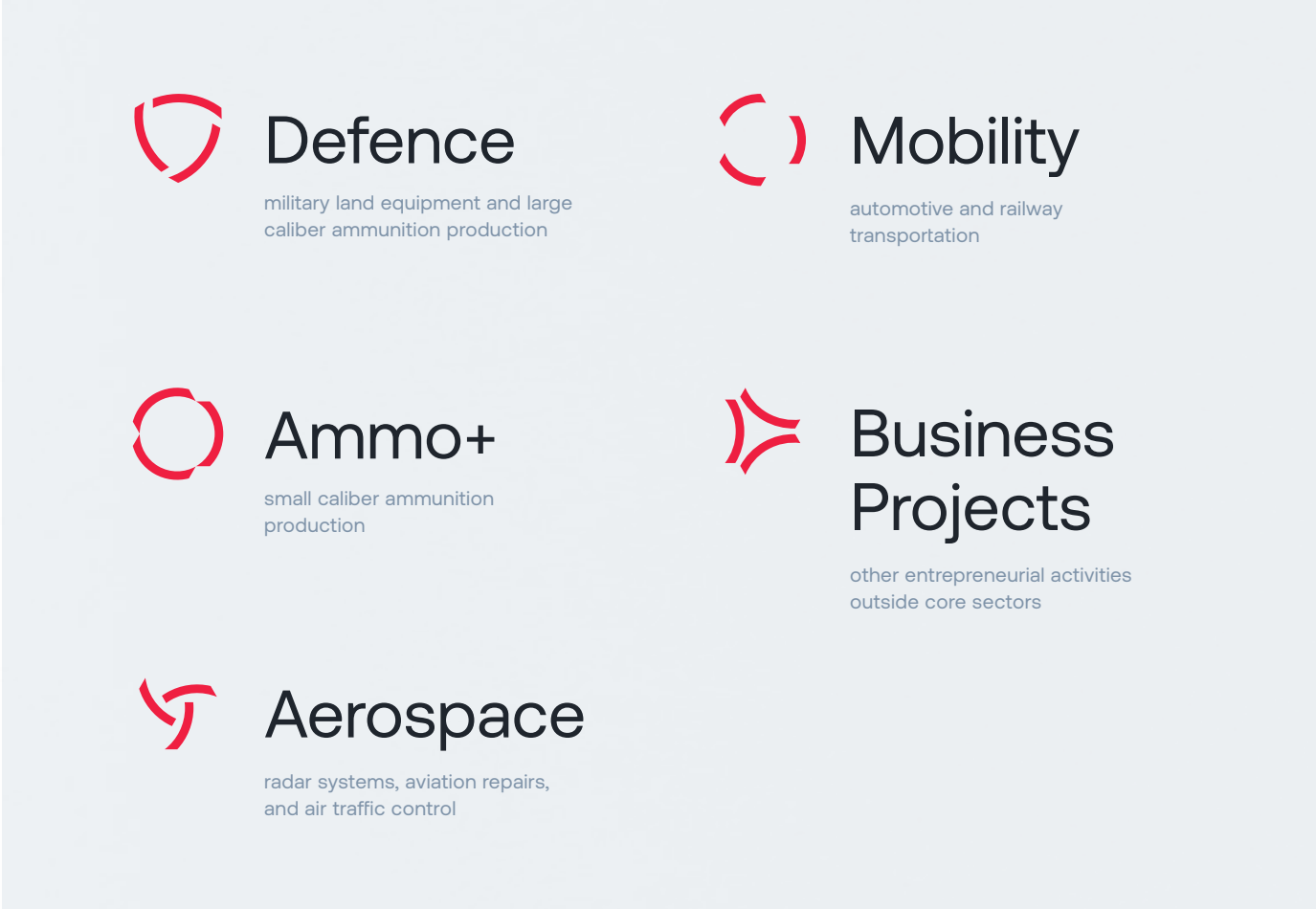
Having gained experience managing various parts of this group, he spearheaded a dynamic expansion across Czech industry through strategic acquisitions and the establishment of new production entities.

Key acquisitions included JOB AIR Technic (aviation repairs) and RETIA (radar manufacturing). During this period, CSG became one of the most active investors in Czech industry. Alongside acquisitions, the group expanded its production base with the creation of TATRA DEFENCE VEHICLE in Kopřivnice, producing the TITUS and Pandur wheeled armored vehicles. In 2017, further strategic additions included CS SOFT (an air traffic control system developer) and ELDIS Pardubice (a radar manufacturer).

In 2018, a generational ownership transition took place. Jaroslav Strnad transferred 100% of CSG to his son Michal, who had been managing it for five years. Jaroslav then focused on building CE Industries, a new industrial group targeting the energy, food, recycling, and railway sectors.

A key strategic step was the introduction of a divisional structure within CSG. The first sub-holding, CSG Aerospace, united aviation-focused companies, including the radar firms ELDIS Pardubice and RETIA, the air traffic control developers CS SOFT and ATRAK, JOB AIR Technic, and tech startups focused on drones and augmented reality.

This model evolved into CSG’s overall divisional structure, organized by key business segments:



This structure enables more efficient management, optimized investment flows, and better strategic planning across the Group.

International Expansion and
Strengthening Global Position

In recent years, CSG has pursued ambitious international expansion plans, significantly bolstering its global market position.

In 2020, CSG entered Western Europe with the acquisition of the Spanish ammunition manufacturer FMG, purchased from General Dynamics European Land Systems with Spanish government approval. In 2021, it expanded beyond traditional industrial segments, acquiring a majority stake in Prague Fertility Centre, a reproductive clinic.

The year 2022 marked a milestone as CSG surpassed €1 billion in revenue. It also completed its largest acquisition to date, purchasing a majority stake in Fiocchi, a global small caliber ammunition producer, from Italy’s Charme Capital Partners. With plants in Italy, the UK, and the USA, Fiocchi includes the renowned Baschieri & Pellagri shotgun ammunition brand. This deal, approved by the US Committee on Foreign Investment (CFIUS), strengthened CSG’s global presence and opened the US market.

In fall 2023, CSG agreed to acquire The Kinetic Group from Vista Outdoor, a publicly traded US company. This group includes top US small caliber ammunition brands like Federal and Remington. Finalized in November 2024 after competing with other investors, this acquisition boosted CSG’s growth, enhanced its reputation in the USA, and added 3,400 US employees to its structure.

By late 2023, CSG had acquired the Italian family firm Armi Perazzi, a prestigious manufacturer of luxury shotguns for sport shooters and hunters, enhancing its standing in the premium firearms segment.

In October 2024, CSG moved towards expansion into Germany and agreed to purchase a nitrocellulose production plant and adjacent industrial park in Lower Saxony from International Flavors & Fragrances (IFF), aiming at further strengthening the vertical integration in CSG ammunition production.

In 2024, CSG became a key player in the Czech Ammunition Initiative, led by the Czech government, established to increase ammunition supplies to Ukraine. CSG and its companies played a critical role, delivering one million artillery shells to Ukraine both within and outside the initiative, reinforcing its geopolitical relevance and its ability to meet urgent defence industry demands.

Conclusion

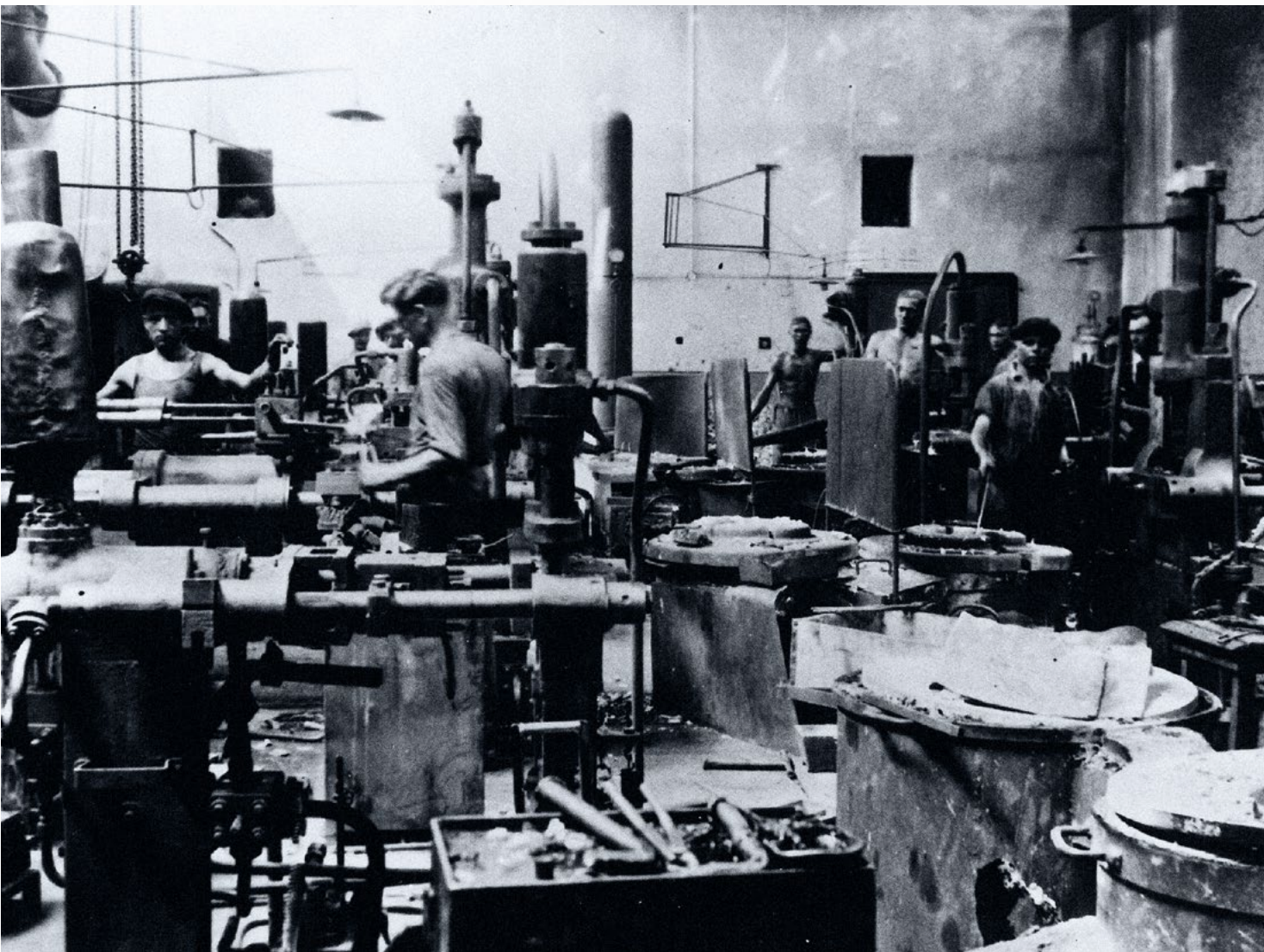
In 2025, CSG celebrates 30 years of existence. From a trading company, it has grown into a diversified global industrial holding, uniting prestigious brands and innovating in key sectors. CSG has successfully expanded internationally and established itself as a strategic supplier of defence technologies to NATO forces and Ukraine.

The acquisition of The Kinetic Group positioned CSG as a leader in small caliber ammunition in the Western world and a major US employer. In all the countries where it operates, CSG pursues long-term investments in production capacity, supporting both its business and local economies. It also actively integrates ESG principles into its operations.

With its growth, CSG’s commitment to CSR has also increased. In 2024, CSG launched significant projects in humanitarian aid, crisis response, culture, and employee nonprofit support. TATRA TRUCKS donated 12 specialized vehicles worth over €4 million to Czech emergency services for flood

recovery, while EXCALIBUR ARMY built a temporary bridge for the Czech Integrated Rescue System using its own bridge systems. In February 2025, CSG established a foundation to oversee and expand its social responsibility efforts.

The Group’s long-term goal remains sustainable growth through strategic investments in production and acquisitions that complement its core segments. In alignment with its mission, CSG is strengthening its role as a global industrial player, safeguarding democratic states’ security interests and investing in technological innovation. Under Michal Strnad’s leadership, the focus remains on growing the group’s value and ensuring its long-term stability on the global stage



Our Vision, Mission, and Values

We are building a strong global brand, at the pinnacle of modern industry. We have no lack of business drive, yet we are also driven to act ethically, with a sustainable future in mind. We deliver products and technologies worldwide that help ensure a safer and more stable future. We are proud that the products we supply to armed forces, emergency responders, and end users protect lives, property, and the basic values of civilization. We have the ambition of becoming a world leader in industrial innovation and sustainable development.

Our goal is to continue successfully developing a broad portfolio of products and services and establishing long-lasting and sustainable partnerships. We develop innovations to improve the lives of both current and future generations, and we are progressively integrating breakthrough 21st century technologies into our solutions: this means artificial intelligence, robotics, and elements of augmented and virtual reality. In this process, we rely on team players – smart and agile employees, corporate teams, and companies around the world.

Our Group’s values are aptly represented by our slogan: **Heart. Heritage. Horizon.** It expresses how we put our heart into our business, respecting the legacy of the predecessors whose work we are building upon, while also looking to the future – beyond the horizon of today.

Stability

We are a reliable partner for our customers, suppliers, and employees worldwide.

Pride

We are proud of the industrial heritage of our ancestors, upon which we are building our success.

Innovation

We deliver innovative solutions, to which we then apply breakthrough technologies one by one.

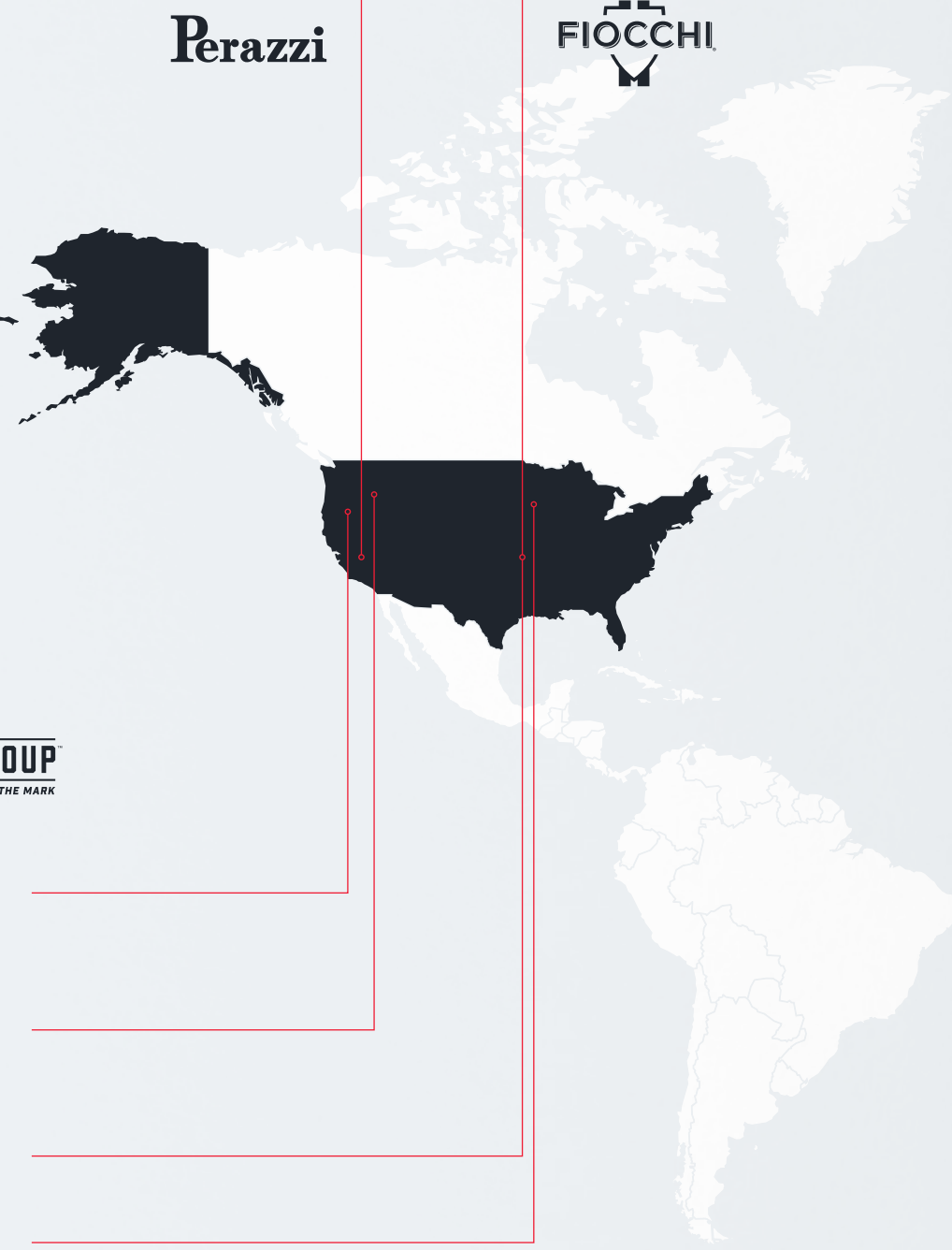
Drive

We continuously seek new opportunities for our growth, which is sustainable with respect to social responsibility and ethics.

Security

As expressed by the symbolic shield in the CSG logo: through our products we are helping to protect our world and its core values against security threats.

Where We Operate



Perazzi

FIOCCHI

THE KINETIC GROUP
ON THE MARK

HEVI•SHOT

CCI

SPEER

Remington

FEDERAL



LYALVALE EXPRESS

14.OKTOBAR
KRUSEVAC

DAKO-CZ
BRAKE SYSTEMS

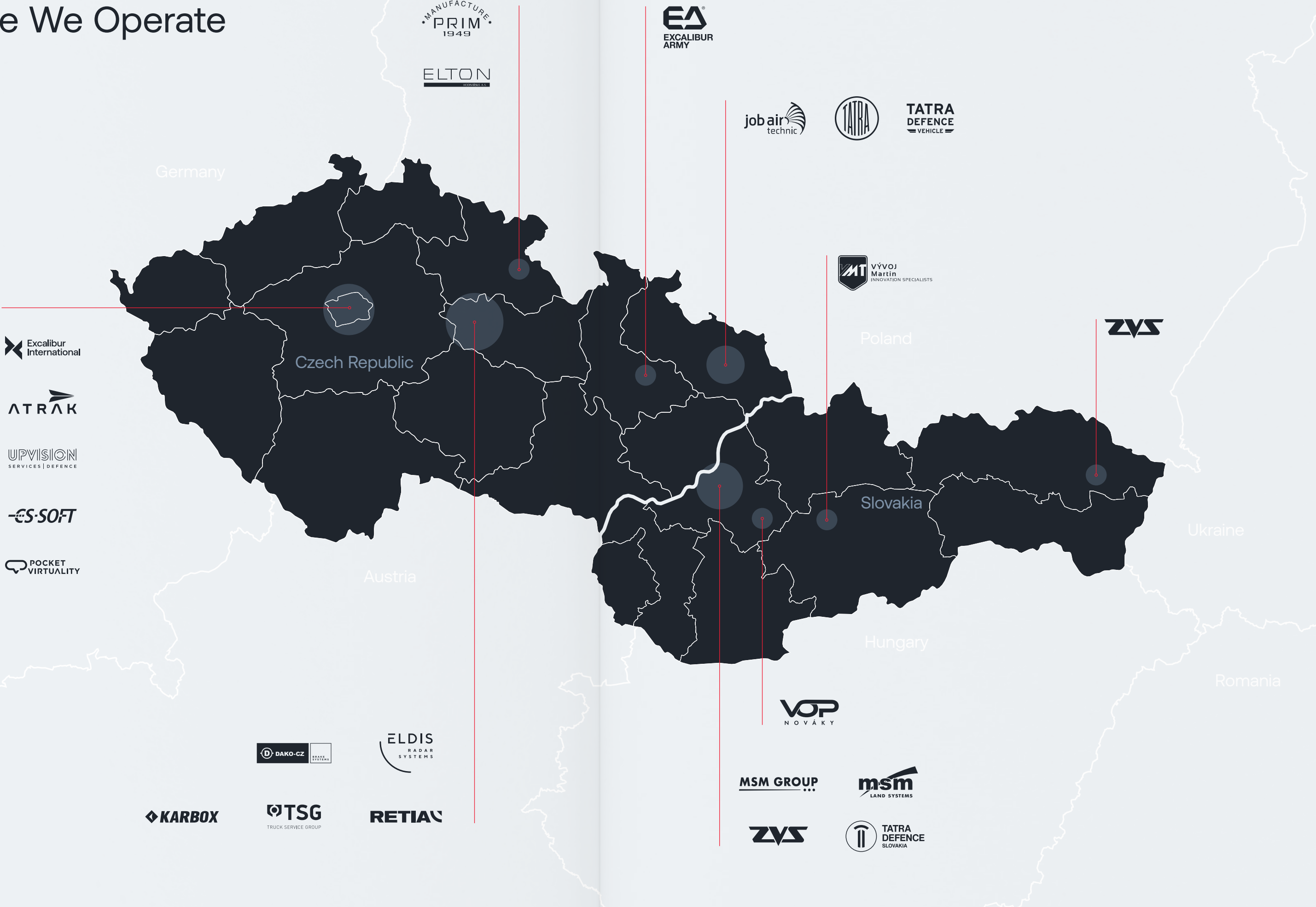
FIOCCHI

B&P
Baschieri & Pellagri
Dal 1885

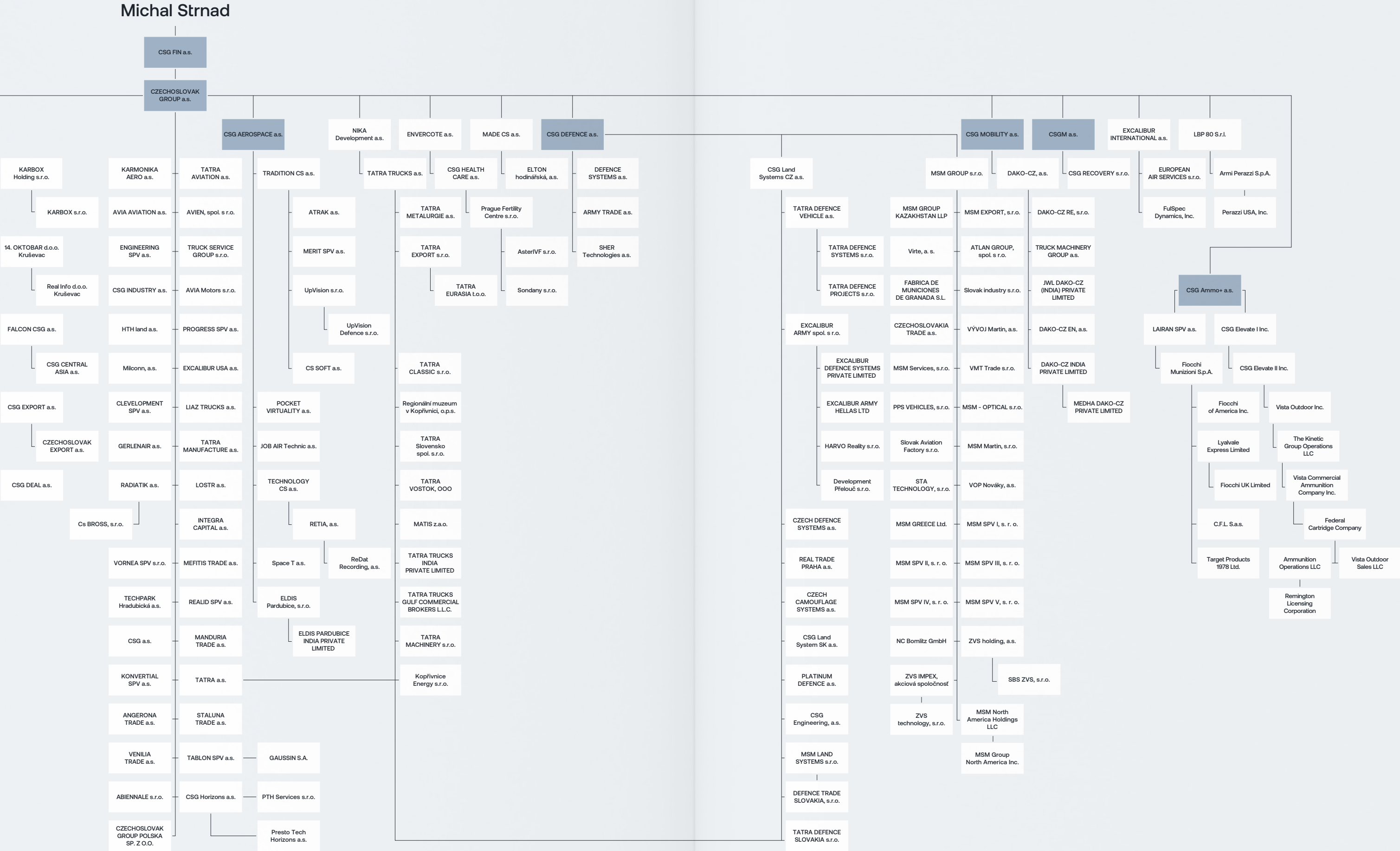
Perazzi

FMG Granada
FABRICA DI MUNIZIONE DI GRANADA

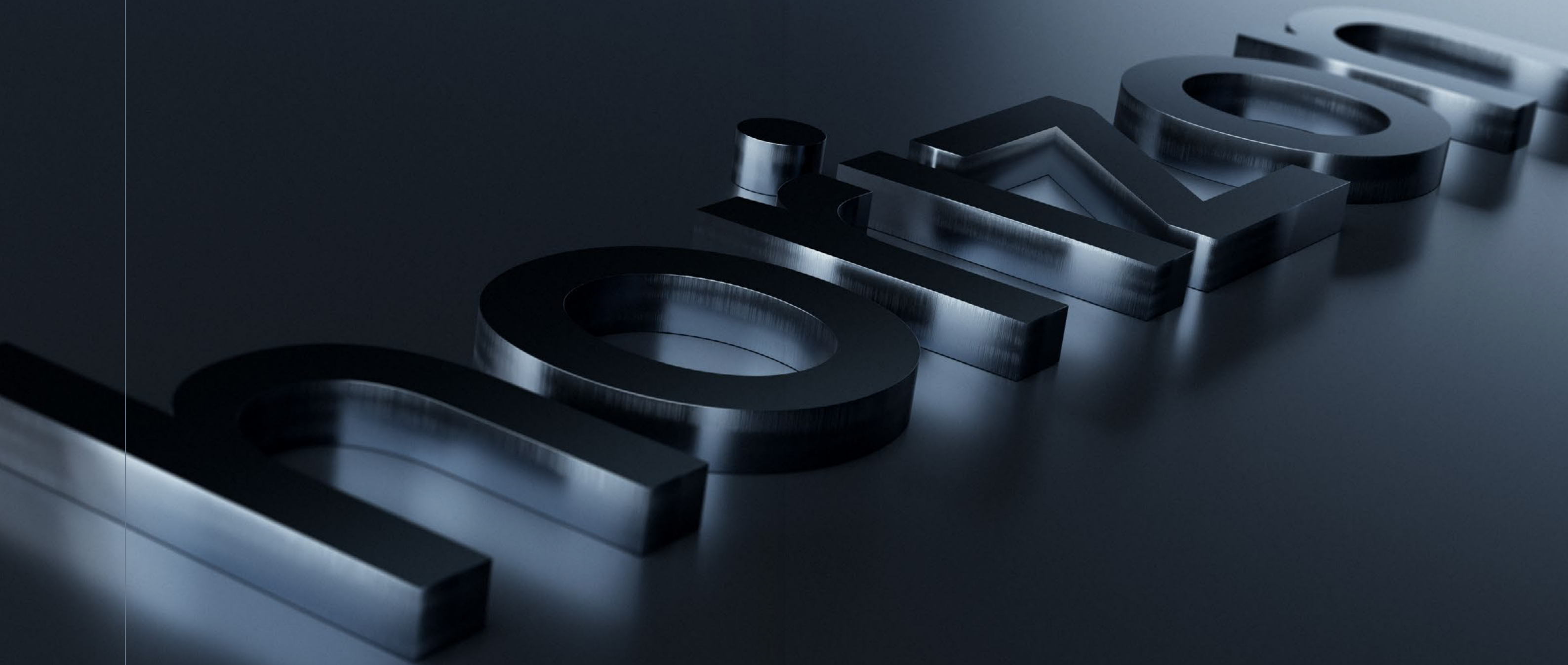
Where We Operate



Organisational Structure



Our commitment to innovation helps
us to push boundaries beyond the...



Business Strategy

Our strategic goal is to be a well-positioned multinational manufacturer in the Defence & Aerospace and Small Caliber Ammunition segments. Our consistent delivery of our proven strategy and the way in which we leverage our capacities, use vertical integration, and solidify our position as a significant multi-national defence group all support our ability to grasp opportunities on both existing and new markets.

We have multi-jurisdictional operational expertise, as evidenced by our strong production growth, product innovation credentials, and track record of operational excellence. All of this has resulted in strong performance and organic growth in 2024, with high cash flow generation. We plan to continue investing in organic growth and inorganic initiatives: increasing synergies in our existing operations, entering new markets, and making strategic bolt-on acquisitions.

Operational Efficiency & Integration

We are highly focused on operational efficiency and profitability as important drivers of our cash flow, and we aim to foster a culture focused on performance and efficiency across our operations. We are able to apply the benefits gained from sharing best practices across the Group, such as product innovations and developments, CRM initiatives, and procurement strategies, in order to drive operational efficiencies and accelerate growth. We aim for purchasing, marketing, and cost synergies across our markets and pursue significant cost savings in areas such as key technologies and content delivery, leveraging our business scale and purchasing power. We have a strong track record of increasing the profitability of the businesses we acquire.

Organic Growth

Just as in previous years, we continued our strong organic growth in 2024, driven mainly by our CSG Defence and CSG Aerospace divisions. We successfully expanded our production

capacities and enhanced our vertical integration and our work through innovations, increased effectiveness, and supply chain planning. Through the long-term contracts for our products and components within our backlog, we are able to focus on further sustainable growth.

Innovation and Technology

We are constantly assessing opportunities to optimize and expand our product selection, aiming to offer a full range of best-in-class products. Among other offerings, one of our companies, Excalibur Army, has developed the Morana self-propelled gun howitzer, which combines a car chassis and an independent tower artillery system with armor protection for the crew. Its combination of lighter self-propelled artillery systems, heavy artillery systems with battle towers, a unique fire control system, and a diagnostic system enables autonomous fulfillment of combat tasks, high mobility, and a high level of crew protection. Meanwhile, the company's R&D has brought results such as the second generation of the Patriot 4x4

MRAP-class vehicle, as well as other new military vehicles, which make it possible to upgrade existing systems and develop new ones so as to ensure the long-term operability of all products in future missions.

Another of our companies, TATRA DEFENCE VEHICLE, has likewise continued to innovate and improve the products under its portfolio. The development of the Pandur II 8x8, TITUS 6x6, and the new TADEAS in 6x6 and 4x4 versions, together with the development of armored cabins for the Tatra model series, which provide ballistic protection of up to level 4 under the STANAG certification, are key continuing projects at this company.

MSM GROUP has expanded its capacities for producing 155-millimeter artillery ammunition through a new production line that it has opened in Slovakia. This group's new technologies and advanced robotic lines, along with the automation of its production process and the modernization of its entire infrastructure, are among the results from its continuous R&D activities in the area of large caliber ammunition.



The CSG Aerospace division has developed an augmented reality product named Lumnio, which brings together synergies from remote service operations and allows less experienced technicians to perform complex tasks under remote guidance from experts. This minimizes the need for travel and enhances operational efficiency.

Through a joint venture, TATRA TRUCKS from the CSG Defence division has developed a vehicle called the Tatra Force e-Drive Hybrid, as well as a special Tatra Force vehicle with an automated driving system and remote control. The new hybrid technology used enables the driver to choose between operation using only the electric motor, with a range of up to 70 km, or the internal combustion engine power alone, or the internal combustion engine and electric motor in parallel.

Fiocchi and Baschieri & Pellagri, in cooperation with the University of Bologna, have maintained the use of 100% biodegradable materials and further developed the new Green Core ammunition. Its production is already in place, and in addition to technical

performance that is in line with or better than using traditional plastic materials, it provides a new environmental generation of sport-shooting ammunition.

Inorganic Growth

Our inorganic growth strategy has two levels: making strategic bolt-on M&A and entering new markets.

Expansion on the small caliber ammunition markets

In November 2024, CSG concluded its acquisition of The Kinetic Group, a leading small caliber ammunition manufacturer in the US for commercial and law enforcement markets.

Through this acquisition and together with Fiocchi Munizioni, CSG has significantly strengthened its position on the small caliber ammunition markets in the US as well as Europe.

Entering nitrocellulose production

In October 2024, CSG signed an agreement to acquire a nitrocellulose

plant in Germany as part of our vertical integration strategy and to secure our supply chain. Under the agreement, CSG is also to take over a large industrial park around the nitrocellulose factory.

The transaction is expected to be closed in the first half of 2025, subject to customary closing conditions, including regulatory approvals.

Strengthening of CSG's technology portfolio

In September 2024, CSG expanded its augmented reality capabilities with the acquisition of smARtoo, a startup that develops solutions to support field workers, particularly in maintenance.

Through this acquisition, CSG's Aerospace division is now positioned as a leader in the Czech augmented-reality market.

We are constantly looking for new opportunities for sustainable...



Our exceptional financial performance in 2024 highlights robust growth across our geographies and product segments, underscoring the success of our strategic initiatives and operational efficiencies.

Financial Review

Statement from the CFO

I am very pleased to present another year of excellent financial results. We achieved remarkable growth, robust performance, and strong cash flow generation.

We achieved significant year-over-year growth across our key financial metrics, with total revenues increasing by 131.1% and Operating EBITDA rising by 145.9% compared to last year. This growth was driven by our strategic initiatives, operational efficiency, and the impact of ongoing geopolitical tensions. These factors presented new opportunities for our business, allowing us to capture additional market share and further strengthen our position in the industry.

In addition to external factors, our strong internal execution remained a key driver of success. Our operating income and net profit surpassed expectations,

reflecting our disciplined approach to cost management, operational excellence, and continued investments in innovation.

A significant milestone this year was the successful acquisition of The Kinetic Group. This strategic move enhances our product offerings, expands our market presence, and positions us for continued growth on both new and existing markets. The integration of The Kinetic Group is progressing well, and we expect it to generate significant synergies, creating further value for the Group in the coming years. Together with The Kinetic Group, we achieved total 2024 revenues of €5,176.7 million and Operating EBITDA of €1,389.6 million on a pro forma basis.

In October 2024, we entered into a purchase agreement with IFF, a US publicly



Zdeněk Jurák
Group Chief Financial Officer and
Member of the Board of Directors

traded company, to acquire its nitrocellulose business, associated plant, and the Walsrode Industrial Park in Lower Saxony, Germany. The closing is expected in the second quarter of 2025 and will further strengthen the Group’s vertical integration.

Our ability to generate strong cash flow from operations remains a cornerstone of our financial strength, providing the flexibility to reinvest in high-growth areas while continuously reducing leverage. This healthy cash flow reflects our strong operational performance, prudent financial management, and unwavering commitment to long-term value creation.

2024 was also a milestone year for financing. In addition to securing financing for the acquisition of The Kinetic Group, we successfully refinanced our entire Group with over €1.5 billion from

the bank markets and issued over €740 million in long-dated senior secured notes. This included our first US-dollar bond issuance, diversifying our funding sources, extending our debt maturities, and simplifying our capital structure. At the same time, our net leverage ratio remained stable year-over-year, staying below 1.5x.

The significant bond issuance and financing facilities secured underscore the strength of our business and credit profile, as well as the advantages of having access to multiple sources of capital. I would like to extend my gratitude to all our financing partners for their strong support as we continue to pursue and execute our growth strategies.

We continuously evaluate various financing options and closely monitor market conditions, considering our

current strategic objectives, prospects for future access to capital, as well as our existing cost of capital and debt maturity profile. In this regard, we may, from time to time, pursue new credit facilities, access the debt capital markets, incur additional indebtedness, or engage in liability management transactions to redeem, refinance, or repay existing indebtedness. Any such transactions would be aimed at optimizing our capital structure and liquidity, ensuring continued development and long-term growth.

Management Discussion & Analysis

The financial and operating information contained in this “Management Discussion & Analysis” (“MD&A”) comprises information of CZECHOSLOVAK GROUP a.s. (the “Company” and, together with its subsidiaries, joint ventures and associates, “the Group”, or “we”).

You should read the MD&A together with the Group’s consolidated financial statements for the year ended December 31, 2024. The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union.

This MD&A contains certain forward-looking statements, which are based on assumptions about the Group’s future business. The Group’s actual results could differ materially from those contained in forward-looking statements as a result of many factors, including, but not limited to, those described under “Forward-Looking Statements”.

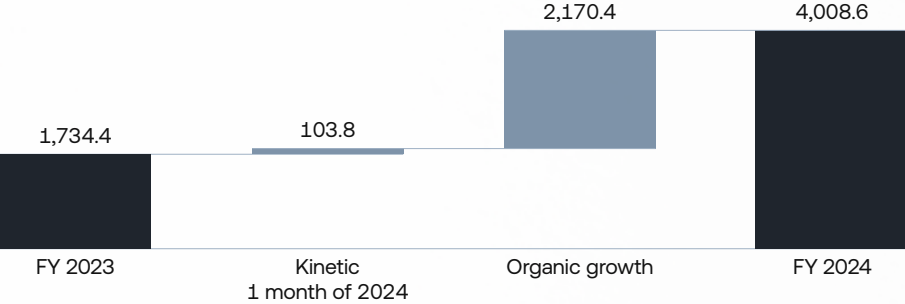
Financial Track Record

In 2024, we achieved record-setting financial performance, underscoring our continued commitment to enhancing production quality, driving expansion, and fueling growth across our diverse geographies and product segments. Our sales and operating EBITDA more than doubled year-over-

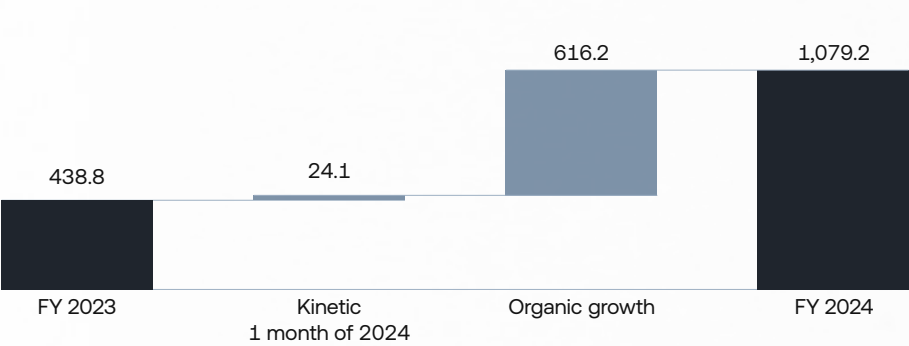
year, with the majority of this growth attributable to robust organic expansion. While the acquisition of The Kinetic Group was finalized late in the year, contributing only one month of results to our consolidated figures, the exceptional performance of our core operations remains the primary catalyst for this outstanding financial achievement.

Revenues & Operating EBITDA

Revenues (€ million)

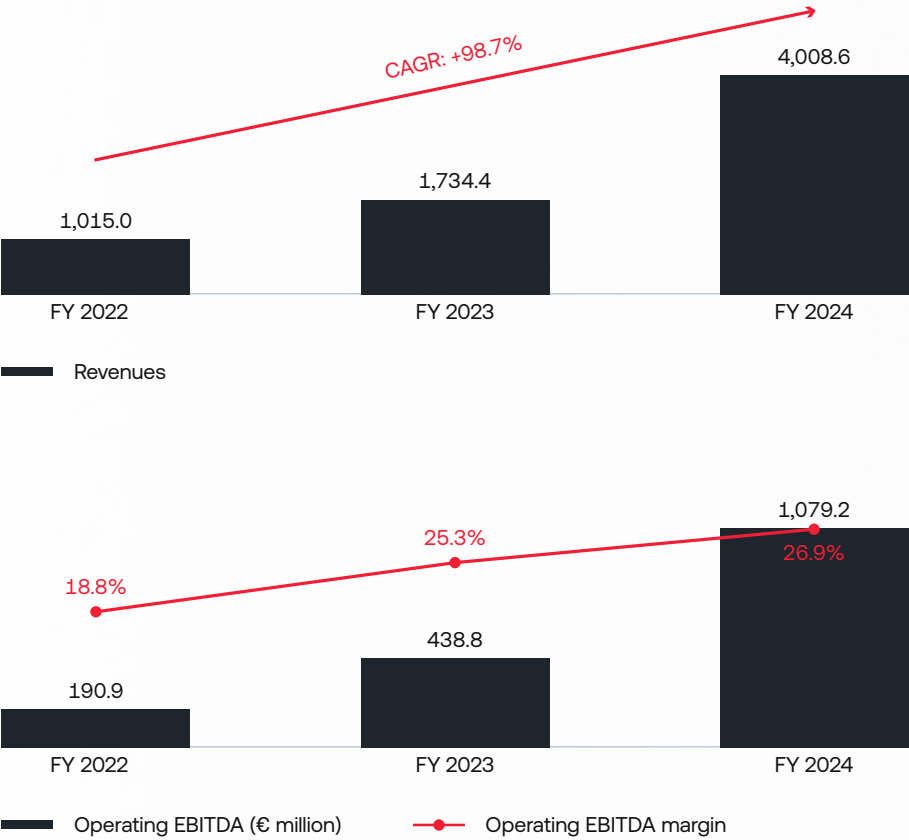


Operating EBITDA (€ million)



In 2024, our consolidated total revenue reached €4,008.6 million, marking a 131.1% increase compared to the prior year, primarily driven by significant growth within the defence segment. Operating EBITDA amounted to

€1,079.2 million, maintaining a robust EBITDA margin of 26.9%, consistent with the margin achieved in the previous year, reflecting the continued strength and operational efficiency of our business.

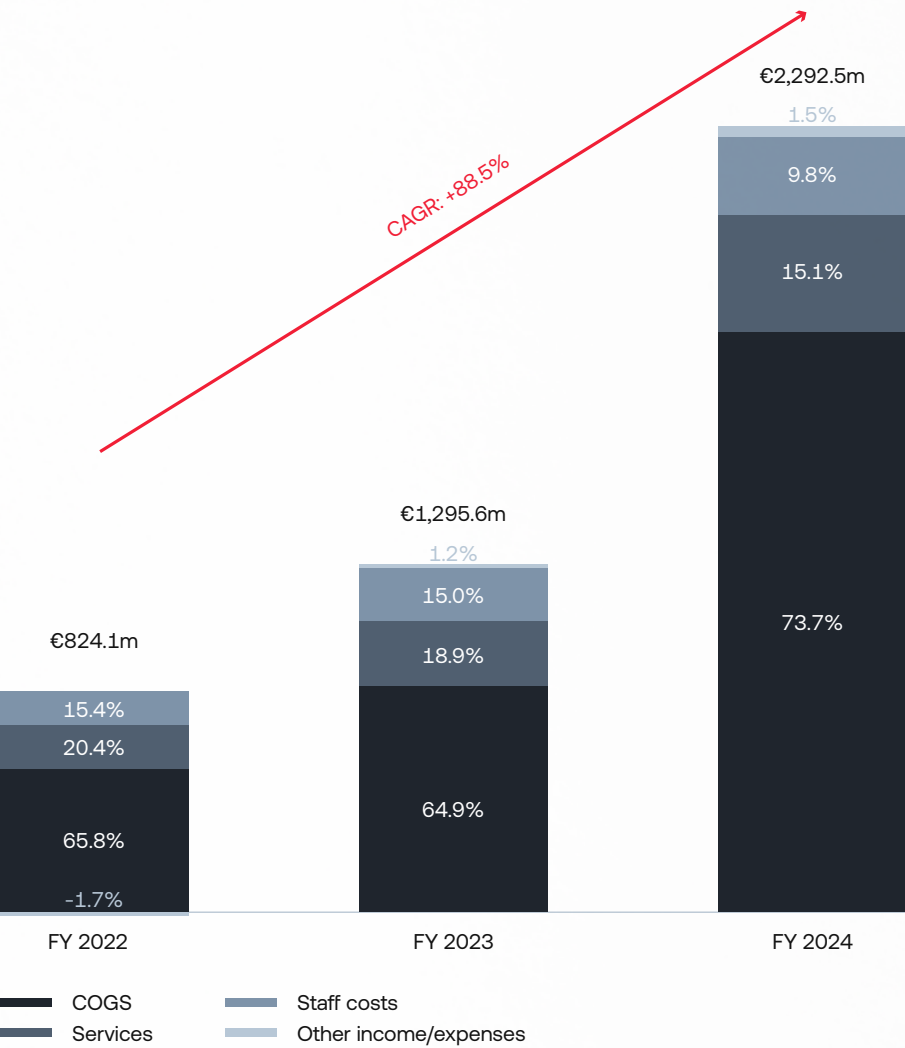


Revenues increased by €2,274.2 million, i.e. 131.1%, arriving at €4,008.6 million. Operating EBITDA increased by €640.4 million, i.e. 145.9%, to €1,079.2 million.

Operating EBITDA was primarily driven by the exceptional performance of the

defence segment, while we successfully maintained an EBITDA margin of 26.9%. This was achieved through effective control of our operating costs, despite an increase in direct costs, highlighting our ability to sustain profitability and operational efficiency.

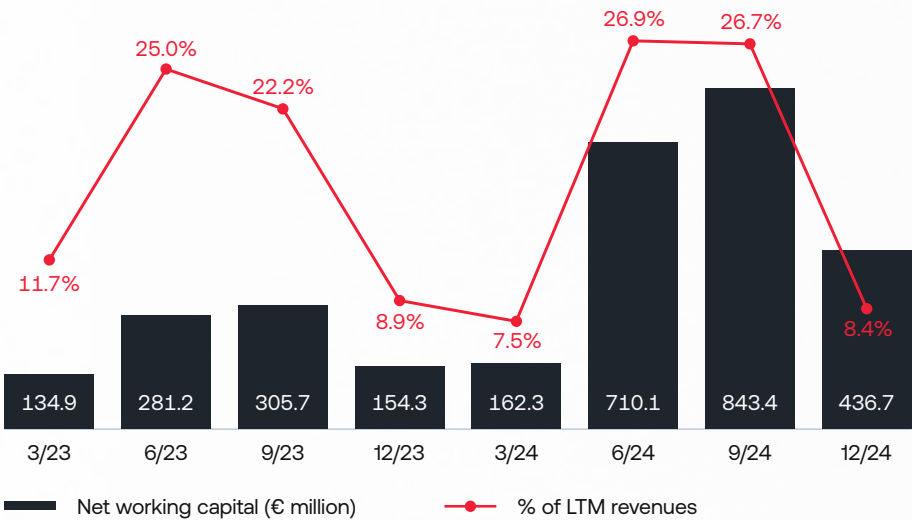
Operating Costs Structure



Operating costs experienced a significant increase in 2024, driven by the Group’s accelerated expansion and increased production capacity. The Cost of Goods Sold (COGS) rose substantially, reaching €2,157.7 million in FY24, compared to €840.8 million in FY23, accounting for 73.7% of total operating costs, up from 64.9% the previous year. This increase was primarily attributable to higher production volumes and rising material costs. Service costs also experienced a notable rise, reaching €442.3 million in FY24, compared to €245.3 million in FY23. However, as a percentage of total costs, service costs decreased to

15.1% from 18.9%, reflecting improved cost efficiency. Staff costs increased to €286.2 million in FY24 from €194.0 million in FY23, representing 9.8% of total operating costs, down from 15.0% the previous year, highlighting the effective management of work-force-related expenses. Other income and expenses rose to €43.3 million in FY24, up from €15.6 million in FY23, largely reflecting the overall expansion of the Group’s operations and increased business activities. Overall, total operating costs more than doubled year-over-year, reaching €2,929.5 million in FY24, up from €1,295.6 million in FY23.

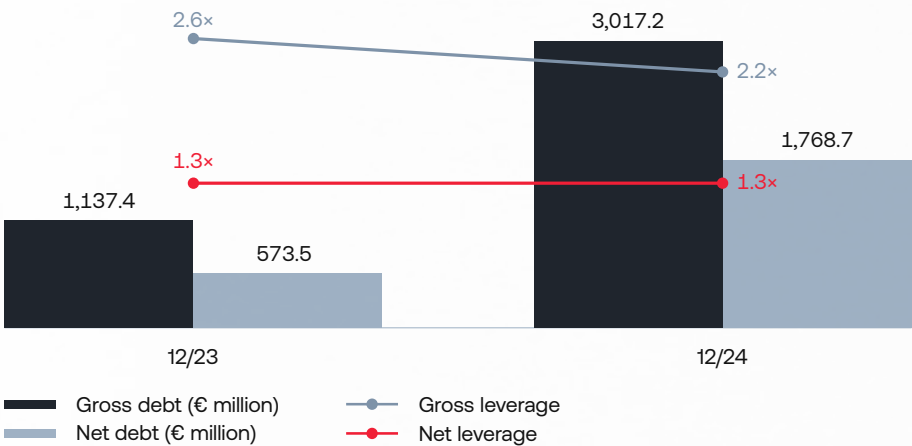
Net Working Capital Trend



The trend in net working capital (NWC) reflects the production cycles and stability of the Group’s cash-flow generation. The ratio of NWC to last-twelve-months (LTM) revenues follow a consistent pattern year-over-year, highlighting the Group’s ability to effectively manage liquidity and work-

ing capital during peak production periods, thereby ensuring financial stability. The December 2024 figures incorporate the working-capital position of The Kinetic Group, with calculations made on a pro-forma basis to align with the expanded scale of operations.

Leverage



The Company’s leverage position reflects a strategic approach to financing growth while ensuring financial stability. The Group increased its gross debt from €1,137.4 million in December 2023 to €3,017.2 million in December 2024. This increase was primarily driven by the financing of The Kinetic Group acquisition and the refinancing of the Group’s entire indebtedness,

resulting in an overall change of its capital structure. Despite this, the Group’s effective management of growth, strong performance, and robust cash generation enabled a reduction in its gross leverage from 2.6x in December 2023 to 2.2x in December 2024, while maintaining a consistent net leverage position of 1.3x year-over-year.

Cash Flows

The table below presents a summary of our cash flows for the periods indicated.

€ million	Year ended December 31	
	2024	2023
Net cash from operating activities	856.1	199.1
Net cash (used in) / from investing activities	(2,082.6)	(70.5)
Net cash (used in) / from financing activities	1,919.1	190.7
Net increase / (decrease) in cash and cash equivalents	692.5	319.4
Cash and cash equivalents at beginning of year	563.9	241.7
Foreign exchange rate gains / (losses) from the translation of cash and cash equivalents	(7.9)	2.8
Cash and cash equivalents at end of period	1,248.5	563.9

Net Cash from Operating Activities

The net cash from operating activities for FY24 amounted to €856.1 million, a significant increase from €199.1 million in FY23. This increase was primarily driven by higher operating profits and substantial positive working capital movements. Cash generated from operating profits rose to €992.3 million (inflow) in FY24, compared to €422.0 million in FY23. Working capital movements contributed an outflow of €50.9 million in FY24 (vs. an outflow of €170.2 million in FY23), primarily reflecting the Group’s increased scale of operations and efficient working capital management. Income tax payments also increased to €85.4 million in FY24, compared to €52.6 million in the prior year. Overall, the increase of €656.9 million, or 330.1%, reflects the Group’s strong underlying profitability and improved cash conversion in 2024.

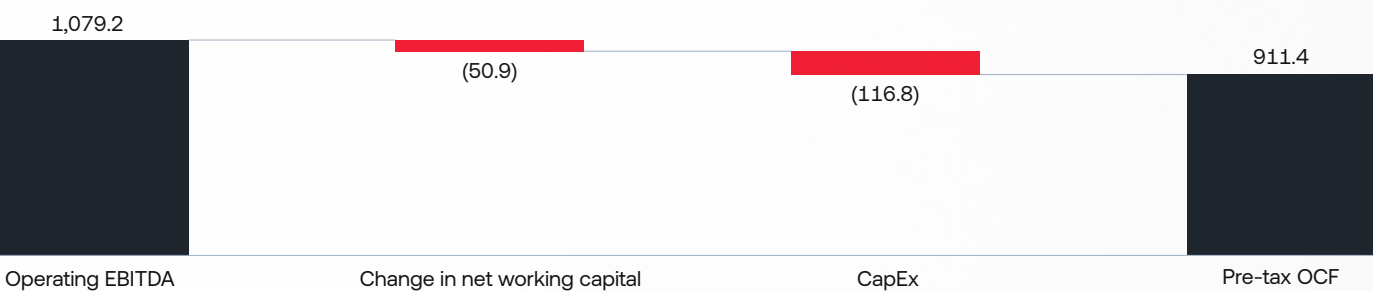
Net Cash Used in Investing Activities

Net cash used in investing activities totaled €2,082.6 million (outflow) for FY24, compared to €70.5 million (outflow) in FY23. This substantial increase was primarily attributable to the acquisition of investments in subsidiaries, amounting to €2,104.4 million (outflow), reflecting major strategic acquisition completed during the year. Other key items included investments into property, plant, equipment, investment property, and intangible assets totaling €116.8 million (outflow), and loans provided of €35.6 million (outflow). These outflows were partially offset by proceeds from the repayment of loans (€122.2 million inflow), interest received (€39.8 million inflow), and disposal of subsidiaries (€7.0 million inflow). Compared to FY23, the investing cash outflow increased by €2,012.1 million, primarily driven by the acquisition executed in 2024.

Net Cash from Financing Activities

Net cash from financing activities amounted to €1,919.1 million (inflow) for FY24, compared to €190.7 million (inflow) in FY23. This sharp increase reflects a significant expansion in financing to support the Group’s strategic acquisitions and investments. The inflow was primarily driven by proceeds from borrowings of €1,405.5 million and bond placements totaling €770.7 million. These were partially offset by repayments of borrowings (€246.5 million), bond redemptions (€51.7 million), and interest paid (€79.3 million). In addition, other equity contributions of €214.2 million further strengthened financing flows. The net increase of €1,728.4 million reflects the Group’s active and diversified funding strategy in 2024.

Pre-tax Operating Cash Flow (€ million)



Pre-tax operating cash flow for FY24 amounted to €911.4 million (inflow), marking a significant increase from €194.3 million in FY23. This strong result underscores the Group’s robust earnings generation and continued discipline in managing its cash position.

Operating EBITDA more than doubled year-on-year, reaching €1,079.2 million in FY24, compared to €438.8 million in the prior year. This surge in profitability served as the key driver of improved cash flow performance.

The change in net working capital amounted to an outflow of €50.9 million, a notable improvement compared to the €170.3 million outflow in FY23. The reduced working capital requirement reflects enhanced operational efficiency and more balanced inventory and receivables management, even amid continued business growth.

Capital expenditure (CapEx) totaled €116.8 million in FY24, up from €74.2 million in the prior year. These investments supported the Group’s strategy

to modernize its infrastructure, scale up production capacity, and invest in technology upgrades that will sustain long-term operational competitiveness.

As a result, the Group achieved a nearly fivefold increase in pre-tax operating cash flow, reinforcing its strong liquidity profile and positioning it well to capitalize on future strategic opportunities while continuing to fund its growth initiatives.

Capital Structure

The table below presents a breakdown of the Group’s gross debt as of the dates indicated, providing an overview of its financing structure, including term loans, revolving credit facilities, bonds, and leasing. It reflects the

composition and development of the Group’s Capital Structure over time.

This increase in financing reflects the Group’s strategic investments and expansion efforts, ensuring sufficient

capital to sustain growth while maintaining financial flexibility.

€ million	Year ended December 31	
	2024	2023
Term loans	1,462.9	597.1
Revolving Credit Facilities	449.6	160.4
Bonds	1,005.7	337.4
Leasing	99.0	42.5
Total	3,017.2	1,137.4

Backlog

The Group continues to demonstrate strong performance in the defence segment, underpinned by a robust backlog that significantly enhances revenue visibility and supports its commitment to sustained top-line growth. As of December 31, 2024, the total backlog exceeded €11 billion—nearly

triple the amount recorded in the previous year. This remarkable increase highlights the Group’s success in securing large-scale contracts across its key business divisions, reinforcing its growth strategy in the defence sector.

In response to the increasing demand for ammunition, the Group is actively driving growth in land-systems products, aligning with its long-term strategy for strengthening its comprehensive defence portfolio and ensuring the sustainability of revenue streams through diversified product offerings.

Comparison of Results

The year 2024 represented a significant milestone in the Group’s financial performance, achieving record growth in both revenue and profitability. This remarkable growth was largely driven by the robust performance of the defence segment and the full integra-

tion of recent acquisitions. The Group’s strategic market expansion and ability to seize key opportunities have solidified its position as one of the key players in the industry, demonstrating resilience and adaptability in a dynamic global market.

€ million	Year ended December 31		Change	
	2024	2023	ABS	%
Revenues	4,008.6	1,734.4	2,274.2	131.1%
Cost of sales	(2,157.7)	(840.8)	(1,316.8)	156.6%
External costs	(442.3)	(245.3)	(197.0)	80.3%
Employee benefits costs	(286.2)	(194.0)	(92.2)	47.6%
Depreciation/amortisation	(66.3)	(60.7)	(5.6)	9.3%
Other operating income	61.0	18.1	43.0	237.6%
Other operating expenses	(104.3)	(33.6)	(70.7)	210.0%
Profit / (loss) form operating activities	1,012.9	378.1	634.7	167.9%
Finance income	165.8	23.2	142.7	616.3%
Finance expense	(378.3)	(104.1)	(274.2)	263.4%
Profit/(loss) from financial instruments	43.5	(20.7)	64.2	(310.7%)
Net finance income/(expense)	(169.0)	(101.6)	(67.3)	66.3%
Share of profit of equity accounted investees, net of tax	(0.3)	0.6	(0.9)	(146.3%)
Gain/(loss) on disposal of subsidiaries and special purpose entities	2.2	1.8	0.5	26.0%
Profit / (loss) before income tax	845.8	278.9	566.9	203.2%
Income tax	(212.5)	(68.7)	(143.7)	209.2%
Profit / (loss) from continuing operations, net of income tax	633.4	210.2	423.2	201.3%
Profit / (loss) attributable to non-controlling interests	(107.3)	(36.2)	(71.2)	196.8%
Profit / (loss) for the period (attrib. to equity holders of the Company)	526.1	174.1	352.0	202.2%

Revenues

Revenues increased by €2,274.2 million, or 131.1%, to €4,008.6 million in FY24 from €1,743.4 million in FY23. This significant increase was primarily driven by the continued strong perfor-

mance of the CSG Defence division and supported by the single-month contribution of The Kinetic Group following its acquisition late in the year.

Breakdown of Revenues by Country/Region

€ million	Year ended December 31	
	2024	2023
Czech Republic	545.2	247.2
Slovakia	135.7	75.1
European Union	1,063.6	560.4
United States of America	268.8	230.8
Indonesia	102.3	57.1
Ukraine	1,714.5	399.4
Other	178.4	164.4
Total	4,008.6	1,734.4

The Group’s revenue growth was geographically diversified, with particularly notable increases in the European Union and Ukraine. Revenues from the Czech Republic nearly doubled to €545.2 million in FY24, up from €247.2 million in FY23, driven by strong domestic demand. Slovakia saw an 80.7% increase, reaching €135.7 million, compared to €75.1 million. The European Union overall also experienced substantial growth, with revenues rising by 89.8% to €1,063.6 million, up from €560.4 million. In the US, revenues grew by 16.5% to €268.8 million, up from €230.8 million, primarily due to inorganic growth following the acquisition of The Kinetic Group. Indonesian revenues increased by 79.2% to €102.3 million, compared to €57.1 million. Ukraine emerged as a standout performer, with revenues more than quadrupling from €399.4 million to €1,714.5 million, driven by significant demand within the defence sector. Other markets contributed €178.4 million, reflecting steady growth from €164.4 million in the prior year.

Cost of sales increased by €1,316.8 million, or 156.6%, reaching €2,157.7 million in FY24. This rise reflects the scale of the business expansion and higher production volumes as the Company increased output in 2024 to meet growing demand. Despite higher material, energy, and logistics costs, the Company successfully maintained profitability through rigorous cost controls, process optimization, and strategic sourcing. The ability to manage input costs effectively while upholding high production standards casts a positive light on the Group’s operational efficiency and financial discipline.

External Costs

Service costs increased by €197.0 million, or 80.3%, reaching €442.3 million in FY24. While absolute costs rose due to higher production capacity and increased use of outsourced services, their proportion of total revenues declined, reflecting strong operating leverage. The Company successfully streamlined service expenditures through enhanced contract negotiations, optimized use of external services, and the leveraging of economies of scale. This reduction in relative service costs underscores the Group’s ability to grow efficiently, ensuring that additional revenues contribute to improved margins and higher profitability.

Employee Benefits Costs

Personnel expenses increased by €92.2 million, or 47.6%, reaching €286.2 million in FY24. This rise was primarily driven by the hiring of additional employees to support growth and the full-year consolidation of The Kinetic Group. As the Group continues to expand, its workforce has been strategically strengthened with skilled professionals, ensuring operational excellence and enhanced production capacity. Despite the increase in personnel expenses, their proportion to sales remained stable, demonstrating effective cost management and productivity improvements across various functions.

Depreciation/Amortization

Depreciation and amortization increased by €5.6 million, or 9.3%, reaching €66.3 million in FY24. This increase reflects ongoing investments in production infrastructure, modern equipment, and advanced technologies to support the Company’s growth trajectory. By reinvesting in critical assets, the Company ensures long-term operational efficiency and capacity expansion, preserving its competitive edge in a high-demand market. These strategic capital expenditures are expected to drive future profitability and bolster the Group’s ambitious growth plans.

Other Operating Income and Expenses

Other operating income increased by €43.0 million, or 237.6%, to €61.0 million, driven by capitalization production costs of own assets, and other non-core operational revenues. This significant increase underscores the Company’s ability to capitalize on asset optimization strategies and maximize returns from ancillary business activities. Conversely, other operating expenses increased by €70.7 million, or 210.0%, reaching

€104.3 million, primarily due to provisions, impairments, and one-time adjustments. While these expenses grew in absolute terms, the Company remains committed to prudent financial management, mitigating risks, and maintaining a balanced cost structure.

Profit from Operating Activities

Profit from operating activities more than doubled, increasing by €634.7 million, or 167.9%, bringing it to €1,012.9 million in FY24. This substantial growth was primarily driven by revenue expansion, enhanced cost efficiencies, and the successful integration of acquired businesses. The Company’s focus on margin optimization, operational efficiency, and process automation played a crucial role in this strong performance. Operating EBITDA reached record level, further solidifying the Company’s strong financial position and its ability to generate sustainable earnings growth.

Financial Income and Expenses

Financial income increased by €142.7 million, or 616.3%, reaching €165.8 million. It was primarily driven by higher interest income from investments and cash management. This growth reflects the Company’s ability to optimize its financial assets and capitalize on favorable market conditions. Conversely, financial expenses rose by €274.2 million, or 263.4%, to €378.3 million, primarily due to financing costs associated with recent strategic initiatives. Despite the rise in financial expenses, the Company has managed its leverage and liquidity effectively, ensuring its own long-term financial stability.

Profit from Other Financial Instruments

Profit from financial instruments recovered by €64.2 million, reaching €43.5 million, compared to a loss of €20.7

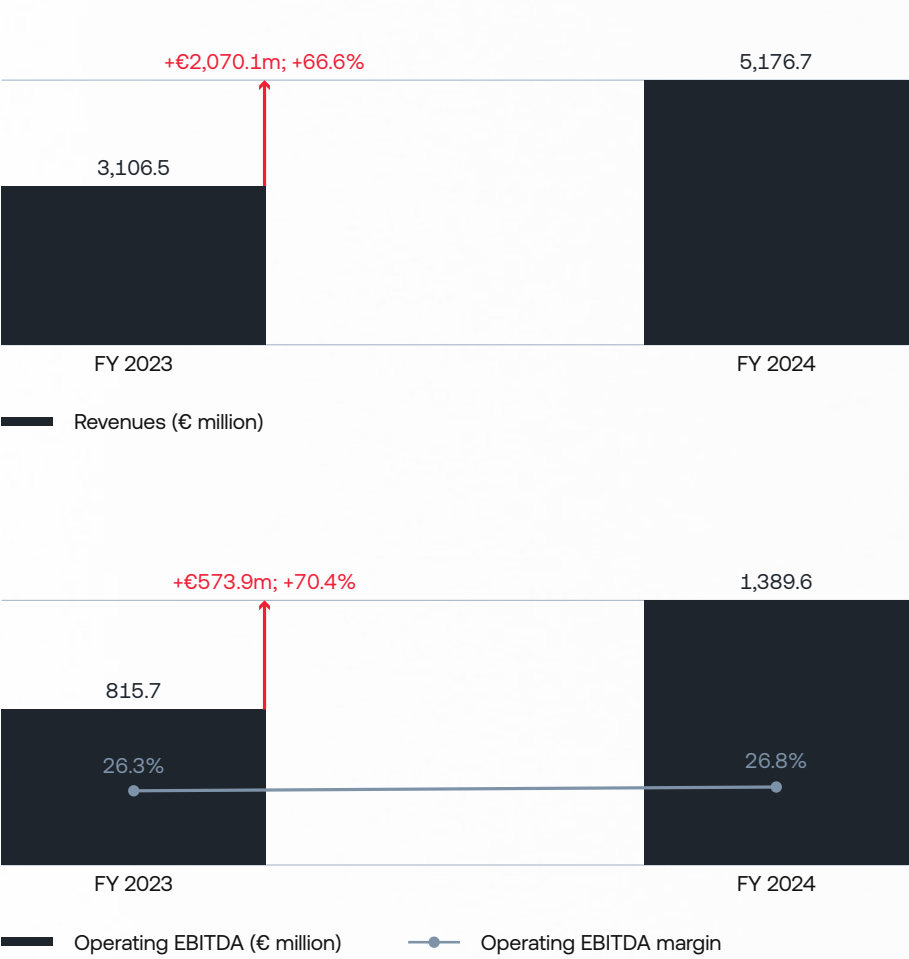
million in FY23. This turnaround was primarily driven by disciplined hedging strategies during acquisitions and market movements in interest rates and currency rates. The Group proactively managed its financial risk. Through the implementation of hedging strategies and portfolio optimization, the Company effectively navigated market fluctuations, minimizing its exposure to external economic volatility.

Net Profit

Profit before income tax increased by €566.9 million, or 203.2%, to €845.8 million in FY24. Net profit attributable to equity holders of the Company after the recognition of income tax nearly tripled, growing by €352.0 million, or 202.2%, to reach €526.1 million in FY24. This substantial growth demonstrates the Company’s ability to scale efficiently while maintaining strong financial discipline, thereby delivering significant value. CSG’s continued focus on strategic investments, operational efficiency, and market expansion positions it for sustained profitability and long-term value creation, reinforcing its commitment to delivering consistent returns.

Financial Performance Analysis—Pro-forma CSG with The Kinetic Group

Pro-forma Revenues & Operating EBITDA (€ million)

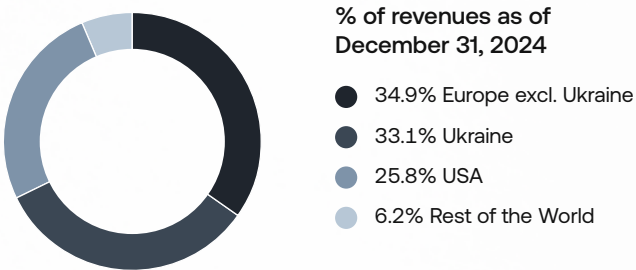


The Company’s pro-forma revenues increased significantly to €5,176.7 million in FY24, representing a 66.6% growth from €3,106.5 million achieved in FY23. Operating EBITDA also demonstrated strong growth, rising by 70.4% from €815.7 million to €1,389.6 million, with a pro-forma EBITDA margin of 26.8%, compared to 26.3% in FY23.

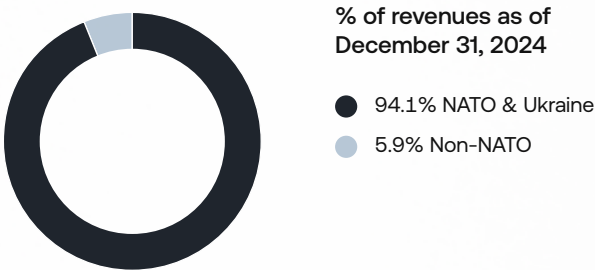
the Group’s robust financial performance demonstrates its ability to deliver strong profitability and growth. This solid performance highlights the Company’s commitment to creating long-term value while successfully executing its strategic growth initiatives.

The pro-forma EBITDA margin reflects integration costs and structural adjustments related to the acquisition of The Kinetic Group. Despite these factors,

Geographical Breakdown of Pro-forma Revenues

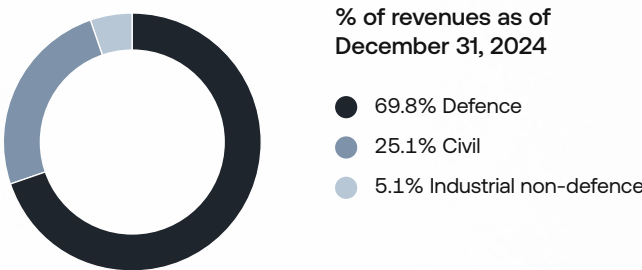


The Group’s global revenue footprint has expanded significantly, with The Kinetic Group’s contribution substantially enhancing its presence in the US. On a pro-forma basis, Europe (excluding Ukraine) generated €1,804.6 million, representing 34.9% of total revenues. Ukraine contributed €1,714.5 million, or 33.1% of total revenues. The US experienced remarkable growth, contributing €1,335.6 million, or 25.8% of total revenues, driven largely by the addition of The Kinetic Group. The “Rest of the World” category accounted for €321.9 million, or 6.2%, reflecting the CSG’s ongoing efforts to expand into new global markets.



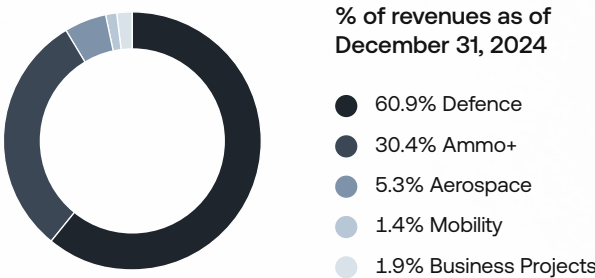
On a pro-forma basis, the Group’s revenue exposure across NATO and non-NATO markets underscores its strategic positioning in key defence regions. In FY24, 61.0% of total revenues were generated from NATO countries, while 39.0% originated from non-NATO markets, including Ukraine. This classification highlights the Group’s strong reliance on NATO-affiliated defence contracts while also reflecting its targeted presence in non-NATO markets—particularly in regions where strategic defence cooperation continues to evolve. The Group’s diversified market exposure supports its resilience and aligns with its long-term growth strategy.

Breakdown of Pro-forma Revenues by End Market



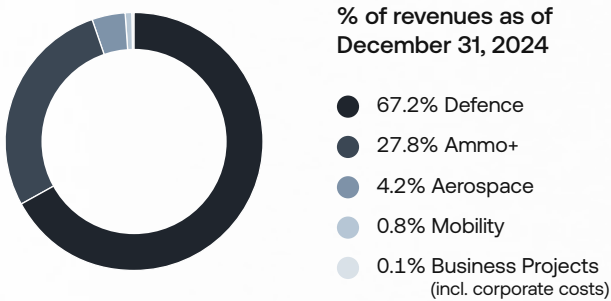
The Group’s core strength remains its defence segment, which continues to be the primary driver of performance, accounting for €3,784.3 million, or 69.8% of CSG’s total revenues on a pro-forma basis. Civilian markets contributed €1,358.0 million, or 25.1% of total revenues, and industrial non-defence markets represented €278.0 million, or 5.1% of total revenues.

Breakdown of Pro-forma Revenues by Divisions



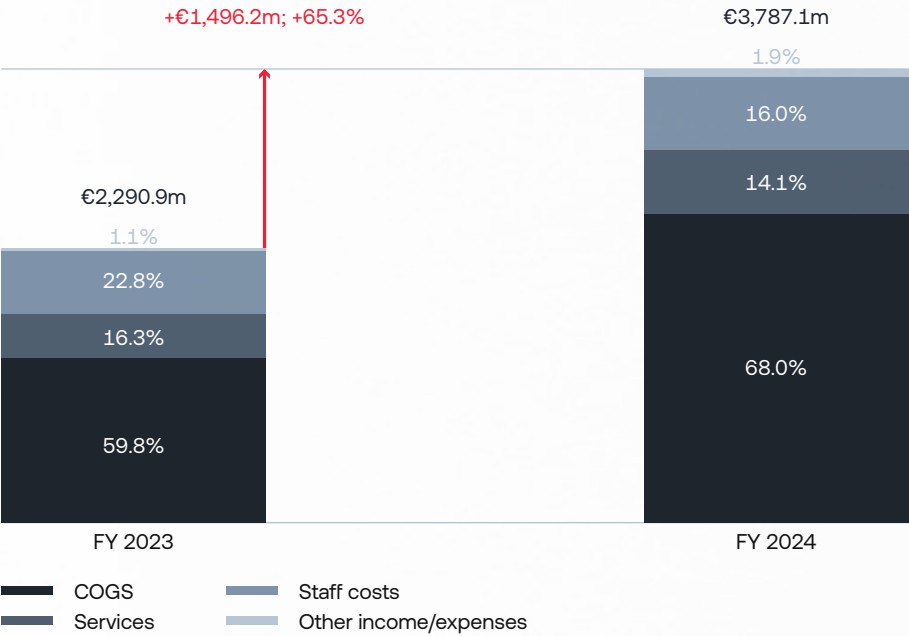
Following the integration of The Kinetic Group, the composition of the Group’s business divisions has evolved. The CSG Defence division continues to be the cornerstone of the business, generating €3,301.3 million, or 60.9% of divisional sales, underscoring its main role in the Group’s performance. Last year the CSG Ammo+ division, reflecting the full-year impact of The Kinetic Group on a pro-forma basis, contributed €1,650.2 million, or 30.4% of total sales. The CSG Aerospace division accounted for €288.7 million, or 5.3% of sales, reflecting targeted growth in this area. CSG Mobility and Business Projects division represented 1.4% and 1.9% of divisional sales, respectively.

Breakdown of Pro-forma Operating EBITDA by Divisions



On the profitability front, the CSG Defence division remained the primary contributor to operating EBITDA, delivering €943.9 million at a robust margin of 28.6%, highlighting its critical role in driving the company’s financial performance. The CSG Ammo+ division demonstrated significant growth, with operating EBITDA of €390.4 million and a strong margin of 23.7%, reflecting the division’s growing contribution to overall profitability. The CSG Aerospace, Mobility, and Business Projects (incl. corporate costs) divisions posted operating EBITDA of €58.4 million, €11.9 million, and €0.9 million, respectively.

Pro-Forma Operating Costs Structure



The integration of The Kinetic Group has notably impacted the Company’s cost structure. Cost of Goods Sold (COGS) increased by 87.7%, from €1,372.2 million in FY23 to €2,575.0 million in FY24, driven by higher production volumes and increased raw-material costs. Service costs rose by 43.5%, reaching €534.4 million, reflecting heightened operational

requirements. Staff costs grew by 16.0%, totaling €605.4 million, while other income and expenses surged by 195.3%, primarily due to adjustments related to The Kinetic Group. As a percentage of total revenues, COGS increased from 44.2% to 49.7%, reflecting the impact of rising material and production costs. Conversely,

service costs improved, decreasing from 12.0% to 10.3%, demonstrating enhanced cost absorption and operational efficiency. Staff costs as a percentage of sales declined from 16.8% to 11.7%, underscoring the Company’s commitment to workforce efficiency amid growth. Other expenses increased from 0.8% to 1.4%.

Pro-Forma Profit & Loss Comparison

€ million	Year ended December 31		Change	
	2024	2023	ABS	%
Revenues	5,176.7	3,106.5	2,070.1	66.6%
Cost of sales	(2,575.0)	(1,372.2)	-1,202.8	87.7%
External costs	(534.4)	(372.4)	-162.0	43.5%
Employee benefits costs	(605.4)	(521.8)	-83.5	16.0%
Other operating result, net	(72.3)	(24.5)	-47.8	195.3%
Operating EBITDA	1,389.6	815.7	573.9	70.4%
Operating EBITDA margin	26.8%	26.3%		

Revenues for FY24 increased by 66.6%, reaching €5,176.7 million, driven by robust organic growth in key markets, with strong performance in the defence sector playing a significant role. The cost of sales nearly doubled, rising from €1,372.2 million to €2,575.0 million, primarily due to higher production volumes and increased procurement costs.

Service and personnel expenses grew by 43.5% and 16.0%, respectively, reflecting the Company’s expanded operational structure to support growth. Other operating results saw a substantial increase of 195.3%, totaling €72.3 million, driven by adjustments related to the Company’s strategic initiatives.

Operating EBITDA increased by 70.4%, reaching €1,389.6 million, underscoring the Company’s strong profitability and operational efficiency. This performance highlights the Group’s ability to manage costs effectively while capitalizing on market opportunities to deliver sustainable growth.

Forward-looking Statements

This MD&A contains “forward-looking statements” within the meaning of the securities laws of certain jurisdictions. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including words such as “believe,” “anticipate,” “estimate,” “expect,” “suggest,” “target,” “intend,” “predict,” “project,” “should,” “would,” “could,” “may,” “will,” “forecast,” “plan,” and similar expressions or, for all such cases, their negative or other variations or comparable terminology, or by discussions of strategies, plans, objectives, targets, goals, future events, or intentions. These forward-looking

statements include all matters that are not historical facts. They appear in a number of places throughout this MD&A and include statements regarding our intentions, beliefs, or current expectations concerning, among other things, the results of the Group’s operations, financial condition, liquidity, prospects, growth, strategies, and the industry in which the Group operates. By their nature, forward-looking statements involve known and unknown risks and uncertainties, because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of

future performance. You should not place undue reliance on these forward-looking statements. Any forward-looking statements are only made as of the date of this MD&A, and the Group does not intend, and does not assume, any obligation to update forward-looking statements set forth in this MD&A. Many factors may cause the Group’s results of operations, financial condition, liquidity, and the development of the industry in which it operates to differ materially from those expressed or implied by the forward-looking statements contained in this MD&A.

These factors include, among others:

- the risk associated with damage to reputation;
- risks associated with new acquisitions;
- regulatory risks and the risk of potential loss of export licenses;
- competitive risks;
- political and macroeconomic risks;
- the risk of fluctuations in commodity prices;
- risks arising from product liability;
- risks associated with our ownership interest in certain subsidiaries and other shareholders;
- the risk of a disruption to our external supply chains;
- risks associated with our indebtedness;
- other financial risks.

Our most valuable
asset is our...



Governance

General Meeting

The General Meeting (termed *valná hromada* in Czech) is the supreme body of CZECHOSLOVAK GROUP a.s. (the “Company”). In light of the fact that the Company has a sole shareholder, namely CSG FIN a.s., as of the date of this Annual Report, the General Meeting is not held. Instead, CSG FIN a.s. acts in the capacity of the General Meeting in accordance with Section 12 of Czech Act No. 90/2012 Coll., as amended (the Business Corporations Act). Any reference to the General Meeting within this document pertains to decisions made by the sole shareholder in this representative capacity.

Decisions of CSG FIN a.s., in its capacity as the sole shareholder of the Company, must be made in writing, signed by the representatives of the shareholder, and delivered to a member of the Board of Directors or to the address of the registered office of the Company, or to an e mail address designated by the Board of Directors.

The Board of Directors convenes the General Meeting at least once in each reporting period, while ensuring it occurs no later than six months after the conclusion of the reporting period. Alternatively, a General Meeting may be convened by a member of the Board of Directors or the Supervisory Board if it is deemed beneficial for the interests of the Company.

Board of Directors

The Board of Directors (termed *představenstvo* in Czech) is the statutory body of the Company. Members of the Board of Directors are appointed and recalled by the Company’s sole shareholder. In 2024, the Board of Directors had seven members and elected its Chairman and two Vice-Chairmen from among its members. As of the date of this Annual Report, the Board of Directors has five members, as the terms of office of Lukáš Andryšek and David Štěpán as members of the Board of Directors have ended. The Company is at all times represented by two members of the Board of Directors, one of whom must be the Chairman or a Vice-Chairman of this Board. In the event that no Chairman or Vice-Chairmen of the Board of Directors are elected, the Company shall be represented by two members of the Board of Directors in all matters.

The Board of Directors is responsible for the business management of the Company. The scope of competence of the Board of Directors includes making decisions in all matters that are reserved for the Board of Directors pursuant to the Company’s Articles of Association, legal regulations, and decisions of Company’s sole shareholder. A quorum is established when a majority of the Board of Directors’ members are present. The consent of a majority of the present members of the Board of Directors is required for the adoption of decisions, except for the election and recall of the Chairman and Vice-Chairmen of the Board of

Directors, for which a unanimous decision of all its members shall be required in accordance with the Company’s Articles of Association.

All arrangements between the Company and the members of the Board of Directors related to the performance of their offices are contained in their respective agreements on the performance of office or in amendments thereto in accordance with Act No. 89/2012 Coll., the Civil Code, as amended, and Act No. 90/2012 Coll., the Business Corporations Act, as amended. These arrangements include also provisions on remuneration.

As at December 31, 2024, the members of the Board of Directors of the Company were Michal Strnad as Chairman, David Chour and Ladislav Štorek as Vice-Chairmen, and Petr Formánek, Zdeněk Jurák, David Štěpán, and Lukáš Andryšek as members.

As of the date of this Annual Report, the members of the Company’s Board of Directors are Michal Strnad as Chairman, David Chour and Ladislav Štorek as Vice-Chairmen, and Petr Formánek and Zdeněk Jurák as members. The term of office of Lukáš Andryšek ended on January 13, 2025, and the term of office of David Štěpán ended on February 25, 2025. The business address of the Board’s members is the current address of the Company’s registered office, i.e., U Rustonky 714/1, Karlín, 186 00 Prague 8, Czech Republic.



Michal Strnad

Chairman of the Board of Directors
since October 31, 2015

Education, Experience and Other Relevant Information

Michal Strnad completed his secondary education at Anglické gymnázium, Střední odborná škola and Vyšší odborná škola, s.r.o. From 2010 to 2013, he actively assisted within the business/project sector of EXCALIBUR ARMY spol. s r.o. In 2014, he continued his professional engagement within the Group at CSGM a.s., where he held the position of assistant to the project manager from 2014 to 2015.

In addition to his responsibilities on the Board of Directors of CZECHOSLOVAK GROUP a.s., a position he assumed in 2015, Michal held the role of CEO at CSGM a.s. until 2019. As the current ultimate owner of CSG, he has the key voice in determining the Group’s strategic direction.



David Chour

Vice-Chairman of the Board
of Directors
since September 1, 2020

Education, Experience and Other Relevant Information

David Chour is a graduate of the Faculty of Economics and Administration at University of Pardubice. Over the course of nearly two decades, he dedicated his professional efforts to the financial group Profireal Group, where he entered the position of CEO in 2003 and assumed the role of Chairman of the Board of Directors in 2007. Under his leadership, the Profireal Group evolved into a global player, successfully expanding onto markets in various countries of Europe.

In August 2020, David began a new chapter in his professional career when he joined the Group as its CFO. In September 2020, he was appointed Vice-Chairman of the Board of Directors of the Company. At the beginning of 2023, he was entrusted with the role of Group COO.



Ladislav Štorek

Vice-Chairman of the Board
of Directors
member since September 1, 2022

Education, Experience and Other Relevant Information

Ladislav Štorek holds a law degree from the Faculty of Law at the Charles University. After his graduation, he took the first steps on his professional journey as an associate and attorney at the American law firm Altheimer & Gray, which subsequently became part of an international law firm SALANS and later on Dentons. In 2002, he became a partner and, starting in 2008, he led its Prague office for a decade while concurrently leading the Czech Dispute Resolution practice and managing the Bratislava office for several years. In addition to these responsibilities, Ladislav was a member of European bodies of this firm. After contributing his expertise for a period that cumulatively exceeded 25 years, he began pursuing a new professional opportunity and joined the Czechoslovak Group as General Counsel.

Ladislav is a member of the Czech Bar Association. In his capacity as CSG's General Counsel, he provides strategic advice to its top management and the sole shareholder. His responsibilities include overseeing the legal department's operations and addressing all significant legal matters within the Group. His leadership significantly contributes to the Group's effective management and legal compliance. In January 2024, Ladislav was appointed Vice-Chairman of the Board of Directors of the Company.



Petr Formánek

Member of the Board of Directors
since November 4, 2019

Education, Experience and Other Relevant Information

Petr Formánek holds a degree in Finance from the Prague University of Economics and Business. From 1988 to 2001, Petr held a variety of positions within the financial market segment in banks, including membership on boards of directors in both the Czech Republic and Canada. From 2001 to 2005, he actively contributed to the management of a distressed asset portfolio in a joint venture with the finance division of General Motors.

From 2005 to 2016, as a member of the Board of Directors of Patria Corporate Finance, Petr was responsible for overseeing numerous public and private projects on capital markets, both in the Czech Republic and internationally.

Since 2016, Petr has been overseeing the Group's corporate finance.



Zdeněk Jurák

Member of the Board of Directors
since January 1, 2024

Education, Experience and Other Relevant Information

Zdeněk Jurák holds a degree from Mendel University in Brno and has completed an internship at the University of Illinois in the USA. He is ACCA/DiplFR certified and holds certification as a qualified accounting expert.

With over eight years of experience at KKCG, an international investment group, Zdeněk has gained valuable insights into financial management in both domestic and foreign settings. His areas of expertise include mergers and acquisitions, bond issues, and guiding companies through capital markets preparations. During his time at KKCG, Zdeněk played a key role in implementing new ERP and CPM systems and handled negotiations and communication with auditors. Prior to this tenure, Zdeněk worked at Generali PPF Group and Mazars.

In June 2023, Zdeněk Jurák joined CSG as Chief Financial Officer (CFO), succeeding David Chour, who assumed the role of Chief Operating Officer (COO) of the Group in the same year.

Leadership Team

The Group’s Management Team



Michaela Katolická

Chief Executive Officer of CSGM a.s.
Responsible for company operations & ICT.

Stanislav Kuba

CSG Investment Director
Responsible for the Group’s investment activities.



Alena Kozáková

Group Human Resources Director
Responsible for human resource management for the Group’s companies.



Milan Matoušek

Director of Strategic Recruitment
Responsible for strategic recruitment for key management positions.

Leadership Team

The Group’s Management Team



Milan Cícer

Director of Security and Compliance
Responsible for data and information security within the Group and for maintaining an effective CSG compliance policy.

Serge Damian

Chief Sustainability Officer
Responsible for ESG and sustainability within the Group.



Jan Hamáček

Director, External Relations
Responsible for the management of the Group’s external relations.



Kateřina Petko

Group Director of Corporate Communication and Marketing
Responsible for communication and marketing within the Group.

Leadership Team

The Group’s Management Team



Andrea Křížová

Financial Director
of CSG Aerospace division
Responsible for the financial management of the
companies within the CSG Aerospace division.

Tomáš Vlček

Chief Operating Officer
of CSG Aerospace division
Responsible for operational matters
at the CSG Aerospace division.



Jan Marinov

Chief Executive Officer
of CSG Defence division
Responsible for the management of the
companies within the CSG Defence division.



Róbert Verbich

Financial Director
of CSG Defence division
Responsible for the financial management of the
companies within the CSG Defence division.

Leadership Team

The Group’s Management Team



Jakub Zdeněk

CSG Production Director
Responsible for the areas of production and production investments, as well as production process efficiency and quality.



Milan Franc

Chief Executive Officer of CSG DEAL a.s.
Responsible for strategic procurement, investments, and supplier tenders for the Group.

Audit Committee

The Audit Committee (termed *výbor pro audit* in Czech) performs the following activities, without effect on the responsibilities of the members of the Board of Directors and the Supervisory Board:

- 1

it monitors the effectiveness of internal controls and the risk management system;
- 2

it monitors the effectiveness of internal auditing and ensures its functional independence;
- 3

it monitors the preparation process for financial statements and consolidated financial statements;
- 4

it approves the provision of other non-auditing services;
- 5

it monitors the process for the obligatory audit; and
- 6

it performs other activities in accordance with the Act on Auditors and directly applicable EU regulation.

The Audit Committee has three members appointed by the Company’s General Meeting. Members of the Committee cannot be substituted. Members of the Audit Committee must also be independent and professionally qualified.

The members of the Audit Committee as of December 31, 2024, are:

Olga Nahodilová Chairman of the Audit Committee	Ivana Hubáčková Member of the Audit Committee	František Jirásek Member of the Audit Committee
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Supervisory Body

The Supervisory Board (termed *dozorčí rada* in Czech) is the supervisory body of the Company. The role of the Supervisory Board is to monitor and supervise the activities of the Board of Directors and ensure that the Company’s business activities are carried out properly. This includes monitoring compliance with legal regulations, the Articles of Association, and the resolutions of the General Meeting or those of the Company’s sole shareholder, as applicable.

As of December 31, 2024, the members of the Supervisory Board were Michaela Katolická as Chairman, and Rudolf Bureš and Aleš Klepek as members.

The business address for all members of the Supervisory Board is as follows:
U Rustonky 714/1, Karlín, 186 00 Prague 8, Czech Republic.

Michaela Katolická

Chairman of the Supervisory Board
since March 1, 2023

Education, Experience and Other Relevant Information

Michaela Katolická completed her education with a Doctor of Juridical Science degree (the Czech JUDr. degree) from Charles University in 2014, complementing an academic journey that included studies in EU Law at Université Toulouse 1 Science Sociales and the attainment of a Master’s Degree from the University of West Bohemia in Pilsen.

Commencing her professional career as a paralegal at the District Office in Prague 1, she subsequently contributed her legal expertise to the Financial Analytical Office, specializing in the fight against money laundering and terrorist financing.

Since joining CSG in 2010, Michaela has held a variety of roles, including Compliance Specialist and Director of Security and Compliance. Currently, Michaela Katolická is the CEO of CSGM a.s.

Rudolf Bureš

Member of the Supervisory Board
since October 4, 2018

Education, Experience and Other Relevant Information

Rudolf Bureš holds a degree from the Faculty of Economics (i.e. the school of economics) within the University of Economics in Prague. In 2015, he successfully completed the Master of Laws (LL.M.) educational program with a focus on corporate law at the Law and Legal Science Institute in Prague.

From 1995 to 2003, Rudolf Bureš worked at Eurotel Praha spol. s r.o., where he co-founded its Treasury department. He further enhanced his managerial and specialized expertise in the business groups Unipetrol and AWT, where he worked from 2003 to 2008 and 2009 to 2015 respectively and held directorial positions in Treasury and Risk Management. From 2016 forward, he held a managerial position in the advisory company PwC.

In 2017, Rudolf took on the role of Group Treasurer at CSG. Between 2021 and 2023, he served as CFO and CEO of DAKO-CZ, a.s., followed by a role as COO of the Group’s CSG Mobility division. Currently, Rudolf is the Group’s Cash Flow Management Director.

Aleš Klepek

Member of the Supervisory Board
since September 2, 2020

Education, Experience and Other Relevant Information

Aleš Klepek graduated from the Military Technical University in Liptovský Mikuláš, specializing in radiolocation. He furthered his education with post-graduate studies at IEHEI in Nice, focusing on international relations and European studies.

Throughout the majority of his career, he has been actively engaged in international relations, participation in bilateral cooperation, and contributions to the processes related to the preparations for the Czech Republic’s accession to NATO. Aleš concluded his activities in this field at a diplomatic post at the Czech Embassy in France. In 2008, he joined the Czech Ministry of Defence and subsequently held various positions in state administration, including roles as the director of the Defence Minister’s cabinet, as a deputy minister, and later in the cabinet of the Czech Prime Minister, where he remained until the end of 2011. In 2006, French president Jacques Chirac awarded him the National Order of Merit for his contributions to the development of CzechFrench relations. Aleš Klepek also served as a member of the Supervisory Board of ČEZ a.s., where he was appointed as the chairman of its Strategic Committee.

Since January 2020, Aleš has held the position of member of the Board of Directors of CSG AEROSPACE a.s., and he is currently also the CEO of the Group’s CSG Aerospace division. His responsibilities here include the establishment of the organizational, procedural, and executive framework for the industry pillar of the Group.

Sustainability Committee

The oversight of sustainability-related impacts, risks, and opportunities within the Group is primarily managed by the Company’s Board of Directors, with a dedicated board member responsible for sustainability-related topics. To support informed decision-making in this area, the Board of Directors is advised by the Sustainability Committee (termed *výbor pro udržitelnost* in Czech), which is led by the Chief Sustainability Officer (CSO).

Responsibilities of the Sustainability Committee:

- **Strategic direction in the area of ESG** – development of an ESG strategy, defining the sustainability vision and goals, proposing and discussing key sustainable business decisions for approval by the Board of Directors
- **Achievement of sustainability and ESG goals**
- **Regulatory compliance** – supervising adherence to legal obligations in the area of sustainability and ESG ensuring that the Company and its subsidiaries are adequately prepared to meet these obligations
- **Sustainability reporting** – providing regular reports on sustainability-related matters to the Board of Directors, identifying and addressing emerging sustainability challenges, and reporting on sustainability matters in accordance with applicable legal regulations.

Members of the Sustainability Committee as of December 31, 2024:

Serge Damian

Chief Sustainability Officer,
Member of the Sustainability
Committee

David Chour

Member of the Sustainability
Committee

Zdeněk Jurák

Member of the Sustainability
Committee

Michaela Katolická

Member of the Sustainability
Committee

Kateřina Petko

Member of the Sustainability
Committee

Alena Kozáková

Member of the Sustainability
Committee

Milan Franc

Member of the Sustainability
Committee

Risk Factors

Financial Risks

The financial risk management of CSG focuses on the financial risks arising from the financial instruments to which the Group is exposed as a result of their activities. Financial risks include primarily credit risk, liquidity risk, currency risk, and interest rate risk. The main objective of financial risk management is to establish risk limits and ensure that exposure to these risks remains within those limits.

Oversight of CSG’s risks is provided within the framework of the Group’s established market risk management rules and, at the same time, by the decisions of the senior management of the Group in individual areas of activity upon the basis of reporting, as well as by the relevant decision-making process of the board of directors of the Company or its subsidiaries. The Group have used, and plan to continue to use, derivative financial instruments to reduce the above-mentioned risks, particularly foreign exchange and currency risks.

Credit Risk

Credit risk represents the potential inability of the Group’s debtors to repay their debts arising from financial or commercial relationships. It may lead to financial losses for the Group given the holding-company nature of the Company, this risk is minimal at this level. The Group has a policy whereby each new customer requesting products or services above a certain limit (based on the size and nature of a particular subsidiary) is analyzed

by an individual credit assessment before the subsidiary’s standard payment and delivery terms are offered.

As at December 31, 2024, trade and other receivables and other assets at their net value amounted to € 444,268 thousand (in 2023 it was € 444,268 thousand and 2022 € 298,941 thousands). Included in this amount are the following figures from the consolidated statement of financial position: trade and other non-current receivables, non-current advances granted, accruals, trade and other current receivables, current advances granted, and accruals. The maximum value of credit risk for December 31, 2024, December 31, 2023, and December 31, 2022, corresponds to the carrying amount of each financial asset. The Company also represents that there is no material concentration of credit risk with respect to any one business entity.

The Company makes provisions for impairment of assets representing estimates of losses incurred in respect to trade and other receivables. The main components of these provisions are the specific loss components relating to individually significant receivables and the collective loss components established for groups of similar assets in respect to losses incurred but not yet identified. The collective loss tolerance is determined on the basis of historical data of payment statistics for similar financial assets. Regarding the amounts for which no provision has been made, The Company believes that these are still collectible.

Despite all of the Group’s measures to limit the effects of credit risk, the failure of the Group’s counterparties could cause losses that could adversely affect the Group’s business, results of operations, financial condition and ultimately the Company’s ability to meet its obligations.

Liquidity Risk

The main objective of liquidity risk management is to reduce the risk that the Group will not have the resources to meet its debt, working capital, and capital expenditure commitments. the Group’s liquidity management aims to ensure that resources are available to meet debts as they fall due.

The Company has a system in place for tracking income and expenses several months in advance, in relation to purchase orders issued and invoices received, as well as in relation to orders received and confirmed, invoices issued, other contracts entered into (leases, insurance, and loans), expected salaries, etc. Expenditures are regulated so that there are always funds in the account in advance to pay debts to the state and health insurance companies, salaries, and debts to banks in the amount corresponding to 1–2 months.

Despite all of the Group’s measures to mitigate the effects of liquidity risk, shortfall, if any, in available resources could adversely affect the Company’s business, results of operations, financial condition, and ultimately its ability to meet its obligations.

Risk of Changes in Interest Rates

The Group’s business is exposed to the risk of interest-rate fluctuations when interest-bearing assets (including investments) and liabilities mature or are repriced at different times or in different amounts. The time periods over which a financial instrument’s interest rate is fixed indicate the extent to which the instrument is exposed to interest rate risk.

The set of various derivatives used to reduce the amount owed that is exposed to interest rate fluctuations and to reduce the cost of borrowing primarily contains interest-rate swaps. These contracts are typically arranged with a notional amount and an expiry date less than or equal to the underlying debt, so that any change in the fair value or expected future cash flows of these contracts is offset by a corresponding change in the fair value or expected future cash flows of the underlying position.

No matter what measures are taken, losses due to adverse shifts in interest rates cannot be ruled out and could adversely affect the Group’s business, economic performance, financial position, and ultimately its ability to meet its obligations.

Risk of Changes in Exchange Rates

The Group is exposed to the effect of movements in current exchange rates on its financial position and cash flows.

The Group is exposed to currency risk on sales, purchases, and borrowings that are denominated in currencies other than the functional currencies of the Group’s entities. These are mainly the euro and the US dollar for Czech subsidiaries and the US dollar and the Czech crown (CZK) for Slovak subsidiaries. After that it is especially the US dollar and the Pound sterling (GBP) for other foreign Group’s entities (Italy, Spain, etc.).

Various types of derivatives are used to mitigate currency risk on foreign currency assets, debt, and expected future cash flows. These include currency forwards with maturities from one month to five years. These contracts are also typically arranged with a notional amount and expiration date that is the same as the underlying debt or expected future cash flows. Any change in the fair value or future cash flows of these contracts—resulting from appreciation or depreciation, if any, of the Czech crown (CZK) against other currencies—is fully offset by a corresponding change in the fair value and/or expected future cash flows of the underlying position.

For financial assets and liabilities denominated in foreign currencies, CSG implements a currency risk management system within the Group to limit the net exposure to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances. Since 2022, the Group has sought to eliminate this risk to a greater extent through natural hedging, i.e. the conversion of a portion of the liabilities

into EUR over the course of the year to naturally cover the income in EUR, and the remaining portion is covered using the aforementioned derivatives, primarily forwards.

No matter what measures are taken, losses due to adverse movements in exchange rates cannot be ruled out and could adversely affect the Group’s business, its economic performance, its financial position, and ultimately the Company’s ability to meet its obligations.

A. Operating Risks

Competition Risk

Company and its subsidiaries operate in the aerospace, automotive, rail and defence industries and are subject to competition. For this reason, the Group must respond flexibly to the changing situation on the market, to the behavior of its competitors, and to customer requirements. In a highly competitive environment, the Group may not be able to respond appropriately to the competitive environment, which could lead to a deterioration in the economic position of the Company or the Group and ultimately adversely affect the Company’s ability to meet its obligations.

Risk of Changes in the Ownership Structure of Company and Group Companies

Although the Company is not aware of any plans for a change in its ownership structure, it cannot be ruled out that

the ownership structure of the Company or the Group will change in the future. In addition, in the event of a change of shareholders or partners (or their shares) in the Group, there may be a change of control and a modification of the Group’s strategy, which may comprise different objectives from the current ones. These changes may have an impact on the results of the Group’s operations.

Risk of Insolvency Proceedings

Czech Act No. 182/2006 Sb. (Collection of Laws), on Bankruptcy and Methods of its Settlement, as amended (the Insolvency Act), provides that a debtor is insolvent if it has multiple creditors and monetary debts for a period of more than 30 days after the due date and is unable to pay these debts, or if it is over-indebted. Insolvency proceedings may be initiated only upon a petition that the debtor or its creditor is entitled to file. If insolvency is imminent, only the debtor can file an insolvency petition.

Despite certain measures to prevent unfounded and unsubstantiated petitions to commence insolvency proceedings, the filing of such petitions cannot be ruled out. Insolvency proceedings are initiated by a court order within two hours of the insolvency petition being delivered to the court. From the moment of publication of the order until the court’s decision on the insolvency petition (unless the court decides otherwise), the debtor is obliged to refrain from disposing of the estate and any assets that may be part of it if doing so would involve substan-

tial changes in the composition, use, or destination of those assets or a non-insignificant reduction thereof. Pursuant to the Insolvency Act, the court shall decide on an insolvency petition filed by third parties without delay; the law does not provide for a more precise time limit for this decision.

Even though the restriction on the disposal of assets does not apply, inter alia, to acts necessary to run a business in the ordinary course of business or to avert imminent damage, it cannot be ruled out that, if an unfounded insolvency petition is filed against the Company, the Company will be restricted in the disposal of its assets for an indefinite period of time. This could adversely affect the Company’s financial condition and results of operations.

Risk Associated with the Legal, Regulatory, and Tax Environment in the Czech Republic

CSG is subject to a number of laws and regulations. However, the legal, regulatory, and tax environment within the Czech Republic is subject to frequent changes and laws may not always be applied uniformly by courts and public authorities. Changes in laws or their interpretation may adversely affect CSG’s operations and financial prospects in the future. Changes in legislation are not always entirely predictable, and any such change could have a negative impact on the Group’s business activities. Changes in tax regulations, particularly increases in

direct and indirect taxes or the introduction of new tax burdens, changes in tax authority practices, or failures in tax risk management may adversely affect the Company’s ability to meet its obligations.

Moreover, the business of the Group in the defence industry is highly regulated. Selected companies from the Group were required to obtain a permit for foreign trade in military material in order for the Group to operate on the international military material market. Subsidiaries of the Company that are engaged in foreign trade in military material are subject to the regulations of Act No. 38/1994 Sb. (Collection of Laws), on Foreign Trade in Military Material, as amended (the Foreign Trade in Military Material Act). In accordance with the Foreign Trade in Military Material Act, the relevant Group subsidiaries hold a permit for foreign trade in military material, which is, however, only a general permit, and specific transactions, or, more precisely, the exporting or importing of military material is subject to further approval (and licensing) by the Licensing Administration of the Ministry of Industry and Trade of the Czech Republic. This administrative authority decides on the issuance of a specific license on the basis of the binding opinions of the authorities concerned, which are: (a) the Ministry of Foreign Affairs in terms of the foreign policy interests of the Czech Republic, and compliance with the obligations arising for the Czech Republic from international treaties, as well as from the membership of the Czech Republic in international organizations; (b) the

Ministry of the Interior in terms of public order, security, and the protection of the population; (c) the Ministry of Defence in terms of ensuring the defence of the Czech Republic. These controls on the export of military equipment are intended to prevent exports to high-risk countries where there is a risk that such equipment could be misused, for example for the suppression of human rights or for resale to unofficial armed forces. In addition, the Group is subject, for example, to the EU’s common rules governing the control of exports of military technology and equipment (Council Common Position 2008/944/CFSP), which further restrict and regulate the Group’s business in this segment. The security situation in individual regions of the world, as well as the policies of international organizations of which the Czech Republic is a member, in response to this security situation therefore play an important role in the decision-making process for approving specific foreign trade transactions in the realm of military equipment. All of the above-mentioned factors apply similarly to the Slovak subsidiaries and another foreign Group’s entities (Italy, Spain, etc.). In addition, in some markets there is also an approval procedure by the government authorities for imports from the Czech Republic, Slovakia or other countries. These regulatory restrictions, or the lack or loss of licenses and permits, may adversely affect the Company’s business and its ability to meet its obligations.

Risk of CZECHOSLOVAK GROUP a.s. as a Holding Company

CZECHOSLOVAK GROUP a.s. is a holding company that primarily holds, manages, and, where appropriate, finances interests in other CSG companies and does not itself carry out any significant business activities. Company is dependent on the success of its subsidiaries' businesses. If the subsidiaries do not perform as expected or if their ability to make payments (for example, in the form of dividends, interest, or otherwise) to the Company is restricted for other reasons (for example, unavailability of resources, legal or tax regulations, and/or contracts), this would have a material adverse effect on the Company's income and its ability to meet its obligations.

Operational Risk

Operational risk is the risk of loss resulting from fraud, unauthorized activities, errors, omissions, inefficiencies, or system failure. It arises in relation to all activities of CSG and is a risk faced by all business corporations. Operational risk includes legal risk.

Risk of the Loss of Key Persons

CSG's key persons, i.e., members of the management of the Company and its subsidiaries, especially senior management, work together to develop and implement the Group's key strategies. Their work is critical to the overall management of the Group,

as well as to the Group's ability to implement and execute the above strategies. CSG is committed to retaining and motivating these people, despite the strong demand for skilled people in the engineering sector. However, CSG cannot guarantee that it will be able to retain and motivate these key persons or that it will be able to reach and attract new key persons. CSG actively encourages and motivates these key persons to continuously upgrade their skills and gain practical knowledge in order to support their career development. The potential loss of key persons could adversely affect the business of the Company itself or the Group overall, results of operations, and financial condition, which could adversely affect the Company's ability to meet its obligations.

Risk of Information Leak

The Group employs people who are involved in developing the strategy of the Group or its subsidiaries, creating new products, and setting the Group's business direction. In the event of a leak of sensitive information about the Group, the Group's operations may be compromised or its current market position may be lost, which could result in a deterioration of CSG's financial performance and thus have an adverse impact on the ability of the Company to meet its obligations.

Risks Associated with Property Insurance

Company and its subsidiaries have property insurance covering their most important assets. The costs associ-

ated with any natural disasters or other unforeseeable events (fires, storms, floods, windstorms, hail, etc.) may nevertheless have a negative impact on the assets of the Group and on its economic and financial position, as the Group's property insurance does not provide full coverage for all property-related risks.

B. Risks Arising from the Group's Operations in Different Markets

Risk Associated with an Unfavorable Macroeconomic and Political Situation

Adverse developments in the overall macroeconomic situation or political instability on the markets where the Group operates would cause a slowdown in the economic activities of business undertakings and of the Group's partners in business and would have a significant impact on their current and future decisions. The financial performance of the Group can be directly and indirectly affected by macroeconomic parameters including, but not limited to, gross domestic product growth or decline, inflation trends, monetary and tax policies, exchange rate and interest rate movements, unemployment, and the overall level of investment in the countries in which the Group operates. The political or macroeconomic situation in these countries may also be affected by regional events, such as the situation in Ukraine, sanctions against the Russian Federation, the debt crisis in the euro area, and other similar factors. Any adverse changes in the macroe-

conomic situation or political instability in the countries in which Group operates may adversely affect the Company's operations, financial performance, and financial prospects.

Inflationary Risk

The results of CSG are affected by inflation in the countries in which CSG operates. Significant changes in inflation (i.e., changes of more than a few percent), or changes in inflation that cause it to differ significantly from its expected levels, could adversely affect CSG business and financial condition.

Risk of Unforeseeable Events

An unforeseeable event (natural disaster or terrorist attack) that causes disturbances on financial markets and/or rapid movements in currency exchange rates may affect the value of bonds issued by the Company. The negative impact of such events could cause a reduction in the return on the funds invested by the Group and thus endanger its ability to repay all of its obligations.

Risk of a General Economic Recession and Demographic Factors

A slowdown or recession in the national or regional economies of the countries in which the Group operates and other significant external events, such as a decline in consumer demand, changes in interest rates, or changes in the economic policies of neighboring countries, may

adversely affect the macroeconomic environment in which the Group operates. This may also have an adverse impact on the development of the Group's net income.

Risk Associated with the Legal and Regulatory Environment

The Group operates in many countries around the world and, as such, is subject to a wide range of legal, regulatory, and tax regulations. The legislative and regulatory environment in the countries in which the Group operates is evolving over time, and the current or future environment may not provide sufficient legal tools to mitigate the consequences of contractual breaches by business partners. There is a risk that the Group may not be able to fully enforce its contractual rights against third parties in a reasonable time, which could adversely affect the Company's operations, financial performance, and financial prospects. At the same time, the legal and regulatory framework in the countries in which the Group operates varies and may be subject to change and amendment without clear predictability. These changes may adversely affect the Company's contractual relationships and business. The Group's assets, or any part thereof, may be subject to expropriation, nationalization, or confiscation without sufficient financial compensation or with financial compensation lower than the market value of the relevant assets, which may have an adverse effect on the Company's financial position.

Tax Risk in Countries Outside the Czech Republic

The business activities of the Group are subject to different tax regulations in each country in which it operates. However, the regulations in various tax systems are subject to change and may be subject to different interpretations, which may also result in a change (worsening) of the tax consequences on a particular investment or structure (including the repatriation of profits) after such investment is made. At the same time, the Group is required to comply with regulations and adapt to changes in tax systems, some of which arise at the European Union level. This may lead to increased costs for the Group for monitoring and adapting to these changes during the investment period. The above-mentioned changes, differing or changing interpretations of tax regulations, or the risk of non-compliance with tax regulations at the level of the Group's local companies may result in increased tax burdens or penalties, which could adversely affect the Company's operations, financial performance, and financial prospects.

C. Risks Related to the Defence Industry Segment

Risk of Reduced Defence Spending

Restrictions on spending on the military and armed forces in the Czech Republic and abroad may reduce demand for the arms-industry products supplied by CSG. The significant costs for the preparation and future

implementation of a contract may thus be devalued. Tenders for supplying the armed forces are highly competitive and technically demanding, time-consuming, and costly. The potential cancellation or suspension of tenders, or the Group's failure to win individual tenders, may adversely affect the Group's operations, financial performance, and financial prospects.

Risk of Long-Term Fixed-Price Contracts

Long-term contracts for the armed forces often have fixed terms and conditions, which are sometimes very difficult to amend and could become less favorable to the relevant subsidiary in the event of a change in the market. The Group thus assumes all the potential risks involved. The preparation and execution of contracts takes several months or even years, and despite the relevant internal measures in place, the Group cannot always guarantee a smooth process that ensures on-time deliveries at the required quality and the budgeted production costs. Although the Group has some ability to change the terms of its contracts, fixed contracts are inherently risky. Any delay in delivery may result in financial loss—contractual penalties paid by the Group. Some contracts may also be terminated without adequate compensation. These circumstances may have a negative impact on CSG's performance.

Risk of Failure to Keep up with Technological Progress

The activities of the Group are based on technological advances. The development or updating of a new weapon technology takes years, during which multiple objective obstacles may arise, including an increase of costs or a delay of the whole process. Due to the technology's complexity, extensive research and development expenditure may not always pay off in a commercially successful product. If the Group were to fail to respond to the requirements arising from customer needs and related changes in the field of weapons and technology development and ignore the needs of innovation and technological development, it would have a negative impact on the Group's financial performance and financial prospects

D. Risks Related to the Engineering Industry

Risk of Increasing Requirements for Product Quality

In the field of engineering, the Group is exposed to increasing pressure and demands on the quality of production and of the final product, which have a significant impact on costs above all—due to the fact that if sufficient production quality is not achieved, several actions must be taken to remedy the situation. Often this involves a change in the production process, which in turn involves increasing input costs due to the use of higher quality materials and raw

materials or the extending of the production process, which ultimately affects the Group's financial performance. In the case of a persistent state of low-quality production, this risk is reflected in a loss of customer confidence and thus a reduction in demand for our engineering products.

Risk of Failure in Public Procurement

In the engineering sector as elsewhere, the Group is partly dependent on sales arising through public procurement. Tender procedures tend to be time-consuming and costly, and failure, if any, to win tenders may adversely affect sales of the Group's engineering products, which may adversely affect the Group's results of operations.

Risk of Failure to Keep up with Technological Progress

As in the defence segment, the Group is exposed here to the risk of failing to keep up with technological progress, which would have a negative impact on its financial performance and financial prospects.

E. Risks Related to the Aerospace Services Segment

Shortage of Skilled Workers

Professionally trained people are key to doing business in the aerospace segment. As the Group plans to expand in the aerospace services sector, it will become increasingly

difficult to find enough skilled labor, not least due to the limited number of graduates in the relevant disciplines. The Group thus faces the risk that there will be an objective shortage of people with training or experience in the aerospace industry and that it will not be able to recruit such specialists. Personnel shortages could adversely affect the Group's business.

The most important thing
we must always protect is...



Approval of the Annual Report

The members of the Company’s Board of Directors declare that, to the best of their knowledge, the financial statements and consolidated financial statements, prepared in accordance with the applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and economic performance of the issuer and the consolidated entities as a group, and the consolidated Annual Report under the Accounting Act gives a true and fair view of the development and performance of the issuer and

the position of the issuer and the consolidated entities as a group, together with a description of the principal risks and uncertainties that they are facing, and the Consolidated Sustainability Statement is prepared in accordance with the sustainability reporting standards adopted by the European Commission and the requirements established pursuant to Article 8(4) of the directly applicable European Union regulation governing the framework for the facilitation of sustainable investments.

The Annual Report was approved on April 2, 2025 at the Company’s registered office.


David Chour
Vice-Chairman of the Board of Directors
since September 1, 2020


Zdeněk Jurák
Member of the Board of Directors
since January 1, 2024

Independent Limited Assurance Report



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„THE REPORT BELOW REPRESENTS THE AUDITOR’S
REPORT THAT RELATES SOLELY AND EXCLUSIVELY
TO THE OFFICIAL ANNUAL FINANCIAL REPORT
PREPARED IN THE XHTML FORMAT.“

INDEPENDENT LIMITED ASSURANCE REPORT TO THE SHAREHOLDER OF CZECHOSLOVAK GROUP a.s.

Having its registered office at: U Rustonky 714/1, Karlín, 186 00 Prague 8

We have conducted a limited assurance engagement on the Consolidated Sustainability Statement of CZECHOSLOVAK GROUP a.s. and its subsidiaries (hereafter the “Group”) included in section Consolidated Sustainability Statement of the Annual Report including the information incorporated in the Consolidated Sustainability Statement (the “Consolidated Sustainability Statement”) as at 31 December 2024 and for the year then ended.

Identification of Applicable Criteria

The Consolidated Sustainability Statement was prepared by the Board of Directors of the Company in order to satisfy the requirements of §32k of the Czech Accounting Act implementing 29(a) of the EU Directive 2013/34/EU, including:

- Compliance with the European Sustainability Reporting Standards introduced by Commission Delegated Regulation (EU) of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council (“ESRS”), including that the process carried out by the Company to identify the information reported in the Consolidated Sustainability Statement (the “Process”) is in accordance with the description set out in Note 1.4.1. Process to Identify and Assess Material Impacts, Risks and Opportunities; and
- Compliance of the disclosures in subsection EU Taxonomy Disclosures within Environmental Information section of the Consolidated Sustainability Statement with Article 8 of EU Regulation 2020/852 (the “Taxonomy Regulation”).

Inherent Limitations in Preparing the Consolidated Sustainability Statement

The criteria, nature of the Consolidated Sustainability Statement, and absence of long-standing established authoritative guidance, standard applications and reporting practices allow for different, but acceptable, measurement methodologies to be adopted which may result in variances between entities. The adopted measurement methodologies may also impact the comparability of sustainability matters reported by different organizations and from year to year within an organization as methodologies evolve.

In reporting forward looking information in accordance with ESRS, management of the Group is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcome is likely to be different since anticipated events frequently do not occur as expected.

In determining the disclosures in the Consolidated Sustainability Statement, management of the Group interprets undefined legal and other terms. Undefined legal and other terms may be interpreted differently, including the legal conformity of their interpretation and, accordingly, are subject to uncertainties.

Responsibility of the Company’s Board of Directors and Supervisory Board for the Consolidated Sustainability Statement

The Board of Directors is responsible for designing and implementing a process to identify the information reported in the Consolidated Sustainability Statement in accordance with the ESRS and for disclosing this process in Note 1.4.1.

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Process to Identify and Assess Material Impacts, Risks and Opportunities of the Consolidated Sustainability Statement. This responsibility includes:

- understanding the context in which the Group’s activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the entity’s financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

The Board of Directors is further responsible for the preparation of the Consolidated Sustainability Statement, in accordance with § 32k of the Czech Accounting Act implementing 29(a) of the EU Directive 2013/34/EU, including:

- compliance with the ESRS;
- preparing the disclosures in subsection EU Taxonomy Disclosures within Environmental Information section of the Consolidated Sustainability Statement, in compliance with Article 8 of EU Regulation 2020/852 (the “Taxonomy Regulation”);
- designing, implementing and maintaining such internal controls that management determines are necessary to enable the preparation of the Consolidated Sustainability Statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates about individual sustainability disclosures that are reasonable in the circumstances.

The Supervisory Board is responsible for overseeing the Group’s sustainability reporting process.

Our Responsibility

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements other than Audits or Reviews of Historical Financial Information.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our objectives are to plan and perform the assurance engagement to obtain limited assurance about whether the Consolidated Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Consolidated Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgment and maintain professional skepticism throughout the engagement.

Our responsibilities in respect of the Consolidated Sustainability Statement, in relation to the Process, include:

- Obtaining an understanding of the Process but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- Designing and performing procedures to evaluate whether the Process is consistent with the Group’s description of its Process, as disclosed in Note 1.4.1. Process to Identify and Assess Material Impacts, Risks and Opportunities.

Our other responsibilities in respect of the Consolidated Sustainability Statement include:

- Obtaining an understanding of the entity’s control environment, processes and information systems relevant to the preparation of the Consolidated Sustainability Statement but not evaluating the design of particular control activities, obtaining evidence about their implementation or testing their operating effectiveness;
- Identifying disclosures where material misstatements are likely to arise, whether due to fraud or error.

- Designing and performing procedures responsive to disclosures in the Consolidated Sustainability Statement where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Our Independence and Quality Management

We complied with the applicable independence and other ethical requirements of the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic (the “Code”). The Code is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We applied International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Summary of Work Performed

A limited assurance engagement involves performing procedures to obtain evidence about the Consolidated Sustainability Statement.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the Consolidated Sustainability Statement.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by:
 - performing inquiries to understand the sources of the information used by management; and
 - reviewing the Group’s internal documentation of its Process;
- Evaluated whether the evidence obtained from our procedures about the Process implemented by the Group was consistent with the description of the Process set out in Note 1.4.1. Process to Identify and Assess Material Impacts, Risks and Opportunities.

In conducting our limited assurance engagement, with respect to the Consolidated Sustainability Statement, we:

- Obtained an understanding of the Group’s reporting processes relevant to the preparation of its Consolidated Sustainability Statement by performing inquiries to understand the Group’s control environment, processes and information systems relevant to the preparation of the Consolidated Sustainability Statement;
- Evaluated whether material information identified by the Process to identify the information reported in the Consolidated Sustainability Statement is included in the Consolidated Sustainability Statement;
- Evaluated whether the structure and the presentation of the Consolidated Sustainability Statement is in accordance with the ESRS;
- Performed inquiries of relevant personnel and analytical procedures on selected disclosures in the Consolidated Sustainability Statement;
- Performed substantive assurance procedures based on a sample basis on selected disclosures in the Consolidated Sustainability Statement;
- Obtained evidence on the methods for developing material estimates and forward-looking information and on how these methods were applied;
- Obtained an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Consolidated Sustainability Statement;
- Conducted site visits at selected locations to test the application of the Company’s reporting procedures.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Consolidated Sustainability Statement is not prepared, in all material respects, in accordance with Paragraph 32k of the Czech Accounting Act implementing 29(a) of the EU Directive 2013/34/EU, including:

- Compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Group to identify the information reported in the Consolidated Sustainability Statement is in accordance with the description set out in note 1.4.1. Process to Identify and Assess Material Impacts, Risks and Opportunities; and
- Compliance of the disclosures in subsection EU Taxonomy Disclosures within Environmental Information section of the Consolidated Sustainability Statement with Article 8 of EU Regulation 2020/852 (the “Taxonomy Regulation”).

Emphasis of matter

We draw attention to note 1.1.2. Disclosures in Relation to Specific Circumstances, which describes the primary sources of measurement uncertainty in Consolidated Sustainability Statement requiring the use of estimates and assumptions. Estimates and assumption have been applied throughout the whole Consolidated Sustainability Statement.

We also draw attention to note 1.1.1. General Basis for Preparation of Sustainability Statement, which describes different reporting boundaries related to presenting of non-financial information of TATRA EXPORT s.r.o., TATRA METALURGIE a.s., and TATRA TRUCKS a.s., in comparison to scope of financial consolidation, as well as the impact of recent acquisition of the Kinetic Group and inclusion of data for this group into the Consolidated Sustainability report.

We also draw attention to note 1.1.1. General Basis for Preparation of Sustainability Statement, table ID 1 The Complete List of Entities Within the Consolidation Scope of This Consolidated Sustainability Statement, which describes understanding and breakdown of the “Wholesale and Retail” sector classification. This breakdown provides sector-specific insight into the nature of goods traded under the Wholesale and Retail classification.

Our conclusion is not modified in respect of these matters.

Other Matter

Our assurance engagement does not extend to information in respect of earlier periods presented in the Consolidated Sustainability Statement.

In Prague on 2 April 2025

Audit firm:

Deloitte Audit s.r.o.
registration no. 079



Statutory auditor:

David Batal
registration no. 2147



Consolidated Sustainability Statement

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How to Navigate in the Consolidated Sustainability Statement

This Consolidated Sustainability Statement provides a comprehensive overview of CSG's environmental, social, and governance (ESG) performance, structured in alignment with the European Sustainability Reporting Standards (ESRS) under the Corporate Sustainability Reporting Directive (CSRD). It presents key policies, actions, and performance indicators related to material sustainability matters relevant to CSG's operations.

Structure of the Consolidated Sustainability Statement

To facilitate easy navigation, the Consolidated Sustainability Statement is structured as follows:

- General information – Outlines CSG's general approach to this report including Governance, Strategy and Materiality & Risk Assessment.
- Environmental Chapters – Covers EU Taxonomy disclosures, climate change mitigation and adaptation, pollution, water and marine resources, circular economy, and resource use.

- Social Chapters – Addresses workforce-related matters, affected communities, and consumer responsibility.
- Governance Chapters – Provides insight into business ethics, compliance, and corporate governance structures.

How to Use This Consolidated Sustainability Statement

- Materiality information – each chapter / sub-chapter / paragraph contains information on relevant sustainability matter (e.g. S1_SM_23: Workforce Management and Policy). Information about

sectors for which the topic is material can be found in chapter 1.4.2. (Disclosure Requirements in ESRS Covered by Consolidated Sustainability Statement) and list of companies in each of the sectors in chapter 1.1.1. (General Basis for Preparation of Consolidated Sustainability Statement)

- Cross-referencing – The Consolidated Sustainability Statement includes cross-references to relevant chapters where additional information is available.
- Data Transparency – Where data is estimated or not available a disclaimer is provided.

- Regulatory Compliance – The Consolidated Sustainability Statement aligns with ESRS disclosure requirements, with each section clearly indicating the applicable standard.
- Future Commitments – Information on planned policies, initiatives, and areas for improvement is included throughout the Consolidated Sustainability Statement.

This Consolidated Sustainability Statement is intended for stakeholders, investors, regulators, and other interested parties seeking insight into CSG's sustainability journey. For further clarification on specific topics, relevant policies, methodologies, and data sources are referenced in the respective sections.



1. General Information

1.1. Basis for Preparation

ESRS2.BP-1

1.1.1. General Basis for Preparation of Consolidated Sustainability Statement

This chapter explains how this Consolidated Sustainability Statement was prepared, covering the scope of consolidation, inclusion of upstream and downstream value chain information, and, where applicable, the use of options to omit certain disclosures as permitted by regulations.

Scope of Consolidation

This Consolidated Sustainability Statement has been prepared on a consolidated basis at the level of CZECHOSLOVAK GROUP a.s. for the calendar year 2024.

The scope of consolidation for this this Consolidated Sustainability Statement is not the same as for the financial statements, due to the nature and materiality of the entities within the Group. The sustainability-reporting scope focuses on entities with significant operational activities and material sustainability impacts.

The companies within the scope of financial consolidation have been assessed based on their operational profile and grouped into the following categories: holding companies, executive companies, active SPVs, and

inactive SPVs. Holding companies are assessed individually for non-financial reporting obligations, while executive companies and active SPVs are fully included. Inactive SPVs, with minimal operations, are excluded. This approach ensures that non-financial reporting aligns with financial consolidation while accurately reflecting material sustainability impacts. The consolidation scope of this sustainability report encompasses 58 companies, including CZECHOSLOVAK GROUP a.s.

This is of particular importance for the sustainability information of TATRA EXPORT s.r.o., TATRA METALURGIE a.s., and TATRA TRUCKS a.s., for which non-financial data is being reported in full despite the fact that CZECHOSLOVAK GROUP a.s. is holding 65% of the shares and is not the controlling entity of these companies.

We have further categorized the 58 companies within the consolidation scope of this Consolidated Sustainability Statement according to the following criteria:

- 12 sector categories based on the companies' main business focus: Aerospace, Automotive, Defence, Health Care, Metal Processing, Professional & Commercial Services, Real Estate & Services, Rolling Stock, Software, Textiles, Apparels, Footwear & Accessories, Transportation, and Wholesale & Retail Trade
- 3 sizes as defined by Directive (EU) 2022/2464¹: small/medium/large enterprises.

A complete list of the companies within the consolidation scope of this sustainability report can be found

further on in this chapter, along with a graphical view of the number of companies, and their sizes, within each of the identified sectors.

There are no companies included in the non-financial-consolidation scope that are exempt from individual or consolidated sustainability reporting. All relevant entities are accounted for within the scope of this Consolidated Sustainability Statement in alignment with applicable reporting obligations.

Inclusion of The Kinetic Group in Sustainability Reporting

The Kinetic Group (TKG) was acquired on November 27, 2024. However, for the purposes of this Consolidated Sustainability Statement, companies within the scope of TKG—Ammunition Operations LLC, Federal Cartridge Company, The Kinetic Group Operations LLC, and Vista Outdoor Sales LLC—have been included with a differentiated approach.

1) For the purposes of GHG reporting in chapter 2.2.7. (Gross Scopes 1, 2, 3 and Total GHG Emissions), full-year 2024 data were used, in compliance with the GHG Protocol.

2) For the remaining parts of the ESRS sustainability disclosures, data estimations representing proportional part (1/12th) of the 2024 reporting year were included, reflecting the period after acquisition and aligning with CSRD reporting boundary requirements.

The Complete List of Entities Within the Consolidation Scope of This Consolidated Sustainability Statement (Table ID 1)

Company Name	Operational Profile	Size	Sector
14. OKTOBAR d.o.o. Kruševac	Executive Company	Medium	Defence
ABIENNALE s.r.o.	SPV Active	Small	Transportation
Ammunition Operations LLC	Executive Company	Large	Defence
Armi Perazzi S.p.A.	Executive Company	Medium	Defence
ARMY TRADE a.s.	Executive Company	Medium	Defence
ATLAN GROUP, spol. s r.o.	Executive Company	Small	Real Estate & Services
ATRAK a.s.	Executive Company	Small	Software
AVIA Motors s.r.o.	SPV Active	Small	Automotive
CS SOFT a.s.	Executive Company	Medium	Software
CSG a.s.	SPV Active	Medium	Transportation
CSG DEAL a.s.	Executive Company	Small	Professional & Commercial Services
CSG MOBILITY a.s.	Executive Company	Small	Professional & Commercial Services
CSGM a.s.	Executive Company	Large	Professional & Commercial Services
CZECHOSLOVAK EXPORT a.s.	Executive Company	Small	Wholesale & Retail trade
CZECHOSLOVAK GROUP a.s.	Parent Company – Consolidation Level	Small	HOLDING
DAKO-CZ INDIA PRIVATE LIMITED	Executive Company	Small	Rolling Stock
DAKO-CZ, a.s.	Executive Company	Large	Rolling Stock
DEFENCE TRADE SLOVAKIA, s.r.o.	SPV Active	Large	Wholesale & Retail Trade
ELDIS Pardubice, s.r.o.	Executive Company	Large	Aerospace
ELTON hodinářská, a.s.	Executive Company	Medium	Textiles, Apparels, Footwear, & Accessories
EXCALIBUR ARMY spol. s r.o.	Executive Company	Large	Defence
EXCALIBUR INTERNATIONAL a.s.	Executive Company	Large	Wholesale & Retail trade
FABRICA DE MUNICIONES DE GRANADA S.L.	Executive Company	Large	Defence
Federal Cartridge Company	Executive Company	Large	Defence
Fiocchi Munizioni S.p.A.	Executive Company	Large	Defence
Fiocchi of America Inc.	Executive Company	Large	Defence
JOB AIR Technic a.s.	Executive Company	Large	Aerospace
JWL DAKO-CZ (INDIA) PRIVATE LIMITED	Executive Company	Small	Rolling Stock
KARBOX s.r.o.	Executive Company	Small	Defence
KARMONIKA AERO a.s.	SPV Active	Small	Transportation
Lyalvale Express Limited	Executive Company	Medium	Defence
MEDHA DAKO-CZ PRIVATE LIMITED	Executive Company	Small	Rolling Stock
Milconn, a.s.	Executive Company	Small	Wholesale & Retail Trade
MSM EXPORT, s.r.o.	Executive Company	Large	Wholesale & Retail Trade
MSM LAND SYSTEMS s.r.o.	Executive Company	Large	Defence

¹ DIRECTIVE (EU) 2022/2464 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting.

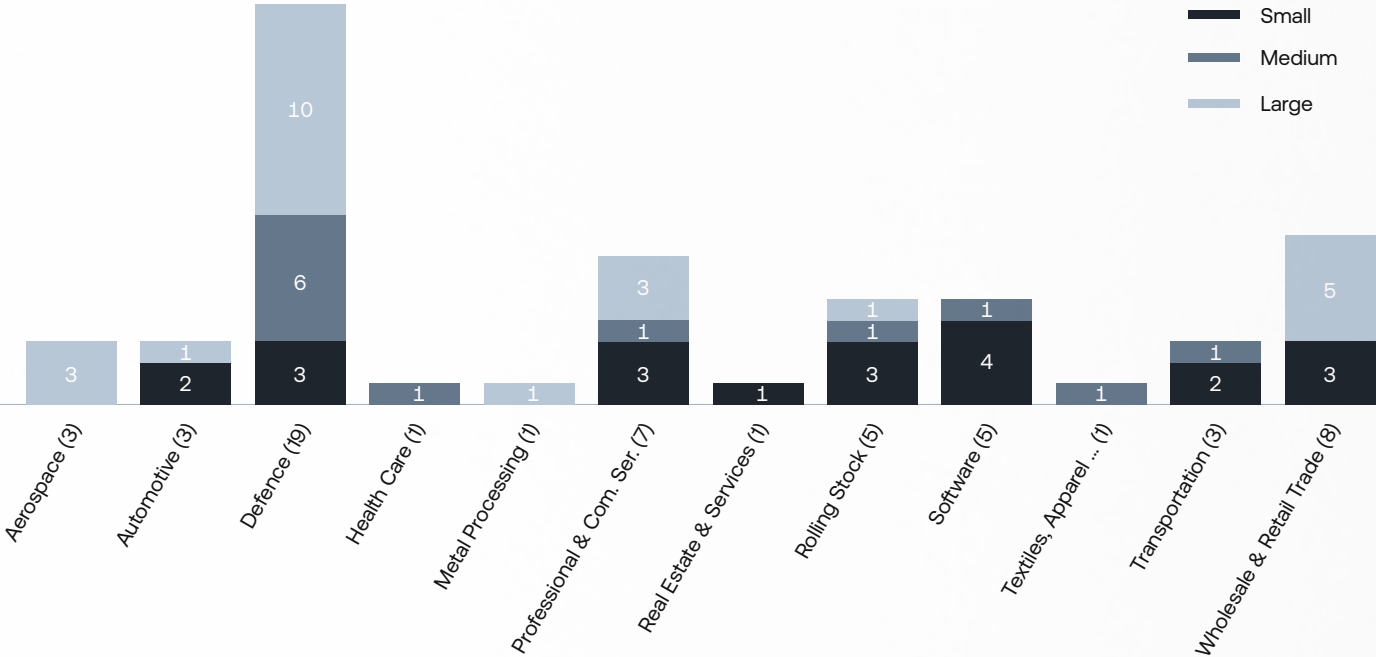
Company Name	Operational Profile	Size	Sector
MSM Services, s.r.o.	Executive Company	Medium	Professional & Commercial Services
Perazzi USA, Inc.	Executive Company	Small	Defence
POCKET VIRTUALITY a.s.	Executive Company	Small	Software
Prague Fertility Centre s.r.o.	Executive Company	Medium	Health Care
REAL TRADE PRAHA a.s.	Executive Company	Large	Professional & Commercial Services
ReDat Recording, a.s.	Executive Company	Small	Software
RETIA, a.s.	Executive Company	Large	Aerospace
SBS ZVS, s.r.o.	Executive Company	Small	Professional & Commercial Services
TATRA DEFENCE SLOVAKIA s.r.o.	SPV Active	Small	Wholesale & Retail Trade
TATRA DEFENCE SYSTEMS s.r.o.	Executive Company	Small	Defence
TATRA DEFENCE VEHICLE a.s.	Executive Company	Large	Defence
TATRA EXPORT s.r.o.	Executive Company	Large	Wholesale & Retail Trade
TATRA METALURGIE a.s.	Executive Company	Large	Metal Processing
TATRA TRUCKS a.s.	Executive Company	Large	Automotive
The Kinetic Group Operations LLC	Executive Company	Large	Professional & Commercial Services
TRUCK MACHINERY GROUP a.s.	Executive Company	Medium	Rolling Stock
TRUCK SERVICE GROUP s.r.o.	Executive Company	Small	Automotive
UpVision s.r.o.	Executive Company	Small	Software
Vista Outdoor Sales LLC	Executive Company	Large	Wholesale & Retail trade
VOP Nováky, a.s.	Executive Company	Large	Defence
VÝVOJ Martin, a.s.	Executive Company	Medium	Defence
ZVS holding, a.s.	Executive Company	Large	Defence
ZVS IMPEX, akciová spoločnosť	Executive Company	Medium	Defence

To support transparency and enhance understanding of the “Wholesale and Retail” sector classification, CSG provides the following additional context on the types of products sold by companies within this segment. The following entities are distributing defence-related

products: CZECHOSLOVAK EXPORT a.s., DEFENCE TRADE SLOVAKIA, s.r.o., EXCALIBUR INTERNATIONAL a.s., MSM EXPORT, s.r.o., and Vista Outdoor Sales LLC. Entities engaged in selling vehicles and related components, include TATRA EXPORT s.r.o. and

TATRA DEFENCE SLOVAKIA s.r.o.. Additionally, Milconn, a.s. is supplying cable bundles for industrial applications. This breakdown provides sector-specific insight into the nature of goods traded under the Wholesale and Retail classification.

Sector- and Size-based Overview of the Companies Consolidated in this Consolidated Sustainability Statement (Table ID 2)



Extent to Which Consolidated Sustainability Statement Covers Upstream and Downstream Value Chain

As a preparatory step for non-financial reporting, CSG conducted a comprehensive value-chain analysis, examining both upstream and downstream actors and activities. This assessment covered supplier interactions, procurement processes, and logistics on the upstream side, while downstream activities included product distribution and customer use.

Despite having made reasonable efforts, CSG was not able to collect all required information about its

upstream and downstream value chain. In these instances, CSG has estimated the necessary information using reasonable and supportable data to ensure as accurate a representation as possible of its value chain impacts. For example, GHG emissions accounting incorporates such estimations in the value-chain stages, covering inbound logistics upstream and outbound logistics downstream.

Omission of Information Related to Intellectual Property, Know-How, or Innovation Results

CSG has not exercised the option to omit any specific information related to

intellectual property, know-how, or results of innovation in this Consolidated Sustainability Statement. All relevant disclosures have been provided in full compliance with applicable reporting requirements.

Omission of Disclosure on Impending Developments or Ongoing Negotiations

CSG has not exercised the option to omit disclosures regarding impending developments or matters connected with ongoing negotiations. All relevant information has been disclosed in accordance with applicable reporting requirements.

ESRS2.BP-2

1.1.2. Disclosures in Relation to Specific Circumstances

This chapter includes information on any specific circumstances that have influenced the preparation of this Consolidated Sustainability Statement and provides clarification on the scope, methodology, and any limitations in the reporting process.

Time Horizons

Definition of short-, medium- and long-term for the purposes of this Consolidated Sustainability Statement

- Short-term horizon: 1 year
- Medium-term horizon: 2–5 years
- Long-term horizon: 5+ years

These timeframes align with the strategic planning and operational cycles used across the entire Group, ensuring consistency between sustainability reporting and business decision-making.

Value Chain Estimation

Value chain estimations were used for Scope 3 greenhouse gas (GHG) emissions in certain activities, both upstream and downstream, for which direct supplier or customer data is unavailable. These estimations rely on modeled assumptions to assess emissions related to procurement and transportation.

In accordance with reporting requirements, the information provided in this Consolidated Sustainability Statement is extended to include any material impacts, risks, and opportunities that are connected to the Group through its direct and business relationships within the upstream and downstream value chain. These considerations are incorporated following the outcome of CSG’s

due diligence process and materiality assessment, ensuring that all significant value chain-related sustainability impacts are appropriately identified and addressed.

The estimation process used follows recognized methodologies, including e.g. the GHG Protocol, with its assumptions validated against internal operational data and industry benchmarks.

Although estimations ensure a comprehensive assessment, CSG acknowledges that some uncertainties exist due to regional and supplier-specific variations.

Future efforts will focus on enhancing direct data collection to improve reporting accuracy.

Sources of Estimation and Outcome Uncertainty

Certain quantitative metrics and monetary amounts disclosed in this Consolidated Sustainability Statement are subject to a high level of measurement uncertainty, particularly where value chain estimations have been used (see the Value Chain Estimation section above).

The primary sources of measurement uncertainty in this Consolidated Sustainability Statement arise from data gaps and data inaccuracy. In some areas, adequate data sources and standardized metrics have not yet been fully established, requiring the use of estimates and assumptions. Additionally, in certain cases, the available data may lack the necessary accuracy or completeness, leading to potential variations in the reported figures.

Data limitations, assumptions, and approximations are applied in certain areas of sustainability reporting to ensure a complete and reasonable representation of impacts. This is particularly relevant where value chain estimations have been used (see the Value Chain Estimation section).

Workforce Data Methodology and Considerations

The workforce-related figures presented in this Consolidated Sustainability Statement, including total employee counts and workforce composition, represent the best estimates available at the time of reporting. While CSG provided standardized methodology, definitions, and instructions to reporting entities, variations in application due to regional differences and human error have resulted in inconsistencies across these figures. In some cases, data on various workforce categories does not align as expected. Despite additional guidance

and verification efforts, these numbers could not be verified fully.

Similarly, the data disclosed in the chapter 2. (Environmental Information) are based on limited inputs and partial reporting across group companies. Due to differences in national regulatory frameworks, classification systems, and data availability, CSG relied on estimations where precise data could not be retrieved.

Consequently, all figures in the chapters 2. (Environmental Information) and 3.1. (Own Workforce) should be interpreted as estimates. CSG is committed to enhancing its data collection processes, internal guidance, and training for future reporting cycles to improve the consistency, accuracy, and completeness of both workforce and environmental data.

Changes in the Preparation or Presentation of Sustainability Information

In contrast with our 2023 sustainability report—which followed the GRI standards—this year’s disclosure has been prepared in alignment with the European Sustainability Reporting Standards (ESRS) instead. This transition is driven by the evolving regulatory landscape, particularly the Corporate Sustainability Reporting Directive (CSRD), which mandates broader and more detailed disclosures on environmental, social, and governance matters. By adopting the ESRS, we are ensuring compliance, enhancing comparability, and providing stakeholders with a more transparent and comprehensive view of our sustainability performance.

CSG has not included revised comparative figures in this Consolidated Sustainability Statement, as it would not be feasible to prepare comparative information for prior periods. This is due to the transition to ESRS-compli-

ant reporting in 2024, which has introduced new disclosure requirements and methodologies that were not previously applied.

CSG has not provided revised comparative figures in this Consolidated Sustainability Statement, as no prior-period figures have been adjusted.

Reporting Errors in Prior Periods

A material error has been identified in the disclosed EU Taxonomy data from the prior reporting period. This error resulted from the application of an incorrect methodology for alignment assessment. CSG has since corrected its methodology for assessing alignment and implemented unified processes to improve accuracy and ensure compliance with the EU Taxonomy² framework in future disclosures.

The corrected data for 2023 is incorporated in chapter 2.1. (EU Taxonomy Disclosures) of this Consolidated Sustainability Statement, reflecting adjustments made to the previously disclosed EU Taxonomy data.

Disclosures Stemming from Other Legislation or Generally Accepted Sustainability Reporting Pronouncements

This Consolidated Sustainability Statement incorporates mandatory disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (the EU Taxonomy), which outlines criteria for determining the environmental sustainability of economic activities.

The partial application of other reporting standards or frameworks (e.g. the GHG Protocol) is referenced along with the respective reported data throughout this Consolidated Sustainability Statement, ensuring transparency and alignment with the applicable disclosure requirements.

² Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13)

Incorporation by Reference

This Consolidated Sustainability Statement incorporates Data Points S1-6_17 and SBM-1_07 by reference.

Use of Phase-in Provisions³

CSG exceeds the threshold of an average of 750 employees on the balance-sheet date for the 2024 reporting period and is therefore required to disclose information in accordance with the ESRS require-

ments. However, based on the outcome of CSG’s double materiality assessment, ESRS E4 (Biodiversity and Ecosystems) and ESRS S2 (Workers in the Value Chain) have not been assessed as material for the Group at this time.

Biodiversity-related impacts (ESRS E4) were not deemed material due to CSG’s limited operational interaction with biodiversity-sensitive areas. Similarly, ESRS S2 was assessed as non-material. Broader value chain

considerations may be addressed in future cycles as internal systems and processes continue to evolve. List of Phase-in ESRS Data points to be found in Annex 1 of this Consolidated Sustainability Statement.

1.2. Governance

ESRS2.GOV-1

1.2.1. Role of Administrative, Management, and Supervisory Bodies

This chapter provides an overview of the composition, roles, and responsibilities of CSG’s administrative, management, and supervisory bodies⁴ in relation to sustainability matters. It outlines their structure, diversity, and oversight functions in managing material impacts, risks, and opportunities. Additionally, it details the expertise and skills that these bodies possess or have access to, ensuring informed decision-making and effective governance for sustainability-related issues.

Information about Composition of Members of Administrative, Management, and Supervisory Bodies

As of the reporting date, CSG’s administrative, management, and supervisory bodies comprise 161 executive members and 85 non-executive members.

Number of executive and non-executive members in administrative, management, and supervisory bodies per sector (Table ID 3)

Sector	Number of Executive Members	Number of Non-Executive Members
Aerospace (3)	9	4
Automotive (3)	6	3
Defence (19)	53	30
CZECHOSLOVAK GROUP a.s.	7	3
Health Care (1)	2	0
Metal Processing (1)	3	3
Professional & Commercial Services (7)	19	8
Real Estate & Services (1)	1	0
Rolling Stock (5)	19	6
Software (5)	12	8
Textiles, Apparels, Footwear & Accessories (1)	3	3
Transportation (3)	9	0
Wholesale & Retail Trade (8)	18	13
Total for the Czechoslovak (57)	161	81

Numbers in brackets indicate the number of CSG companies in the respective sector.

³ In accordance with Appendix C of ESRS 1, ⁴ Administrative, management, and supervisory body: herein should be understood as the bodies of governance defined by entities’ statutes—their board of directors, supervisory board, etc.

CSG ensures employee representation through its established mechanisms that facilitate dialogue between workers and management. Its employee representatives participate in discussions on key workplace matters. In accordance with the applicable labor laws and internal governance structures, worker representation is integrated into decision-making processes to promote transparency, inclusivity, and fair treatment. Additionally, CSG maintains regular engagement with employee representatives to address concerns and enhance workplace policies, fostering a collaborative and supportive work environment.

CSG’s administrative, management, and supervisory bodies comprise members with extensive experience across the sectors in which the Group operates. Their expertise spans key business functions such as strategic leadership, financial management, operations, compliance, and sustainability. Additionally, members have a strong understanding of the geographic regions where CSG conducts business, enabling effective oversight of region-specific regulatory requirements, market dynamics, and operational challenges. This professionally and geographically diverse experience ensures informed decision-making aligned with CSG’s strategic objectives.

Information about Diversity of Administrative, Management, and Supervisory Bodies

As of the reporting period, 85% of the members of CSG’s administrative, management, and supervisory bodies are male, while 15% are female. While the current composition reflects the industry’s traditional structure, CSG acknowledges the importance of greater gender balance in leadership and governance.

The gender diversity ratio of CSG’s boards, calculated as the average ratio of male to female board members, stands at 8.47:1 (for each 1 female board member there are 8.47 male board members).

The percentage of independent board members within CSG’s administrative, management, and supervisory bodies stands at 2%. Looking at the individual sectors, it is a notable 6% in Defence. These figures reflect CSG’s governance structure and the level of independent oversight across key business areas.

Information about Roles and Responsibilities of Administrative, Management, and Supervisory Bodies

CSG’s oversight of sustainability-related impacts, risks, and opportunities is primarily managed by the Board of Directors of CZECHOSLOVAK GROUP a.s. (the “Board of Directors”), with a dedicated board member being responsible for sustainability-related topics. To support informed decision-making in this area, the Board of Directors is advised by the Sustainability Committee, which is led by the Chief Sustainability Officer (CSO) and consists of key individuals within the management body of CZECHOSLOVAK GROUP a.s.

These responsibilities are formally embedded in:

- **Board Mandates:** These clearly define the Board of Directors’ role in sustainability governance, including oversight of its ESG strategy, risk management, and compliance.
- **Sustainability Committee Responsibilities:** These outline its advisory role in monitoring sustainability risks and opportunities, ensuring alignment with corporate strategy.

- **Policies:** These integrate sustainability governance within CSG’s broader management structure, ensuring transparency and accountability.

The management’s role in the governance of sustainability-related impacts, risks, and opportunities is clearly structured so as to ensure effective monitoring, management, and oversight.

Delegation and oversight:

- The CSO holds the primary responsibility for sustainability matters and reports directly to the Board of Directors.
- The Sustainability Committee, chaired by the CSO, includes key members of the management team and is responsible for coordinating sustainability initiatives, assessing ESG risks, and ensuring regulatory compliance.
- Oversight of the Sustainability Committee’s activities is exercised by the Board of Directors—most directly through a designated board member responsible for sustainability.

Governance processes, controls, and procedures:

- The CSO provides periodic reports to the Board of Directors on material sustainability risks and opportunities, progress on ESG initiatives, and compliance with regulatory frameworks.
- Management oversees the execution of sustainability policies and frameworks, ensuring adherence at both the operational and strategic levels.

Reporting lines to the administrative, management, and supervisory bodies are structured as follows:

- The CSO is responsible for leading sustainability initiatives and for ESG management.
- The CSO reports directly to the Board of Directors, ensuring strategic alignment between sustainability priorities and business objectives.
- The Sustainability Committee, chaired by the CSO and composed of key management representatives, provides periodic updates to the Board of Directors, covering sustainability risks, performance, and regulatory compliance.
- The Board of Directors, and most notably the designated board member responsible for sustainability, evaluates sustainability performance and oversees key decisions related to ESG matters.

Sustainability-related controls and procedures are effectively integrated into the company’s broader governance and operational frameworks to ensure a cohesive approach to managing material impacts, risks, and opportunities. Key mechanisms include:

- Cross-Departmental Engagement – The Sustainability Committee collaborates with key departments such as Finance, Legal, Operations, and HR to align sustainability goals with corporate strategy.
- Data Collection and Reporting Systems – These are centralized reporting mechanisms that integrate sustainability-related data collection within business intelligence platforms, ensuring consistency and accuracy in reporting.
- Collaboration with Internal Audits & Compliance – This mechanism reviews sustainability-related compliance, ensuring that CSG adheres

to regulations and aligns controls with existing financial and operational auditing processes.

- Sustainability in CSG’s Group Policy Framework – ESG considerations will be incorporated in the upcoming group-wide policies framework, including procurement, human resources, and business ethics, ensuring sustainability principles are reflected across all business functions.

When setting sustainability-related targets and overseeing ongoing monitoring and accountability for material impacts, risks, and opportunities, the Board of Directors and senior executive management play a key role.

The target-setting process:

- The Board of Directors, with a designated member responsible for sustainability, provides strategic oversight and approves sustainability-related targets and commitments aligned with CSG’s business priorities and regulatory requirements.
- The Sustainability Committee identifies key sustainability metrics, proposes targets, and ensures alignment with CSG’s overall business strategy.
- Targets are developed through a data-driven approach, leveraging materiality assessments, risk evaluations, and stakeholder engagement.

Progress monitoring and reporting:

- The Sustainability Committee regularly reviews progress on targets, assesses performance against key sustainability indicators, and presents updates to the Board of Directors.

- The CSO and sustainability team collect data, track performance, and ensure compliance with ESRS and CSRD requirements.
- The Board evaluates reports, ensures alignment with regulatory expectations, and discusses corrective actions if necessary.

Administrative, Management, and Supervisory Bodies’ Available Skills and Expertise

CZECHOSLOVAK GROUP a.s. ensures its administrative, management, and supervisory bodies have the necessary sustainability expertise through a combination of internal knowledge, external advisory support, and training. Key sustainability knowledge channels are:

- Consulting external ESG specialists and consulting firms so as to align with regulations and best practices.
- Providing training to board members and senior executives through internal knowledge-sharing sessions on sustainability topics, ESG compliance, and corporate responsibility.

CSG’s sustainability expertise supports it in the management of climate, social, and governance risks. Knowledge regarding GHG emissions, labor rights, and compliance ensures effective decision-making, risk mitigation, and regulatory alignment. Its expertise is strengthened through internal training and external advisory support.

ESRS2.GOV-2

1.2.2. Sustainability Matters Addressed by CSG Administrative, Management, and Supervisory Bodies

This chapter outlines how CSG’s administrative, management, and supervisory bodies are informed about sustainability matters and how these topics were addressed during the reporting period. It provides insight into the flow of information, key discussions, and decisions made, confirming that these bodies are adequately informed and able to effectively oversee sustainability-related impacts, risks, and opportunities.

Disclosure of How Administrative, Management, and Supervisory Bodies are Informed about Sustainability Matters and How These Matters Were Addressed

Board of Directors is provided information about sustainability matters, e.g. material impacts, risks, and opportunities, on a monthly basis. These updates are provided by the Sustainability Committee, led by the CSO, and include insights from key internal functions responsible for ESG topics. Additionally, sustainability matters are integrated into annual strategic reviews, ensuring continuous oversight and alignment with the Group’s broader business objectives.

Board of Directors considers sustainability-related impacts, risks, and opportunities as part of its strategic

oversight and decision-making on major transactions. The Sustainability Committee provides regular assessments to the Board of Directors, ensuring that ESG factors are integrated into the business strategy and investment decisions. Sustainability considerations are embedded in the due diligence for major transactions, aligning with the Group’s long-term objectives and regulatory requirements.

During the reporting period, Board of Directors and Sustainability Committee addressed key material impacts, risks, and opportunities related to sustainability, including:

- Preparation for CSRD Reporting – Implementation of data collection processes, materiality assessments, and governance structures to ensure compliance with Euro-

pean Sustainability Reporting Standards (ESRS) and enhance transparency.

- Climate and Environmental topics – Assessment of carbon footprint and energy efficiency.
- Business Ethics and Compliance – Oversight of anti-corruption measures, whistleblower protection, and ethical business conduct.
- Workforce and Social Responsibility – Review of employee well-being, diversity, health & safety, and training programs.

These matters were integrated into decision-making, risk management frameworks, and corporate policies to strengthen CSG’s sustainability performance, regulatory alignment, and strategic development.

ESRS2.GOV-3

1.2.3. Integration of Sustainability-Related Performance in Incentive Schemes

This chapter provides an overview of how sustainability-related performance is integrated into incentive schemes for members of the administrative, management, and supervisory bodies. It outlines whether and how remuneration, bonuses, or other incentives are tied to sustainability objectives.

Disclosure of Integration of Sustainability-related Performance in Incentive Schemes

There were no incentive schemes linked to sustainability matters for board members of CSG’s companies during the 2024 reporting period. However, in 2025, CSG will introduce a sustainability remuneration policy as part of the CSG Policy Framework. This policy will introduce performance-based incentives for individuals and teams directly involved in sustainability reporting, ensuring that sustainability objectives are integrated into compensation structures. The incentives will be linked to measurable sustainability metrics, such as the results of non-financial audits and similar assessments, reinforcing accountability and commitment to ESG goals.

There are currently no sustainability-related targets or impacts used to assess the performance of members of the administrative, management, and supervisory bodies within CSG. As 2024 marks the first year of collecting comprehensive sustainability data, the company is focused on establishing a robust data foundation before setting performance-based targets. Before implementing these targets, CSG aims to analyze all available data, gain a deep understanding of material impacts, and ensure that any future targets align with the Group’s strategic direction. Once CSG sets such targets for members of its administrative, management, and supervisory bodies, it will integrate sustainability-related performance metrics into its remuneration policies.

The planned sustainability remuneration policy for 2025 does not allocate a percentage of variable remuneration based on sustainability-related targets or impacts. Instead, it utilizes a fixed amount designated for individuals and teams that are directly involved in sustainability reporting and performance. All sustainability-related remuneration is approved and updated at CSG’s Group level. The policy will be governed by the Board of Directors, with input from the Sustainability Committee. Regular reviews will ensure alignment with the Group’s strategic sustainability objectives and regulatory requirements.

ESRS2.GOV-4

1.2.4. Statement on Due Diligence

This chapter provides an overview of the undertaking’s due diligence process in relation to sustainability matters. It outlines how due diligence is conducted, including the identification, assessment, and management of sustainability-related risks, impacts, and opportunities.

Mapping of Information Provided about the Due Diligence Process

The Consolidated Sustainability Statement includes information on how material sustainability impacts, risks,

and opportunities are identified, assessed, and managed. Relevant disclosures on due diligence are integrated across various chapters, including those for governance, risk management, and value chain assessments. This mapping ensures trans-

parency in how CSG aligns its due diligence efforts with regulatory requirements and internal risk management frameworks.

ESRS2.GOV-5

1.2.5. Risk Management and Internal Controls over Sustainability Reporting

This chapter outlines the key features of CSG’s risk management and internal control systems as they relate to sustainability reporting. It provides insight into the processes established to identify, assess, and manage sustainability-related risks, ensuring accuracy, reliability, and compliance in reporting.

Disclosure of Risk Management and Internal Controls over Sustainability Reporting

CSG’s risk management and internal control processes for sustainability reporting cover the identification, assessment, and management of sustainability-related risks and controls. This system applies to all business units and subsidiaries within CSG’s consolidation scope. The Board of Directors, supported by the Sustainability Committee, oversees sustainability-related risk management. Internal reviews are integrated into the reporting process, including verification by the Sustainability Committee and coordination with the relevant business units to ensure compliance with evolving regulations. Additionally, engagement with internal and external stakeholders plays a key role in shaping risk identification, reporting accuracy, and alignment with best practices, ensuring that CSG’s sustainability reporting remains transparent.

During the 2024 reporting cycle, CSG encountered gaps in data collection and accuracy, primarily due to the diversity of its operations across multiple sectors, countries, and company sizes, each with distinct regulatory requirements and reporting standards. These variations posed challenges in consolidating sustainability-related data consistently across the organization. The most significant data gaps were identified in the environmental section of this Consolidated

Sustainability Statement, where differences in local regulatory frameworks and data availability led to inconsistencies. Where such inconsistencies were encountered, estimations were used to ensure completeness of reporting while maintaining a reasonable level of accuracy. To address these challenges, CSG is prioritizing improvements in data standardization, internal guidance, and cross-functional collaboration.

Risks are identified mainly through internal risk mapping, covering areas such as climate, human rights, the supply chain, and regulatory and reputational risks, as well as stakeholder consultations. Each risk is evaluated based on its severity, likelihood, and potential financial or operational impact, using a scoring system. Where data limitations exist, qualitative indicators supplement the evaluation. High-priority risks are addressed through preventive measures, risk transfer, and adaptation strategies, ensuring alignment with CSG’s business objectives.

CSG has identified several key sustainability-related risks, including climate risks, regulatory-compliance risks, supply chain disruptions, human rights concerns, and reputational risks. Climate risks encompass both physical risks, such as extreme weather events affecting operations, and transition risks related to evolving regulations and market shifts. To mitigate these, CSG is collating relevant data needed for setting its sustainability strategy.

Regulatory-compliance risks stem from stricter ESG regulations, such as the CSRD and EU Taxonomy. To address these, CSG is in the process of implementing a “CSG Group Policy” framework to ensure reporting is aligned with evolving requirements. Reputational risks, linked to ESG performance and stakeholder expectations, are mitigated through proactive communication, transparent reporting, and continuous improvements in sustainability practices.

CSG is currently in the process of establishing and integrating sustainability risk assessment frameworks and internal controls into its core business functions to enhance future governance, compliance, and decision-making. As part of the Group’s transition toward full alignment with evolving ESG regulations—including the CSRD and EU Taxonomy—foundational processes are being developed and gradually embedded within both sustainability and finance teams at the Group level. The Sustainability Committee, alongside internal audit functions, is expected to play a key oversight role as these processes mature. Sustainability criteria, such as human rights adherence and environmental impact, are factored into vendor selection and contract management. From a governance perspective, sustainability risks and control measures are integrated into financial planning and risk management processes. The Board of Directors, in collaboration with the Sustainability Committee, evaluates sustainability-related risks as part of

overall enterprise risk management, ensuring that sustainability considerations are embedded in corporate strategy. Training and internal awareness initiatives further embed sustainability risk management within CSG’s functions. Targeted training programs for the finance, compliance, and oper-

ational teams ensure employees understand sustainability risks and their role in mitigating them.

CSG ensures periodic reporting of sustainability risk assessment findings and internal controls to the Board of Directors, the Sustainability Committee,

and senior management. The Sustainability Committee conducts yearly reviews of ESG risks and quarterly regulatory developments. Key findings are compiled into risk-monitoring reports and presented to the Board of Directors for oversight.

1.3. Strategy

ESRS2.SBM-1

1.3.1. Strategy, Business Model, and Value Chain

This chapter outlines how CSG’s strategy, business model, and value chain relate to sustainability matters, highlighting key strategic elements that influence or are influenced by sustainability. It provides insight into impacts, risks, and opportunities, enhancing transparency for stakeholders.

Disclosure of Elements of Strategy That Relate to or Impact Sustainability Matters, Business Model and Value Chain

CSG’s key product and service offerings include (i) defence products and services, such as the production, servicing, and repairing of military machinery, small arms ammunition, and radar equipment; (ii) automotive products and services, including the production of brake systems and the servicing and repairing of vehicles and their accessories; (iii) rolling-stock-related products and services, including the manufacturing, maintenance, and repairing of brake systems; (iv) aerospace industry services, such as airplane and helicopter maintenance, repairs, and specialized accessories; and (v) metal fabrication and processing, including other engineering production and the supplying of processed metal products. Additionally, CSG provides transportation and logistics services and engages in the sale

of goods across its business segments. During this reporting period, CSG expanded its Defence-sector portfolio through the acquisition of The Kinetic Group, a leading supplier of small caliber ammunition, reinforcing its market presence and capabilities in the defence industry.

A diverse range of markets and customer groups are served by CSG, including defence and security agencies, aerospace manufacturers, and railway operators. The company has a strong presence on European, North American, and Asian markets, supplying mainly government entities, but private sector clients as well. During the reporting period, CSG has continued to grow its presence on the North American and NATO markets, aligning with global security demands and regulatory developments.

As of the reporting period, CSG’s total workforce is distributed across key geographical regions as follows: Europe—9,025 employees, North

America—3,776 employees, and Asia—54 employees.

There are no products or services produced or provided by CSG that are banned in certain markets. All operations comply with applicable legal and regulatory requirements, ensuring adherence to international trade laws, industry standards, and ethical business practices in all regions of operation.

CSG reports its revenue on the basis of business segments as outlined in IFRS 8. While ESRS sector-specific standards are not yet published, we have aligned our revenue breakdown with CSG’s key products and services. This revenue segmentation aligns with our financial-statement disclosures and will be adjusted in the future based on final ESRS sector classifications. Information on revenue breakdown with CSG’s key products is incorporated by reference to section 8 (Revenues) of the consolidated financial statement.

CSG’s business activities have been assessed with the result of no additional significant ESRs sectors beyond those already reflected in its primary sectors of operation. The company’s materiality assessment and reporting focus on its core sectors, including Aerospace, Automotive, Defence, Health Care, Metal Processing, Professional & Commercial Services, Real Estate & Services, Rolling Stock, Software, Textiles, Apparels, Footwear & Accessories, Transportation, and Wholesale & Retail Trade. These sectors comprehensively cover CSG’s key revenue-generating activities and material sustainability impacts, with no additional significant activities requiring separate sector classification.

CSG does not engage in activities related to the fossil fuel sector, chemical production, controversial weapons, or the cultivation and production of tobacco. The company’s business operations and strategic focus remain within its core sectors, ensuring alignment with its sustainability commitments and regulatory requirements.

No specific sustainability-related goals have been set for products and services, customer categories, geographical areas, or stakeholder relationships, as 2024 marks the first year of CSRD-compliant sustainability reporting. The company is currently focused on establishing a comprehensive baseline through data collection and materiality assessment. Future sustain-

ability targets will be defined based on these insights and assessed based on CSG’s significant products/services, as well as markets and customer groups.

The strategic approach to sustainability (as defined by CSRD) is in its early stages for CSG, with the first-year sustainability reporting serving as a foundation for identifying key challenges and opportunities. The company recognizes climate impact and regulatory compliance as critical areas requiring long-term strategic alignment.

Description of Business Model and Value Chain

CSG relies on a diverse range of inputs, including raw materials, components, technology, and human capital, to support its operations across multiple industries. The company sources metals, electronic systems, specialized machinery, and other critical materials from a global supplier network, prioritizing quality, reliability, and compliance with regulatory standards. To collect, develop, and secure inputs, CSG employs a structured procurement strategy that emphasizes supplier due diligence, long-term partnerships, and risk management.

The main product groups CSG delivers are, among others, defence products, automotive components, rolling stock solutions, metal processing services, and aerospace maintenance, ensuring

high-quality, reliable solutions for its customers. Investors benefit from strategic growth and market expansion, while employees, suppliers, and communities gain from economic contributions and responsible business practices. CSG continues to enhance sustainability, efficiency, and stakeholder engagement to maximize positive impacts.

CSG’s value chain spans across upstream activities, its own operations, and downstream activities. Upstream activities include raw material sourcing, component manufacturing, research & development, and inbound logistics, involving suppliers, regulators, and certification bodies. CSG’s own operations encompass production, servicing, quality assurance, compliance, asset management, and marketing, directly engaging employees, customers, and financial institutions. Downstream activities, such as outbound logistics, product lifecycle management, and policy compliance, involve distributors, end-users, and regulatory bodies. The mapping of these activities is integrated into CSG’s sustainability assessments, ensuring alignment with its strategic goals and stakeholder expectations.

ESRS2.SBM-2

1.3.2. Interests and Views of Stakeholders

This chapter outlines how CSG accounts for the interests and views of its stakeholders when shaping its strategy and business model. It details the approach used to identify key stakeholders, engage with them, and incorporate their expectations into decision-making processes.

Disclosure of How Stakeholders’ Interests and Views Are Taken into Account by CSG’s Strategy and Business Model

CSG identifies its key stakeholders based on its value chain mapping process, aligning with the Power-Interest Model that was used in 2023 to assess stakeholder influence and importance. The main categorization of stakeholders divides them into internal stakeholders and external stakeholders. The internal stakeholders include members of CSG’s sustainability committee and the top management members of the companies within the scope of this Consolidated Sustainability Statement. The primary stakeholder groups among external stakeholders include suppliers, customers, regulatory bodies, employees, investors, and industry associations. Stakeholders are categorized based on their level of influence on the value chain. Direct actors are those who take ownership and possession of the product, such as banks, suppliers, and employees. Indirect actors influence the value chain without direct ownership; they include human rights defenders, government entities, and academia. External influences—such as environmental groups and trade associations—impact the value chain through broader economic, environmental, and socio-cultural forces.

Both internal and external stakeholders are actively engaged to ensure comprehensive participation in the Group’s

sustainability reporting and strategic decision-making processes.

Internal Stakeholder Engagement

Engagement within the Group’s companies is conducted through personal and online meetings with key management representatives, including CEOs, CFOs, and other top executives of companies falling within the consolidation scope of this Consolidated Sustainability Statement. The purpose of these meetings is to educate internal stakeholders on the implications of the Corporate Sustainability Reporting Directive (CSRD), align expectations, and guide companies through the preparatory steps for the Double Materiality Assessment. Discussions cover company clustering for reporting, value chain mapping, shortlisting sustainability matters, and assessing double materiality. The outcome of these meetings is the approval or amendment of the discussed topics.

External Stakeholder Engagement

Externally, CSG engages with the key stakeholders actively consulted in its sustainability strategy, such as investors, banks, and media, as identified in the Power-Interest Model outlined in the CSG Sustainability Report for 2023. The purpose of these engagements is to explain CSG’s approach to CSRD-aligned reporting, collect external perspectives, and ensure stakeholder concerns and expectations are

addressed in sustainability disclosures. One-on-one interviews with sustainability teams are planned in order to discuss CSG’s reporting strategy, ensuring that stakeholder feedback is relevant and actionable. The outcome of these meetings is confirmation of or commentary on the approach and results of the Double Materiality Assessment.

Stakeholder insights are integrated into CSG’s strategy and business model through structured engagements. The internal stakeholders emphasize regulatory compliance, risk management, and operational sustainability, shaping reporting processes and governance. External stakeholders—investors, banks, and media—prioritize transparency and responsible business practices, influencing disclosure and risk management. By aligning with stakeholder expectations, CSG ensures it has a responsive and impactful sustainability strategy.

CSG’s strategy and business model are continuously refined to align them with stakeholder expectations, and this has brought benefits. Based on internal stakeholder feedback, governance structures and sustainability reporting processes have been strengthened to enhance compliance management. External stakeholders’ priorities, such as increased transparency and responsible business practices, have led to improved disclosure practices and engagement efforts. Moving forward, CSG will further integrate stakeholder insights into its

strategic planning, operational improvements, and sustainability initiatives to ensure long-term value creation.

The scope of external stakeholders' engagement is planned to be broadened to a greater variety of stakeholder groups as their familiarity with CSRD and sustainability topics deepens. The aim of this planned expansion is to

ensure more qualitative and informed engagement, incorporating insights from a wider range of stakeholders, including regulatory bodies, industry associations, and civil society groups. Additionally, CSG will continue to enhance its internal capacity to facilitate meaningful discussions, align strategic priorities with stakeholder expectations, and strengthen its sustainability commitments.

Administrative, management, and supervisory bodies are informed about the views and interests of affected stakeholders through regular internal briefings from the sustainability committee. Additionally, findings from materiality assessments are presented to relevant governance bodies to ensure alignment between CSG's business strategy and stakeholder expectations.

ESRS2.SBM-3

1.3.3. Material Impacts, Risks and Opportunities and Their Interaction with Strategy and Business Model

This chapter provides an overview of CSG's material impacts, risks, and opportunities identified through its materiality assessment and of their connection to the company's strategy and business model. It outlines how these factors influence decision-making, resource allocation, and strategic adaptation.

Disclosure of Material Impacts, Risks and Opportunities and How They Interact with Strategy and Business Model

Based on the double materiality assessment, key material impacts, risks, and opportunities (IROs) have been identified across CSG's own operations, business model, and value chain. These IROs span the governance, social, and environmental domains. Governance-related impacts include corporate culture, ethics, anti-corruption measures, and legal compliance, with key risks involving reputational damage and regulatory scrutiny, while opportunities arise from strengthened ethical policies and investor confidence. Social factors such as diversity, inclusion, employee training, and workforce management present both risks (e.g. employee turnover and non-compliance) and opportunities (e.g. workforce retention and productivity gains). Environmental considerations, particularly climate

change mitigation, emissions, pollution management, sustainable sourcing, and circular economy practices, are critical; they have potential risks tied to regulatory shifts, operational disruptions, and resource scarcity, while offering opportunities such as cost savings, enhanced brand reputation, and competitive advantages. The concentration of these material IROs varies across CSG's business model and value chain. Within CSG's own operations, the most critical risks stem from regulatory compliance, workforce policies, and environmental sustainability. In the upstream supply chain, sustainability concerns focus on sustainable sourcing, ethical labor practices, and supplier compliance with environmental and human rights standards. Meanwhile, in the downstream value chain, CSG faces material IROs related to two areas: community engagement and emissions reductions in product lifecycle management.

Material impacts, risks, and opportunities (IROs) have both current and

anticipated effects on CSG's business model, value chain, and strategic decision-making. In the short term, regulatory compliance pressures, particularly from the CSRD, EU Taxonomy, and supply chain due diligence requirements, are driving the need for both sustainability reporting and robust risk management processes. Climate-related risks, including emissions reduction targets, circular-economy adoption, and resource efficiency, are influencing operational practices and supplier engagement. Social factors such as workforce training and diversity are reshaping CSG's talent management strategies, procurement policies, and stakeholder engagement approaches. To respond to these impacts and risks, CSG has initiated the development of a structured Group Policy Framework to align with sustainability-related requirements. Additionally, enhanced stakeholder engagement mechanisms are being implemented to address community and consumer concerns, ensuring greater transparency and accountability.

The Group's material impacts have direct and indirect effects on people and the environment across its value chain. On the negative side of this balance, GHG emissions, resource consumption, and waste generation contribute to environmental degradation and climate change, while workforce-related issues such as training gaps and diversity challenges affect employee well-being and inclusivity. Investments into workforce training, diversity, and ethical business conduct strengthen employee engagement, governance, and transparency, while community engagement programs enhance stakeholder trust.

The material impacts identified are directly linked to and influenced by the company's strategy and business model, shaping both risks and opportunities across its operations and value chain. Environmental impacts, such as GHG emissions, resource use, and waste generation, arise from industrial production, manufacturing processes, and energy consumption, which are integral to CSG's core business activities. Social impacts, including workforce management, human rights concerns, and community relations, stem from the company's employment policies, supply chain dependencies, and stakeholder engagement. At the same time, CSG's strategic focus on sustainability and operational efficiency presents opportunities for mitigating these impacts, such as implementing circular economy practices and enhancing workforce training. In short: by integrating sustainability into decision-making and business processes.

The reasonably expected time horizons for the identified impacts vary depending on their nature and urgency:

- **Short-term (1 year):** Impacts related to corporate governance, ethics, compliance, and workforce policies are expected to materialize

quickly. These include whistleblowing mechanisms, diversity and inclusion efforts, workforce training, and grievance resolution.

- **Mid-term (2–5 years):** Impacts from climate change transition risks, pollution mitigation, water and resource management, and consumer rights policies will unfold over a medium timeframe. Regulatory shifts, such as EU sustainability legislation and emissions targets, will require adaptation.
- **Long-term (5+ years):** Climate-related physical risks (e.g., extreme weather events, resource scarcity, and infrastructure disruptions) will have lasting effects on business operations and supply chains. Additionally, the transition to a circular economy and renewable energy adoption will continue to evolve, with long-term financial and strategic planning necessary to mitigate risks and capitalize on sustainability opportunities.

Material impacts are primarily driven by CSG's own activities as well as the business relationships within its value chain. CSG's key environmental impacts, such as climate change management, pollution mitigation, and resource sustainability, arise from its operations, including manufacturing, energy consumption, and emissions control. These impacts are managed directly through mitigation strategies, operational adjustments, and investments in sustainable technologies. Additionally, certain impacts originate from upstream and downstream business relationships. Sustainable sourcing and renewable resource use involve collaboration with suppliers to enhance environmental performance and ensure responsible sourcing of materials. Grievance mechanisms and ethical business conduct impact downstream stakeholders, including customers and end-users, emphasizing the importance of robust compli-

ance, transparency, and stakeholder engagement. In some areas, such as human rights, non-discrimination, workforce management, and ethical business conduct, material impacts stem from both internal operations and external partnerships.

CSG does not currently quantify the financial effects (or anticipated financial effects) of its material risks and opportunities on its financial position, performance, or cash flows, as the Impact, Risk, and Opportunity (IRO) assessment has been conducted at the sector level. As a result, no significant risk of material adjustments to the carrying amounts of assets and liabilities has been identified for the next annual reporting period. To enhance financial integration, CSG recognizes the need to implement more robust risk assessment procedures in the future, enabling a more precise evaluation of sustainability-related financial impacts.

The Group's strategy and business model are designed to be resilient in addressing material impacts and risks while leveraging material opportunities. Sustainability considerations are integrated into its strategic planning, with a focus on risk mitigation, regulatory compliance, and innovation. However, the first-year materiality assessment has highlighted the need for further integration of sustainability risks into financial planning and operational decision-making.

As 2024 is the first year of double materiality assessment, no comparison to previous periods is available. Future reporting will allow for comparative analysis as the methodology used evolves.

All disclosed impacts, risks, and opportunities are covered by ESRS Disclosure Requirements, with no additional entity-specific disclosures included.

1.4. Impact, Risk, and Opportunity Management

ESRS2.IRO-1

1.4.1. Process to Identify and Assess Material Impacts, Risks and Opportunities

This chapter outlines the process through which CSG identifies its impacts, risks, and opportunities (IROs) and assesses their materiality. Understanding materiality is crucial for determining the disclosures included in this Consolidated Sustainability Statement. The assessments follow the principle of double materiality, considering both the financial implications of sustainability factors on the company and the company’s own impact on the environment and society.

Disclosure of Process to Identify Impacts, Risks, and Opportunities and to Assess Which Ones are Material

CSG applies a structured Double Materiality Assessment (DMA) methodology to identify and evaluate sustainability-related impacts, risks, and opportunities (IROs) in alignment with the Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS). This methodology ensures a comprehensive evaluation of both financial materiality (how sustainability matters impact CSG) and impact materiality (how CSG impacts environmental, social, and governance (ESG) factors).

Methodology Applied

1. Identification of Sustainability Matters – A systematic definition of sustainability topics was conducted using internal and external references, including the ESRS, industry benchmarks, and stakeholder expectations. Sustainability matters were categorized based on their relevance.

2. Materiality Assessment Process

A Impact Materiality – Defined impacts were scored based on attributes such as scale, scope, irremediability, and likelihood for both positive and negative impacts.

B Financial Materiality – Risks and opportunities were assessed based on severity (potential financial impact) and probability (likelihood of occurrence).
3. Scoring and Thresholds – A 1–5 scale was applied to assess each impact, risk, and opportunity. A materiality threshold was set at 2.33. The materiality threshold was established at a level that reflects a balanced intersection of relevance and potential impact, ensuring that matters with meaningful strategic, operational, or stakeholder significance are prioritised for disclosure. If multiple impacts or risks were identified under the same sustainability matter, their average score was used for the determination of materiality.

4. Validation and Consolidation – A two-stage validation process was conducted:

A Internal validation – In-person discussions with company representatives.

B External validation – Consultations with key external stakeholders such as banks, regulators, policymakers, and media to ensure the relevance and accuracy of the assessment.

Once validated, the sustainability topics identified as being material were integrated into CSG’s reporting.

Assumptions Applied

1. The assessment follows ESRS guidance, ensuring that both impact and financial materiality are considered independently.
2. The threshold of 2.33 ensures that only relevant and significant impacts, risks, and opportunities are included in sustainability disclosures.

3. Because IROs were assessed at the sector level, each sector defined within CSG has a tailored materiality assessment.
4. The DMA process is dynamic, with periodic reassessments planned to reflect evolving regulatory, market, and operational conditions.

CSG follows a structured due diligence process to identify, assess, prioritize, and monitor potential and actual impacts on people and the environment. Key processes include mapping of sustainability matters, assessment of impacts, and risks, assignment of a materiality threshold, and validation (all described in detail above).

CSG’s impact assessment process is designed to focus on high-risk areas by analyzing the specific activities, business relationships, and geographies where adverse impacts are more likely to occur.

- Activities & Operations – This process evaluates core business activities such as manufacturing and resource use, identifying areas with potential environmental and social risks (e.g., carbon emissions, labor conditions).
- Sector-Specific Risks – Sectors such as Defence, Automotive, and Heavy manufacturing are given additional focus due to their higher exposure to regulatory, ethical, and environmental challenges.
- Geographical Focus – Higher scrutiny is applied to regions with weaker regulatory frameworks, high environmental sensitivity, or significant social risks, ensuring proactive risk mitigation.

The impact assessment process evaluated both direct impacts from CSG’s own operations and indirect

impacts arising through business relationships across the value chain. Within CSG’s own operations, the process assesses how its manufacturing, logistics, and corporate activities influence environmental and social factors, including GHG emissions, resource consumption, labor conditions, and workplace safety. In business relationships, the process assesses impacts linked to suppliers, subcontractors, and other partners, focusing on areas such as human rights, fair labor practices, and environmental responsibility.

The impact assessment process incorporates consultations with affected stakeholders and external experts to ensure a comprehensive evaluation of sustainability risks and opportunities. In stakeholder engagement, CSG actively engages the main stakeholder groups, i.e. the Investors and Banks groups, through one-to-one interviews to gather insights on how its operations and value chain affect them. This feedback informs the materiality assessment and the prioritization of sustainability topics. The external expertise provided by sustainability consultants offers sector-specific insights, emerging risk analyses, and compliance guidance to align our sustainability approach with best practices and evolving regulations.

CSG prioritizes negative impacts based on the results of the double materiality assessment. For the negative impact assessment, the process considers the severity of harm to people or the environment, the likelihood of occurrence, and whether the impact can be effectively mitigated or reversed. More severe, likely, and irreversible impacts are given higher priority. For positive impacts, the potential benefits, such as enhancing environmental sustainability or improving social well-being, are assessed based on their scale (extent of benefit), scope (who benefits), and likeli-

hood (probability of occurrence). A complete list of sustainability topics that are material for this Consolidated Sustainability Statement is incorporated by reference to chapter 1.4.2. (Disclosure Requirements in ESRS Covered by Consolidated Sustainability Statement) of this Consolidated Sustainability Statement and is presented in a table of relevant sectors for which these topics are material (Table ID 4).

CSG employs a structured risk and opportunity assessment process to identify, evaluate, prioritize, and monitor sustainability-related financial risks and opportunities. Double materiality assessment integrates the interconnections between sustainability impacts, dependencies, and financial risks and opportunities to ensure a comprehensive evaluation of material issues. CSG examines how operations and value chain depend on environmental and social resources, such as natural capital (energy and water) or human capital (skilled labor, community relations). Simultaneously, it assesses how business activities impact these resources, creating potential risks or opportunities. Identified dependencies are analyzed for potential business disruptions, such as supply chain vulnerabilities due to climate risks or resource scarcity, while positive impacts are linked to growth opportunities. The financial impact of risks and opportunities arising from these dependencies is assessed, ensuring they are integrated into business strategy and risk management. For example, carbon pricing regulations are considered in relation to GHG emissions.

CSG assesses the severity and likelihood of identified risks and opportunities through a structured methodology, integrating insights from its Double Materiality Assessment (DMA) process. Severity scores how large is the potential effect on financial performance, reputation, or operations. This

considers financial costs, regulatory consequences, stakeholder reactions, and long-term business implications. Probability scores what is the likelihood of the risk or opportunity materializing. This assessment uses external market trends to estimate the probability of occurrence. High-impact and high-likelihood sustainability risks, such as regulatory compliance (e.g., CSRD) and climate-related risks are prioritized for mitigation and strategic response.

CSG’s decision-making process for impact, risk, and opportunity (IRO) materiality assessment follows a structured, multi-step approach ensuring alignment with sustainability priorities and regulatory requirements. This process is led by the Sustainability Team followed by the Sustainability Committee, which collaborates with the relevant business units to identify and assess IROs based on double materiality principles.

Decision-Making Process

- 1. Data Collection & Analysis – Internal data, stakeholder input, and industry benchmarks are gathered to assess potential and actual sustainability impacts.
- 2. Scoring & Prioritization – IROs are evaluated based on their severity and probability for risks and opportunities, and scale, scope, and likelihood for sustainability impacts.
- 3. Validation & Review – The results undergo internal validation with key management representatives and sustainability consultants.

- 4. Final Decision & Approval – The Board of Directors and Sustainability Committee finalize the materiality assessment and integrate findings into sustainability reporting.

Internal Control Procedures

- Standardized Methodology – A defined materiality assessment framework ensures consistency.
- Governance Oversight – The Sustainability Committee provides independent review and recommendations.
- Stakeholder Review – Key stakeholders are engaged to validate impact significance.

CSG integrates the identification, assessment, and management of sustainability-related impacts, risks, and opportunities into its overall sustainability management framework to ensure a comprehensive evaluation of the company’s risk profile. Findings from the IRO materiality assessment are incorporated into enterprise sustainability management processes, ensuring that sustainability risks inform decision-making, mitigation strategies, and reporting.

CSG’s process for identifying, assessing, and managing material impacts, risks, and opportunities integrates multiple input parameters to ensure a structured and objective evaluation. Stakeholder perspectives play a critical role; CSG also aligns its methodology with established frameworks such as SASB (Sustainability Accounting Standards Board) for industry-specific risk identification and the EFRAG Implementation Guidance on Materiality

Assessment, ensuring compliance with CSRD and ESRS requirements. These inputs collectively support a comprehensive materiality assessment, strengthening sustainability management and strategic decision-making.

For the 2024 reporting period, CSG conducted its first double materiality assessment, expanding out from previous assessments, which focused on impact materiality alone. This shift aligns with CSRD and ESRS requirements, integrating both impact and financial perspectives. As a result, comparisons with prior years are unfortunately not feasible; however, the updated approach provides a more comprehensive view of sustainability risks and opportunities.

ESRS2.IRO-2

1.4.2. Disclosure Requirements in ESRS Covered by Consolidated Sustainability Statement

This chapter outlines the Disclosure Requirements (DRs) included in this Consolidated Sustainability Statement and provides transparency on the topics assessed as not being material based on the materiality assessment. By detailing which DRs have been complied with and which have been omitted, this disclosure ensures clarity on CSG’s reporting scope, focus areas, and rationale for exclusions, aligning with ESRS requirements.

Disclosure of ESRS Disclosure Requirements Complied in this Consolidated Sustainability Statement

The following table provides a list of data points derived from other EU legislation, indicating the relevant sustainability matters, the sectors for which they are material, and the corresponding page numbers in this Consolidated Sustainability Statement.

List of sustainability topics that are material for this Consolidated Sustainability Statement (Table ID 4)

ESRS Codification / Sustainability Matter	Material for Which Sectors	Disclosure Requirements	Chapter Number
Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)	All sectors		2.1. EU Taxonomy Disclosures
Environment			
ESRS E1 – Climate Change			2.2. Climate Change
E1_SM_01 – Climate Change Management	Aerospace Automotive Defence Metal Processing Rolling Stock Software Textiles, Apparels, Footwear, & Accessories	E1.GOV-3: Integration of sustainability-related performance in incentive schemes E1.IRO-1: Description of the processes to identify and assess material climate-related impacts, risks, and opportunities E1.SBM-3: Material impacts, risks, and opportunities and their interaction with strategy and business model E1-1: Transition plan for climate change mitigation E1-2: Policies related to climate change mitigation and adaptation E1-3: Actions and resources in relation to climate change policies E1-4: Targets related to climate change mitigation and adaptation E1-5: Energy consumption and mix E1-8: Internal carbon pricing E1-9: Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	
E1_SM_02 – Climate Change Mitigation Plans	Aerospace Automotive Defence Metal Processing Rolling Stock Software Textiles, Apparels, Footwear, & Accessories	E1-1: Transition plan for climate change mitigation E1-2: Policies related to climate change mitigation and adaptation E1-3: Actions and resources in relation to climate change policies E1-4: Targets related to climate change mitigation and adaptation	

ESRS Codification / Sustainability Matter	Material for Which Sectors	Disclosure Requirements	Chapter Number
E1_SM_03 – GHG Emissions and Targets	Aerospace Automotive Defence Health Care Metal Processing Professional & Commercial Services Real Estate & Services Rolling Stock Software Textiles, Apparels, Footwear, & Accessories Transportation Wholesale & Retail Trade	E1-1: Transition plan for climate change mitigation E1-2: Policies related to climate change mitigation and adaptation E1-3: Actions and resources in relation to climate change policies E1-4: Targets related to climate change mitigation and adaptation E1-6: Gross Scopes 1, 2, 3, and Total GHG emissions E1-7: GHG removals and GHG mitigation projects financed through carbon credits E1-8: Internal carbon pricing	
ESRS E2 – Pollution			2.3. Pollution
E2_SM_04 – Pollution Mitigation and Policy	Aerospace Automotive Defence Metal Processing Rolling Stock Textiles, Apparels, Footwear, & Accessories	E2.IRO-1: Description of the processes to identify and assess material pollution-related impacts, risks and opportunities E2-1: Policies related to pollution E2-2: Actions and resources related to pollution E2-3: Targets related to pollution E2-4: Pollution of air, water and soil E2-6: Anticipated financial effects from pollution-related impacts, risks and opportunities	
E2_SM_05 – Pollution Incident and Emergency Preparedness	Aerospace Automotive Defence Metal Processing Rolling Stock Textiles, Apparels, Footwear, & Accessories	E2-1: Policies related to pollution E2-2: Actions and resources related to pollution E2-3: Targets related to pollution E2-6: Anticipated financial effects from pollution-related impacts, risks and opportunities	
E2_SM_06 – Substance Management	Aerospace Automotive Defence Health Care Metal Processing Rolling Stock Textiles, Apparels, Footwear, & Accessories	E2-1: Policies related to pollution E2-2: Actions and resources related to pollution E2-3: Targets related to pollution E2-5: Substances of concern and substances of very high concern E2-6: Anticipated financial effects from pollution-related impacts, risks and opportunities	
E2_SM_42: Air Pollution	Aerospace Automotive Defence Metal Processing Rolling Stock Textiles, Apparels, Footwear, & Accessories	E2-4: Pollution of air, water and soil	
ESRS E3 – Water and Marine Resources			2.4. Water and Marine Resources
E3_SM_07 – Water Management and Policy	Aerospace Automotive Defence Metal Processing Rolling Stock Textiles, Apparels, Footwear, & Accessories	E3-1: Policies related to water and marine resources E3-2: Actions and resources related to water and marine resources E3-3: Targets related to water and marine resources	
E3_SM_08 – Water Treatment and Pollution Prevention	Aerospace Defence Metal Processing Rolling Stock Textiles, Apparels, Footwear, & Accessories	E3-1: Policies related to water and marine resources E3-2: Actions and resources related to water and marine resources E3-3: Targets related to water and marine resources	
E3_SM_09 – Water Sourcing and Usage	Aerospace Automotive Defence Metal Processing Rolling Stock Textiles, Apparels, Footwear, & Accessories	E3-1: Policies related to water and marine resources E3-2: Actions and resources related to water and marine resources E3-3: Targets related to water and marine resources E3-4: Water consumption	

ESRS Codification / Sustainability Matter	Material for Which Sectors	Disclosure Requirements	Chapter Number
E3_SM_10 – Water-related Sustainable Practices and Ecological Impact	Metal Processing Textiles, Apparels, Footwear, & Accessories	E3.IRO-1: Description of the processes to identify and assess material water and marine resources-related impacts, risks, and opportunities E3-1: Policies related to water and marine resources E3-2: Actions and resources related to water and marine resources E3-3: Targets related to water and marine resources E3-5: Anticipated financial effects from water and marine resources-related risks and opportunities	
ESRS E5 – Resource Use and Circular Economy			2.5. Resource Use and Circular Economy
E5_SM_14 – Waste Management and Reduction Strategies	Aerospace Automotive Defence Health Care Metal Processing Rolling Stock Textiles, Apparels, Footwear, & Accessories	E5-1: Policies related to resource use and circular economy E5-2: Actions and resources related to resource use and circular economy E5-3: Targets related to resource use and circular economy E5-5: Resource outflows	
E5_SM_17 – Circular Economy Practices	Aerospace Automotive Defence Metal Processing Rolling Stock Textiles, Apparels, Footwear, & Accessories	E5.IRO-1: Description of the processes to identify and assess material resource use and circular economy-related impacts, risks, and opportunities E5-1: Policies related to resource use and circular economy E5-2: Actions and resources related to resource use and circular economy E5-3: Targets related to resource use and circular economy E5-5: Resource outflows E5-6: Anticipated financial effects from resource use and circular economy-related risks and opportunities	
Social			
ESRS S1 – Own Workforce			3.1. Own Workforce
S1_SM_18 – Diversity and Inclusion	Aerospace Automotive Defence Health Care Metal Processing Professional & Commercial Services Rolling Stock Software Textiles, Apparels, Footwear, & Accessories Wholesale & Retail Trade	S1.SBM-3: Material impacts, risks, and opportunities and their interaction with own workforce strategy and business model S1-1: Policies related to own workforce S1-12: Percentage of employees with disabilities S1-16: Remuneration metrics (pay gap and total remuneration) S1-4: Taking action on material impacts on own workforce S1-5: Targets related to managing material impacts on own workforce S1-6: Characteristics of the undertaking's employees S1-9: Diversity metrics	
S1_SM_19 – Employee Training and Development	Aerospace Automotive Defence Health Care Metal Processing Professional & Commercial Services Rolling Stock Software Textiles, Apparels, Footwear, & Accessories Wholesale & Retail Trade	S1.SBM-3: Material impacts, risks, and opportunities and their interaction with own workforce strategy and business model S1-1: Policies related to own workforce S1-13: Training and skills development metrics S1-4: Taking action on material impacts on own workforce S1-5: Targets related to managing material impacts on own workforce	

ESRS Codification / Sustainability Matter	Material for Which Sectors	Disclosure Requirements	Chapter Number
S1_SM_20 – Grievance and Compliance	Aerospace Automotive Defence Health Care Metal Processing Professional & Commercial Services Rolling Stock Software Textiles, Apparels, Footwear, & Accessories Wholesale & Retail Trade	S1.SBM-3: Material impacts, risks, and opportunities and their interaction with own workforce strategy and business model S1-1: Policies related to own workforce S1-17: Incidents, complaints and severe human rights impacts S1-3: Processes to remediate negative impacts and channels for own workforce to raise concerns S1-4: Taking action on material impacts on own workforce S1-5: Targets related to managing material impacts on own workforce	
S1_SM_21 – Health and Safety	Aerospace Automotive Defence Health Care Metal Processing Professional & Commercial Services Rolling Stock Software Textiles, Apparels, Footwear, & Accessories Wholesale & Retail Trade	S1.SBM-3: Material impacts, risks, and opportunities and their interaction with own workforce strategy and business model S1-1: Policies related to own workforce S1-11: Social protection S1-14: Health and safety metrics S1-4: Taking action on material impacts on own workforce S1-5: Targets related to managing material impacts on own workforce	
S1_SM_22 – Human Rights and Non-Discrimination	Aerospace Automotive Defence Health Care Metal Processing Professional & Commercial Services Rolling Stock Software Textiles, Apparels, Footwear, & Accessories Wholesale & Retail Trade	S1.SBM-3: Material impacts, risks, and opportunities and their interaction with own workforce strategy and business model S1-1: Policies related to own workforce S1-17: Incidents, complaints and severe human rights impacts S1-2: Processes for engaging with own workforce and workers' representatives about impacts S1-4: Taking action on material impacts on own workforce S1-5: Targets related to managing material impacts on own workforce	
S1_SM_23 – Workforce Management and Policy	Aerospace Automotive Defence Health Care Metal Processing Professional & Commercial Services Rolling Stock Software Textiles, Apparels, Footwear, & Accessories Wholesale & Retail Trade	S1.SBM-3: Material impacts, risks, and opportunities and their interaction with own workforce strategy and business model S1-1: Policies related to own workforce S1-10: Adequate wages S1-15: Work-life balance metrics S1-16: Remuneration metrics (pay gap and total remuneration) S1-2: Processes for engaging with own workforce and workers' representatives about impacts S1-4: Taking action on material impacts on own workforce S1-5: Targets related to managing material impacts on own workforce S1-6: Characteristics of the undertaking's employees S1-7: Characteristics of non-employee workers in the undertaking's own workforce S1-8: Collective bargaining coverage and social dialogue S1-9: Diversity metrics	

ESRS Codification / Sustainability Matter	Material for Which Sectors	Disclosure Requirements	Chapter Number
ESRS S3 – Affected Communities			3.2. Affected Communities
S3_SM_29 – Community Engagement	Automotive Metal Processing	S3.SBM-3: Material impacts, risks, and opportunities and their interaction with affected communities strategy and business model S3-1: Policies related to affected communities S3-2: Processes for engaging with affected communities about impacts S3-3: Processes to remediate negative impacts and channels for affected communities to raise concerns S3-4: Taking action on material impacts on affected communities and approaches to managing material risks and opportunities S3-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	
S3_SM_30 – Community Grievance and Compliance	Metal Processing	S3.SBM-3: Material impacts, risks, and opportunities and their interaction with affected communities strategy and business model S3-1: Policies related to affected communities S3-3: Processes to remediate negative impacts and channels for affected communities to raise concerns S3-4: Taking action on material impacts on affected communities and approaches to managing material risks and opportunities S3-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	
S3_SM_31 – Community Management and Policy	Metal Processing	S3.SBM-3: Material impacts, risks, and opportunities and their interaction with affected communities strategy and business model S3-1: Policies related to affected communities S3-4: Taking action on material impacts on affected communities and approaches to managing material risks and opportunities S3-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	

ESRS Codification / Sustainability Matter	Material for Which Sectors	Disclosure Requirements	Chapter Number
ESRS S4 – Consumers and End-users			3.3. Consumers and End-users
S4_SM_32 – Consumer Rights and Human Rights	Aerospace Automotive Defence Health Care Metal Processing Rolling Stock Software Textiles, Apparels, Footwear, & Accessories Wholesale & Retail Trade	S4.SBM-3: Material impacts, risks, and opportunities and their interaction with consumers and end-users strategy and business model S4-1: Policies related to consumers and end-users S4-4: Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities S4-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	
S4_SM_33 – Consumer Engagement	Health Care Metal Processing Rolling Stock Software Textiles, Apparels, Footwear, & Accessories Wholesale & Retail Trade	S4.SBM-3: Material impacts, risks, and opportunities and their interaction with consumers and end-users strategy and business model S4-1: Policies related to consumers and end-users S4-2: Processes for engaging with consumers and end-users about impacts S4-3: Processes to remediate negative impacts and channels for consumers and end-users to raise concerns S4-4: Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities S4-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	
S4_SM_34 – Consumer Grievance and Compliance	Aerospace Automotive Defence Health Care Metal Processing Rolling Stock Software Textiles, Apparels, Footwear, & Accessories Wholesale & Retail Trade	S4.SBM-3: Material impacts, risks, and opportunities and their interaction with consumers and end-users strategy and business model S4-1: Policies related to consumers and end-users S4-3: Processes to remediate negative impacts and channels for consumers and end-users to raise concerns S4-4: Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities S4-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	
S4_SM_35 – Consumer Management and Policy	Aerospace Automotive Defence Health Care Metal Processing Rolling Stock Software Textiles, Apparels, Footwear, & Accessories Wholesale & Retail Trade	S4.SBM-3: Material impacts, risks, and opportunities and their interaction with consumers and end-users strategy and business model S4-1: Policies related to consumers and end-users S4-4: Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities S4-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	

ESRS Codification / Sustainability Matter	Material for Which Sectors	Disclosure Requirements	Chapter Number
Governance			
ESRS G1 – Business Conduct			4. Business Conduct
G1_SM_36 – Corporate Culture and Ethics	Aerospace Automotive Defence Health Care Metal Processing Professional & Commercial Services Real Estate & Services Rolling Stock Software Textiles, Apparels, Footwear, & Accessories Wholesale & Retail Trade	G1.GOV-1: Governance structure and composition related to business conduct G1-1: Business conduct policies and corporate culture G1-2: Management of relationships with suppliers G1-4: Confirmed incidents of corruption or bribery G1-5: Political influence and lobbying activities	
G1_SM_37 – Anti-Corruption and Anti-Bribery	Aerospace Automotive Defence Health Care Metal Processing Professional & Commercial Services Real Estate & Services Rolling Stock Software Textiles, Apparels, Footwear, & Accessories Wholesale & Retail Trade	G1-1: Business conduct policies and corporate culture G1-3: Prevention and detection of corruption and bribery G1-4: Confirmed incidents of corruption or bribery	
G1_SM_38 – Whistleblowing and Reporting	Aerospace Automotive Defence Health Care Metal Processing Professional & Commercial Services Real Estate & Services Rolling Stock Software Textiles, Apparels, Footwear, & Accessories Wholesale & Retail Trade	G1-1: Business conduct policies and corporate culture G1-4: Confirmed incidents of corruption or bribery	
G1_SM_39 – Business Conduct Training	Aerospace Automotive Defence Health Care Metal Processing Professional & Commercial Services Real Estate & Services Rolling Stock Software Textiles, Apparels, Footwear, & Accessories Wholesale & Retail Trade	G1-1: Business conduct policies and corporate culture G1-3: Prevention and detection of corruption and bribery G1-4: Confirmed incidents of corruption or bribery	
G1_SM_40 – Legal Compliance and Investigations	Aerospace Automotive Defence Health Care Metal Processing Professional & Commercial Services Real Estate & Services Rolling Stock Software Textiles, Apparels, Footwear, & Accessories Transportation Wholesale & Retail Trade	G1-1: Business conduct policies and corporate culture G1-3: Prevention and detection of corruption and bribery G1-4: Confirmed incidents of corruption or bribery	

CSG has assessed the following topics as being non-material for the reporting period:

— ESRS E4 Biodiversity and Ecosystems – Although biodiversity remains a crucial environmental concern, biodiversity-related practices are currently less critical for CSG, as the group operates in sectors with limited direct interaction with ecosystems or biodiversity-sensitive areas. CSG’s current sustainability priorities are therefore focused on climate change mitigation and adaptation, where the environmental impact is more immediate and significant. Establishing internal processes, data collection frameworks, and governance structures for climate-related topics is a priority before considering the expansion of efforts to

biodiversity and ecosystem impacts in the future.

— ESRS S2 Workers in the Value Chain – Even though the well-being of workers in the value chain is clearly important, the double materiality assessment conducted at CSG has determined that this topic is currently non-material for CSG’s activities. CSG’s current focus is on its own workforce, ensuring they can enjoy robust internal policies, fair working conditions, and employee development programs. Strengthening internal workforce management and compliance processes is a priority before expanding efforts to assess and address impacts within the broader value chain.

CSG has defined the set of material information for disclosure based on a double materiality assessment, i.e., considering both impact materiality and financial materiality. If a sustainability matter was assessed as being material from at least one perspective—impact or financial—it was considered material for reporting purposes. The assessment used a scoring system from 1 to 5, with a materiality threshold set at 2.33 and above. This ensured that only sustainability matters with a significant impact on people, the environment, or financial performance were prioritized.

List of sustainability topics that are non-material for this Consolidated Sustainability Statement (Table ID 5)

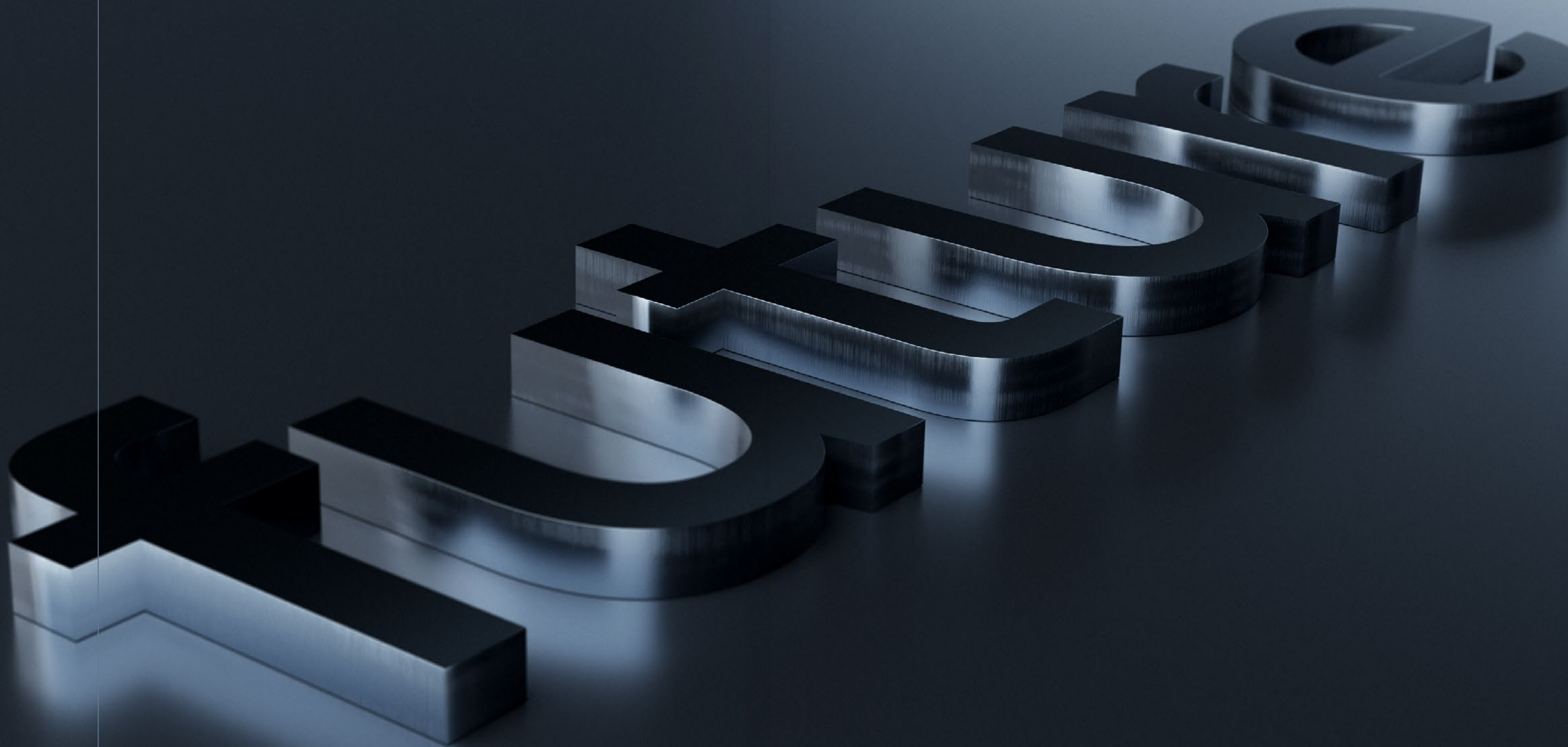
ESRS Codification / Sustainability Matter	Disclosure Requirements	Data Points
Environment		
ESRS E2 – Pollution		
E2_SM_44 – Water and Soil Pollution	E2-4: Pollution of air, water and soil	E2-4_01 E2-4_03 E2-4_04 E2-4_05 E2-4_06 E2-4_07
ESRS E3 – Water and Marine Resources		
E3_SM_11 – Marine Resource Preservation	E3.IRO-1: Description of the processes to identify and assess material water and marine resources-related impacts, risks, and opportunities	E3.IRO-1_02
	E3-1: Policies related to water and marine resources	E3-1_05 E3-1_09
	E3-3: Targets related to water and marine resources	E3-3_02
E3_SM_45 – Water Storage	E3-4: Water consumption	E3-4_03 E3-4_04 E3-4_05
ESRS E5 – Resource Use and Circular Economy		
E5_SM_15 – Sustainable Sourcing and Renewable Resources	E5-1: Policies related to resource use and circular economy	E5-1_02
	E5-3: Targets related to resource use and circular economy	E5-3_05
E5_SM_16 – Resource Transition and Recycling	E5-1: Policies related to resource use and circular economy	E5-1_01
	E5-3: Targets related to resource use and circular economy	E5-3_04

	E5-4: Resource inflows	E5-4_01
E5_SM_46 – Resource inflows	E5-4: Resource inflows	E5-4_01 E5-4_02 E5-4_03 E5-4_04 E5-4_05 E5-4_06 E5-4_08
E5_SM_47 – Products and Materials	E5-5: Resource outflows	E5-5_02 E5-5_03 E5-5_04 E5-5_05 E5-5_06

Social		
ESRS S2 – Workers in the Value Chain		
S2_SM_24 – Value Chain – Employee Training and Development	S2.SBM-3: Material impacts, risks, and opportunities and their interaction with value chain workers strategy and business model S2-1: Policies related to value chain workers S2-4: Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities S2-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	
S2_SM_25 – Value Chain – Grievance and Compliance	S2-1: Policies related to value chain workers S2-3: Processes to remediate negative impacts and channels for value chain workers to raise concerns S2-4: Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities S2-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	
S2_SM_26 – Value Chain – Human Rights and Non-Discrimination	S2.SBM-3: Material impacts, risks, and opportunities and their interaction with value chain workers strategy and business model S2-1: Policies related to value chain workers S2-2: Processes for engaging with value chain workers about impacts S2-4: Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities S2-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	
S2_SM_27 – Value Chain – Workforce Management and Policy	S2.SBM-3: Material impacts, risks, and opportunities and their interaction with value chain workers strategy and business model S2-1: Policies related to value chain workers S2-2: Processes for engaging with value chain workers about impacts S2-4: Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities S2-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	
ESRS S3 – Affected Communities		
S3_SM_28 – Indigenous Peoples and Human Rights	S3.SBM-3: Material impacts, risks, and opportunities and their interaction with affected communities strategy and business model	S3.SBM-3_07 S3.SBM-3_08
	S3-1: Policies related to affected communities	S3-1_01 S3-1_02 S3-1_03
	S3-2: Processes for engaging with affected communities about impacts	S3-2_07
	S3-4: Taking action on material impacts on affected communities and approaches to managing material risks and opportunities	S3-4_11

Governance		
ESRS G1 – Business Conduct		
G1_SM_41 – Animal Welfare	G1-1: Business conduct policies and corporate culture	G1-1_09
G1_SM_43 – Payment practices	G1-6: Payment practices	G1-6_01 G1-6_02

Our products help to ensure
a safe and stable...



2. Environmental Information

2.1. EU Taxonomy Disclosures

EU Taxonomy Framework

The EU taxonomy serves as a standardized classification system, defining economic activities considered environmentally sustainable. It plays a central role in enabling businesses, investors, and policymakers to make informed decisions, thereby supporting the EU's transition to a more sustainable economy. This section outlines its relevance to CSG's operations and reporting approach.

Relevance to CSG:

- Reflects the Group's ongoing commitment to responsible and sustainable business practices.
- Demonstrates how core business activities contribute to and align with the EU's environmental objectives.
- Provides stakeholders with reliable, comparable, and consistent sustainability disclosures.
- Reinforces investor confidence by showcasing adherence to EU-wide sustainability standards, which are becoming increasingly central to regulatory and market expectations

Key Conditions for qualification:

To qualify as aligned under the EU taxonomy, an economic activity must meet four key conditions

- Substantial Contribution:** The activity must contribute substantially to at least one of the following six environmental objectives:
 - Climate change mitigation
 - Climate change adaptation
 - Sustainable use and protection of water and marine resources
 - Transition to a circular economy
 - Pollution prevention and control
 - Protection and restoration of biodiversity and ecosystems
- Do No Significant Harm (DNSH):** The activity must not cause significant harm to any of the other environmental objectives.
- Compliance with Minimum Safeguards:** Activities must comply with defined social standards, including respect for human rights,

fair labor practices, and sound governance.

- Technical Screening Criteria:** Activities must meet detailed technical screening criteria, which define the performance thresholds required to ensure that contributions to environmental objectives are measurable and verifiable.

The following sections will detail how the group's operations are assessed against these conditions and outline the reporting methodologies used to ensure compliance with EU taxonomy requirements.

Eligibility Assessment

The eligibility assessment process involved a structured approach to determine which economic activities within the group align with the EU taxonomy framework. This process ensured that all potential sustainable activities were evaluated systematically and consistently across the group. The following steps outline the approach:

- Review of the EU Taxonomy Framework:** All activities listed in the EU taxonomy framework were

reviewed. As new activities are regularly added, a comprehensive assessment was necessary to capture the most up-to-date scope of eligible activities.

- Analysis of Activity Descriptions:** Descriptions of each activity within the EU taxonomy were carefully analyzed to understand the objectives and scope. This step focused on determining which descriptions could be applicable to companies within the group based on their operational profiles.
- Selection of Potentially Relevant Activities:** Based on the analysis, potentially relevant activities were shortlisted. This initial selection focused on activities most likely to align with the operational realities and sustainability goals of the group.
- Comparison with NACE Codes:** The shortlisted activities were compared with existing NACE codes associated with each company within the group. This step served as a reference point to validate the relevance of each activity and to streamline the eligibility assessment process.
- Company Confirmation and Data Collection:** Identified potentially eligible activities were confirmed with the respective companies. A self-assessment online tool was deployed to standardize data collection and streamline subsequent validation steps. The tool provided a consistent platform for companies to assess their activities, ensuring that the data gathered was accurate, complete, and aligned with the EU taxonomy criteria.

Alignment Assessment

The alignment assessment process evaluated whether the identified eligible activities met the additional conditions required under the EU

taxonomy framework. The assessment focused on three critical criteria: Substantial Contribution, Do No Significant Harm, and Minimum Social Safeguards.

Substantial Contribution Criteria

- The first step involved extracting and understanding the respective criteria for all identified eligible activities. This ensured that all applicable technical requirements were thoroughly reviewed.
- Data was collected from the companies to assess whether they complied with these criteria. The data gathering process involved direct engagement with companies to confirm compliance levels.
- The online self-assessment tool was used to streamline the data collection process, ensuring data consistency across all participating companies.

Do No Significant Harm Criteria

- For each identified eligible activity, all Do No Significant Harm (DNSH) criteria related to the specific activity and associated environmental objectives were extracted and reviewed. Detailed reasoning for compliance or non-compliance was provided based on the collected data.

Minimum Social Safeguards

- For the Minimum Social Safeguards (MSS) criteria, the group assessed compliance with OECD-defined objectives. The assessment focused specifically on areas such as human rights, fair labor practices, taxation compliance, anti-corruption measures, and fair competition.

- Data was collected from the companies to determine compliance with these social safeguards, ensuring that the group maintained responsible business practices across all operations.
- The online self-assessment tool facilitated consistent data collection and ensured that responses were aligned with the MSS criteria.

Results of Eligibility and Alignment Assessment

The results of the eligibility and alignment assessment revealed that, out of all the activities reviewed, only five were assessed as eligible under the EU taxonomy framework.

The five eligible activities are as follows:

- CCA 8.2 Computer programming, consultancy, and related activities
- CCM 8.1 Data processing, hosting, and related activities
- CCM 6.18 Leasing of aircraft
- CCM 3.19 Manufacture of rail rolling stock constituents
- CCM 3.21 Manufacturing of aircraft

Despite these activities being assessed as eligible, none were classified as aligned. The lack of alignment is attributed to the fact that the identified activities did not fully meet the additional alignment conditions required under the EU taxonomy framework as described above.

The analysis showed that although eligibility was established, gaps remained in meeting the technical screening requirements and DNSH principles necessary for alignment.

Revisions to Previously
Reported Information

Following a review and update of the assessment methodology, CSG identified inconsistencies in the approach applied in 2023. As a result, the group decided to revise the previously reported taxonomy data for 2023. The reassessment determined that none of the activities initially reported as aligned met the full alignment criteria. Consequently, all previously reported aligned activities have been reclassified. Certain activities were incorrectly classified as eligible in the 2023 Taxonomy due to a misinterpretation of their scope. A review confirmed that no group companies are directly engaged in Renovation of Existing Buildings, Construction of New Buildings, or Collection and Transport of Non-Hazardous and Hazardous Waste. To align with the 2024 classification and accurately reflect the group's activities, these have been removed from the 2023 Taxonomy.

Introduction to KPI Reporting
for 2024

The purpose of this KPI section is to present key performance indicators aligned with the EU Taxonomy framework, focusing on turnover, capital expenditure (CapEx), and operating expenditure (OpEx) as critical measures of sustainable economic activities. These KPIs are structured to ensure transparency, standardization, and compliance with EU Taxonomy reporting requirements.

For the 2024 reporting period, the methodology has been refined based on inconsistencies in the 2023 Sustainability Report. For details regarding the revisions made to the 2023 taxonomy disclosures, refer to Revisions to Previously Reported Information above, which outlines the adjustments and methodological refinements applied in this reporting year.

The updates include enhanced data consistency and the implementation of more robust measures to prevent double counting. Additionally, KPIs have been defined at the level of each economic activity, ensuring a transparent and structured reporting approach.

Further information on the revenue, CapEx, and OpEx KPIs has been collected and consolidated at the level of individual companies before aggregation at the group level. All data presented in this Consolidated Sustainability Statement is sourced from controlling and accounting systems across subsidiaries. EU Taxonomy KPIs were determined based on financial reporting systems to provide a complete and unambiguous reconciliation to corresponding items in the annual financial statements while preventing duplication.

Entities that are not fully consolidated are excluded from the analysis. This approach ensures the transparency and reliability of EU Taxonomy reporting and aligns with financial and sustainability disclosure best practices.

Year-on-Year Comparisons and
Strategic Adjustments

In the 2024 reporting year, CSG has continued to experience strong overall growth, particularly in non-eligible activities. This growth reflects strategic focus on diversifying business portfolio and expanding into new markets that do not yet meet the criteria for EU Taxonomy eligibility. As a result, while total revenues and activities have increased, the proportion of CSG's business that comply with the EU Taxonomy is relatively lower compared to the previous year.

This shift is largely due to strategic investments in non-eligible sectors, which have contributed significantly to overall growth. These activities, while not currently aligned with the Taxonomy, are critical to maintaining competitiveness and market presence.

Similarly, while CapEx in eligible activities remains robust, the increased growth in non-eligible sectors has meant that the share of taxonomy-eligible CapEx is lower than in 2023. The same trend is evident in operating expenses (OpEx), where a larger portion is now directed toward non-eligible activities, further affecting the proportion of OpEx related to taxonomy-eligible projects.

To better reflect this evolving landscape, CSG has also adjusted our approach to measuring and reporting KPIs. This year, CSG has taken a more detailed and transparent approach, disaggregating the data at a deeper level, and to classify more relevant activities to provide greater visibility into the specific drivers of its results. While this granular approach ensures a more accurate representation of CSG's performance, it also makes year-on-year comparisons more complex.

Nevertheless, CSG remains committed to transparency and aligning the growth strategy with sustainability goals. While the proportion of eligible activities has decreased due to the growth in non-eligible areas, CSG is confident that this strategic shift supports its long-term objectives and will position CSG well for future progress in both financial and sustainability performance.

Taxonomy-Eligible Net Revenues

The denominator for the purposes of the EU Taxonomy is determined in line with the definition of net revenues in the consolidated financial statements. Net revenues represent the revenue generated from the sale of goods, products, and services, net of sales discounts, value-added tax, and other taxes directly related to revenues. It includes revenues reported under IAS 1.82 (such as IFRS 15, and other revenue).

For the 2024 reporting year, sales relating to eligible activities identified

under the EU Taxonomy are reported in accordance with their specific classifications, ensuring traceability and alignment with financial statements. This definition of net revenues directly connects to our total consolidated figures. In line with the taxonomy reporting requirements, we provide a detailed breakdown of our turnover. For a comprehensive analysis of these elements, including the quantitative breakdown and the specific factors influencing turnover, please refer to Consolidated Financial Statements, Note 8. Revenues as section of this Consolidated Sustainability Statement.

Taxonomy-Eligible Capital Expenditure (CapEx)

The reference figure (denominator) for taxonomy-eligible activities is determined in accordance with the EU Taxonomy Regulation. CapEx covers:

- Additions to tangible and intangible assets before depreciation, amortization, revaluation, or impairment—excluding changes in fair value.
- Assets acquired through business combinations.
- Goodwill is excluded from the total CapEx figure, in line with EU Taxonomy requirements.

The relevant IFRS standards include:

- IAS 16: Property, Plant, and Equipment
- IAS 38: Intangible Assets
- IAS 41: Agriculture
- IFRS 16: Leases

Capital expenditure for eligible projects is allocated through financial controlling systems and validated through consultations with relevant specialist units. CSG has not initiated

the implementation of the CAPEX-CapEx plan at this time. This definition of CapEx is aligned with our total consolidated figures, ensuring consistency and traceability. Detailed disclosures regarding capital expenditure can be found in section Consolidated Financial Statements, Notes 16. Intangible Assets and Goodwill and 17. Property, Plant and Equipment of this Consolidated Sustainability Statement.

Taxonomy-Eligible Operating Expenditure (OpEx)

The reference figure (denominator) for taxonomy-eligible operating expenses is based on financial controlling systems and further refined through interviews and analyses conducted with relevant controlling functions. OpEx represents direct non-capitalized costs related to:

- Direct non-capitalised costs that relate to research and development
- Building renovation measures
- Short-term lease
- Maintenance and repair
- Other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets.

Where possible, operating expenses have been allocated directly to identified taxonomy-eligible activities using data from financial systems.

Methodology for Eligible Activities and KPI Inclusion

Third-party verification has not been conducted for this reporting year. Establishing a strong internal methodology is the priority before engaging external validation in future reporting cycles.

Each taxonomy-eligible activity is assessed in accordance with the applicable Delegated Act articles of Regulation (EU) 2020/852. The classification of activities follows the technical screening criteria outlined in the Delegated Acts, including but not limited to:

- Article 10 for Climate Change Mitigation
- Article 11 for Climate Change Adaptation
- Article 12 for Sustainable Use and Protection of Water and Marine Resources
- Article 13 for Transition to a Circular Economy
- Article 14 for Pollution Prevention and Control
- Article 15 for Protection and Restoration of Biodiversity and Ecosystems

For each identified taxonomy-eligible activity, a structured methodology has been defined to ensure accurate and consistent KPI reporting. This includes:

- Establishing the scope of each activity in line with EU Taxonomy classifications
- Validating the allocation of CapEx, OpEx, and net revenues through cross-functional collaboration and financial controls
- Ensuring the figures reflect only those activities meeting eligibility criteria, with appropriate exclusions and adjustments

The disaggregation of Key Performance Indicators (KPIs) as outlined in Chapter 1.2.2.3 of the DDA is not relevant to the operations of CSG.

KPI to turnover (Table ID 6)

					Substantial contribution criteria										DNSH criteria (‘Does Not Significantly Harm’)						
Economic activities (1)	Code(s) (2)	Absolute turnover (3)	Proportion of turnover (4)			Climate Mitigation (5)	Climate Adaptation (6)	Water (7)	Circular economy (8)	Pollution prevention (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Portion of Taxonomy-aligned (A.1.) or eligible (A.2.) turnover, year N-1 (18)		
		TEUR	%			%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%		
A. Taxonomy-eligible activities																					
A.1. Environmentally sustainable activities (Taxonomy-aligned)																					
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)																					
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																					
Computer programming, consultancy, and related activities	CCA 8.2	16,423.4	0.4%																	0.7%	
Data processing, hosting, and related activities	CCM 8.1	4,365.9	0.1%																	0.0%	
Leasing of aircraft	CCM 6.18	3,571.0	0.1%																	0.0%	
Manufacture of rail rolling stock constituents	CCM 3.19	56,723.7	1.4%																	2.5%	
Manufacturing of aircraft (focused on MRO)	CCM 3.21	38,700.0	1.0%																	2.7%	
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		119,784.1	3.0%																	6.0%	
A. Turnover of Taxonomy-eligible avtivities (A.1 + A.2)		119,784.1	3.0%																	6.0%	
B. Taxonomy-non-eligible activities																					
Turnover of Taxonomy-non-eligible activities (B)		3,888,830.1	97.0%																		
Total (A + B)		4,008,614.2	100,0 %																		

[3] Activity 1 is Taxonomy-eligible in its entirety. However, only a proportion of it is Taxonomy-aligned. Therefore, Activity 1 may be reported under both A1 and A2. However, only the proportion reported under A1 may be counted as Taxonomy-aligned in the turnover KPI of the non-financial undertaking.

Column 21 should be filled in for transitional activities contributing to the climate change mitigation.

For activities listed under A2, columns 5 to 17 may be filled in on a voluntary basis by non-financial undertakings.

KPI to capital expenditure (CapEx KPI) (Table ID 7)

Economic activities (1)	Code(s) (2)	Absolute CapEx (3)	Proportion of CapEx (4)		Substantial contribution criteria							DNSH criteria (‘Does Not Significantly Harm’)								
						Climate Mitigation (5)	Climate Adaptation (6)	Water (7)	Circular economy (8)	Pollution prevention (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Portion of Taxonomy-aligned (A.1.) or eligible (A.2.) CapEx, year N-1 (18)	
		TEUR	%			%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	
A. Taxonomy-eligible activities																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)																				
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Computer programming, consultancy, and related activities	CCA 8.2	5,925.3	1.3%																	1.8%
Data processing, hosting, and related activities	CCM 8.1	52.1	0.0%																	0.0%
Leasing of aircraft	CCM 6.18	36,309.0	8.2%																	0.0%
Manufacture of rail rolling stock constituents	CCM 3.19	3,112.5	0.7%																	6.1%
Manufacturing of aircraft (focused on MRO)	CCM 3.21	395.9	0.1%																	0.6%
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		45,794.8	10.3%																	8.5%
A. CapEx of Taxonomy-eligible avtivities (A.1 + A.2)		45,794.8	10.3%																	8.5%
B. Taxonomy-non-eligible activities																				
CapEx of Taxonomy-non-eligible activities (B)		399,420.2	89.7%																	
Total (A + B)		445,215.0	100.0%																	

[4] Activity 1 is Taxonomy-eligible in its entirety. However, only a proportion of it is Taxonomy-aligned. Therefore, Activity 1 may be reported under both A1 and A2. However, only the proportion reported under A1 may be counted as Taxonomy-aligned in the turnover KPI of the non-financial undertaking.

For activities listed under A2, columns 5 to 17 may be filled in on a voluntary basis by non-financial undertakings.

KPI to operating expenditure (OpEx KPI) (Table ID 8)

Economic activities (1)	Code(s) (2)	Absolute OpEx (3)	Proportion of OpEx (4)		Substantial contribution criteria							DNSH criteria (‘Does Not Significantly Harm’)								
						Climate Mitigation (5)	Climate Adaptation (6)	Water (7)	Circular economy (8)	Pollution prevention (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Portion of Taxonomy-aligned (A.1.) or eligible (A.2.) OpEx, year N-1 (18)	
		TEUR	%			%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	
A. Taxonomy-eligible activities																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)																				
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Computer programming, consultancy, and related activities	CCA 8.2	3,714.6	2.3%																	0.1%
Data processing, hosting, and related activities	CCM 8.1	659.4	0.4%																	0.0%
Leasing of aircraft	CCM 6.18	654.9	0.4%																	0.0%
Manufacture of rail rolling stock constituents	CCM 3.19	18,053.7	11.0%																	10.9%
Manufacturing of aircraft (focused on MRO)	CCM 3.21	2,700.6	1.6%																	2.3%
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		25,783.3	15.7%																	13.3%
A. OpEx of Taxonomy-eligible avtivities (A.1 + A.2)		25,783.3	15.7%																	13.3%
B. Taxonomy-non-eligible activities																				
OpEx of Taxonomy-non-eligible activities (B)		138,170.3	84.3%																	
Total (A + B)		163,953.6	100.0%																	

[6] Activity 1 is Taxonomy-eligible in its entirety. However, only a proportion of it is Taxonomy-aligned. Therefore, Activity 1 may be reported under both A1 and A2. However, only the proportion reported under A1 may be counted as Taxonomy-aligned in the turnover KPI of the non-financial undertaking.

For activities listed under A2, columns 5 to 17 may be filled in on a voluntary basis by non-financial undertakings

2.2. Climate Change

Sustainability Matters in Topical ESRS

List of sustainability topics that are material for chapter 2.2. Climate Change (Table ID 9)

Sustainability Matter	Main Areas of Concern (IROs)
E1_SM_01: Climate Change Management	Climate change management raises concerns over the alignment of corporate strategies with evolving climate regulations. Ensuring resilience of business models and operations is key, especially as markets increasingly favor companies demonstrating robust climate practices and resource efficiency.
E1_SM_02: Climate Change Mitigation Plans	Climate mitigation requires addressing the risk of asset obsolescence due to regulatory shifts. At the same time, transitioning towards renewable energy sources enhances long-term cost efficiency and strengthens sustainability positioning.
E1_SM_03: GHG Emissions and Targets	Managing GHG emissions presents challenges around cost pressures, data accuracy, and operational stability. In long term perspective setting clear, achievable emission reduction targets and embedding strong emissions management systems contributes to regulatory compliance and reinforces environmental responsibility.

Climate Change Data Methodology and Considerations

The metrics disclosed in this chapter concerning energy consumption and energy mix, and greenhouse gas (GHG) emissions have been estimated due to the early timing of this Consolidated Sustainability Statement, which preceded the availability of complete and validated data from energy providers and internal systems. Estimates were derived from internal energy usage records from the previous reporting period, preliminary energy bills, and facility-level operational

indicators. Where current-year breakdowns were incomplete, historical energy source proportions were applied to estimate the overall energy mix.

For GHG emissions (Scope 1, 2, and 3), the input data used in the calculations were also based on estimates, including energy consumption volumes, fuel types, and activity-based data across upstream and downstream operations. These estimates rest on the assumption that emissions are proportionally linked to operational scale and value chain activity, consistent with previous reporting years.

While this approach provides a consistent and transparent estimation framework, it is subject to limitations, including uncertainties in the underlying assumptions and variation in energy sourcing. At the time of reporting, these metrics have not been externally validated beyond the assurance provider.



ESRS E1

2.2.1. General Disclosures Related to Climate Change

Sustainability Matters in Topical ESRS

This chapter relates to these sustainability matters:

- E1_SM_01: Climate Change Management
- E1_SM_02: Climate Change Mitigation Plans
- E1_SM_03: GHG Emissions and Targets

Governance – Disclosure of Integration of Sustainability-Related Performance in Incentive Schemes

As described in general terms in chapter 1.2.3. (Integration of Sustainability-Related Performance in Incentive Schemes), there were no climate-related considerations factored into the remuneration of members of CSG’s administrative, management, and supervisory bodies during the 2024

reporting period. Their performance has not been assessed against GHG emission reduction targets, nor has any portion of their remuneration been linked to climate-related considerations.

Strategy – Disclosure of Material Impacts, Risks and Opportunities and How They Interact with Strategy and Business Model

The following table provides a consolidated overview of the climate-related risks identified within CSG, categorized into physical and transition risks. These risks reflect potential disruptions to operations, supply chains, and compliance requirements, highlighting areas where climate change may impact business resilience and strategic planning.

Climate-Related Risks (Table ID 10)

Physical/Transition Risk	Simplified Risk Description
Physical Risk	Extreme Weather Events – Heatwaves and floods disrupt operations, supply chains, and infrastructure (e.g., water treatment plants, waste facilities, and manufacturing sites).
Physical Risk	Water Scarcity & Resource Constraints – Droughts and changing precipitation patterns impact water availability for industrial processes and lead to habitat degradation.
Physical Risk	Supply Chain Disruptions – Climate variability affects resource availability.
Transition Risk	Regulatory & Compliance Risks – Stricter carbon reduction laws, water management and waste regulations create legal and financial risks.
Transition Risk	Market & Technology Shifts – In long term perspective high investment costs for new technologies (e.g., waste management, renewable energy adoption, and water recycling) and potential asset stranding for high-emission operations.
Transition Risk	Reputation & Consumer Expectations – Failure to meet sustainability standards may impact contracts, government procurement eligibility, and consumer trust in defence-related products.

Strategy – Disclosure of Information Related to Resilience Analysis

CSG recognizes climate change as a critical factor influencing its long-term business strategy and operational

resilience. CSG’s resilience analysis assesses both physical and transition risks across its operations, supply chain, and market positioning. The analysis covers short-, mid-, and long-term horizons, evaluating exposure to extreme weather events,

resource availability, regulatory changes, carbon pricing, and evolving market expectations. It takes into consideration CSG’s own operations, upstream suppliers, and downstream market dynamics, with a focus on the regions most vulnerable to climate-in-

duced disruptions or stringent environmental regulations.

CSG’s resilience analysis was conducted as part of its sustainability assessment, aligning with the first year of double materiality reporting, in mid-2024. The analysis incorporated internal risk evaluations, industry benchmarks, and regulatory trends to assess exposure to both physical and transition climate risks. While climate scenario analysis and stress testing have not yet been implemented, the focus has been on data collection, strengthening internal processes, and improving risk identification methodologies. The analysis is reviewed bi-annually to reflect evolving climate risks, regulatory developments, and market shifts, ensuring continuous adaptation of CSG’s business model and strategic planning.

The results of the resilience analysis indicate that CSG’s business is exposed to both physical and transition climate risks, with varying impacts across its operational areas. Physical risks such as extreme weather events, resource scarcity, and supply chain disruptions pose long-term challenges, particularly for manufacturing and logistics operations. Transition risks, including regulatory changes, market shifts, and compliance costs, are expected to influence investment decisions and operational adjustments in the mid-to-long term. CSG is continuously enhancing its internal processes and data collection efforts so that it can better understand material climate risks and opportunities and thus be able to adjust and adapt its strategy and business model to climate change.

Impact, Risk and Opportunity Management – Disclosure of the Processes to Identify and Assess Material Climate-related Impacts, Risks and Opportunities

CSG identifies and assesses its climate-related impacts, risks, and opportunities through a structured process that integrates GHG emissions monitoring and stakeholder engagement. The company evaluates its direct (Scope 1), indirect (Scope 2), and, where applicable, value-chain emissions (Scope 3) in order to understand its overall carbon footprint. To ensure accuracy and comprehensiveness, CSG follows international standards and industry best practices, including GHG Protocol guidelines and those from the Task Force on Climate-related Financial Disclosures (TCFD). Additionally, emerging regulations and carbon pricing mechanisms are tracked to anticipate transition risks and align with future sustainability goals.

Climate-Related Physical Risks

CSG assessed physical climate risks across its own operations and value chain to evaluate potential disruptions and long-term resilience. This process includes geographically specific risk evaluations and high-level assessments of suppliers and partners so as to identify vulnerabilities. Key physical risks identified include chronic climate risks, such as heatwaves, droughts, and flooding, which could disrupt manufacturing operations, supply chains, and critical infrastructure. Additionally, acute risks from extreme weather events may impact energy supply, logistics, and compliance with operational safety regulations.

Climate-related risks were identified based on publicly available climate risk datasets, observed trends, and industry risk assessments, rather than formal scenario analysis. To assess potential physical risks from climate change, CSG conducted a Physical Climate Risk Assessment across its operating sites. This evaluation focused on key climate-related hazards, including floods, wildfires, droughts, and temperature shifts, that

could impact business operations. The assessment covered the locations of CSG Group companies, with the exception of 14. OKTOBAR d.o.o. Kruševac, as no reputable climate data was available for Serbia. The analysis relied on publicly available climate risk datasets, tailored to regional contexts. For European locations, CSG referred to the European Climate Risk Typology (CRT), which applies the IPCC 5th Assessment Report framework. In the United States, the Resilience Mapping Tool from The Atlantic Council’s Adrienne Arsht Rockefeller Foundation Resilience Center provided us with risk classifications for wildfire, drought, riverine floods, and temperature changes. For Indian locations, the Hazard Atlas from the Indian Meteorological Department was used, categorizing risks such as droughts, floods, and heat/cold waves.

The sensitivity of CSG’s assets was analyzed based on their location-specific risk profiles, using climate risk data from regional sources. For example:

- Manufacturing facilities were assessed for vulnerability to flooding and heat stress, which could lead to production downtime and increased cooling costs.
- Operational sites were reviewed for resilience to wildfires and rising temperatures, which may impact workforce safety and energy consumption.

Climate-related Transition Risks

Climate-related transition risks and opportunities are assessed through research into the regulatory, market, technological, and reputational factors affecting operations and the broader value chain over the short-, medium-, and long-term time horizons. Compliance with evolving climate policies, such as carbon pricing and supply chain regulations, is closely monitored to anticipate any financial and opera-

tional impacts, including the risk of stranded assets. Market shifts toward low-carbon products and green financing present both risks and opportunities, while technological advancements require investments in energy-efficient solutions. Reputational considerations are also key, as stakeholder expectations regarding sustainability continue to grow.

The screening of assets and business activities for exposure to transition events was conducted at a high level, focusing on key regulatory developments, market trends, and stakeholder

expectations, rather than formal scenario analysis. While a detailed asset-level analysis was not performed, the assessment considered potential risks such as evolving climate policies, carbon pricing mechanisms, and supply chain regulations that could impact operations. Key areas of exposure include regulatory compliance, potential cost increases due to carbon pricing, and evolving market demands for lower-carbon products.

The assessment of transition risks has identified certain assets and business activities that may require significant

efforts to align with a climate-neutral economy. While no assets have been deemed entirely incompatible, areas such as energy-intensive manufacturing processes and supply chain dependencies upon carbon-intensive materials present challenges. Compliance with evolving regulatory requirements and shifting market expectations may necessitate operational adjustments, investment in technologies, and enhanced sustainability practices.

E1-1

2.2.2. Transition Plan for Climate Change Mitigation

Transition Plan for Climate Change Mitigation

While no formal transition plan for climate change mitigation is in place for the moment, CSG recognizes the importance of such a plan and intends

to develop one within the next three years at the latest. Establishing such a plan requires a strong foundation of reliable data, clear internal processes, and structured monitoring mechanisms. As 2024 marks CSG's first year of CSRD-compliant sustainability

reporting, CSG is prioritizing the development of robust data collection frameworks and internal governance structures. These preparatory steps will help CSG to set realistic and effective transition targets aligned with regulatory developments.

E1-2

2.2.3. Policies Related to Climate Change Mitigation and Adaptation Including Minimal Disclosures

Sustainability Matters in Topical ESRS

This chapter relates to these sustainability matters:

- E1_SM_01: Climate Change Management
- E1_SM_02: Climate Change Mitigation Plans
- E1_SM_03: GHG Emissions and Targets

Disclosure of Policies Adopted to Manage Material Impacts, Risks and Opportunities Related to Climate Change Mitigation and Adaptation

(Including Minimal Disclosure requirements)

Material impacts, risks, and opportunities related to climate change mitiga-

tion and adaptation are managed through a structured environmental management approach. One key element of this approach is the standard aligned with ISO 14001 certification.

All CSG companies are required to implement and maintain documentation and processes outlining their operational management practices within the framework of an Environmental Management System (EMS). Alignment with ISO 14001 considers key stakeholder interests such as regulatory compliance, investor expectations, and customer demands for

sustainable practices. The CSG's Board of Directors or an equivalent governing body holds ultimate responsibility for implementing such an Environmental Management System.

ISO 14001 provides a flexible framework that supports the integration of climate change mitigation, climate change adaptation, energy efficiency,

and renewable energy deployment into CSG's policy strategy. While this framework ensures that environmental considerations are embedded into operational management, further development of dedicated policies is necessary.

E1-3

2.2.4. Actions and Resources in Relation to Climate Change Policies

Sustainability Matters in Topical ESRS

This chapter relates to these sustainability matters::

- E1_SM_01: Climate Change Management
- E1_SM_02: Climate Change Mitigation Plans
- E1_SM_03: GHG Emissions and Targets

Minimum Disclosure Requirement – Actions and Resources in Relation to Climate Change Policies

ISO 14001 Certification

In 2024, CSG successfully completed the recertification process for ISO 14001: Environmental Management Systems, demonstrating its commitment to structured environmental management and compliance with internationally recognized best practices. This certification remains valid for three years, with annual surveillance audits conducted to ensure continued adherence to the standard.

Group Policy Framework

As part of the planned Group Policy Framework, CSG intends to introduce an Environmental Policy that will specifically address the topics of climate change mitigation and climate change adaptation in a structured manner.

Additionally, a Renewable Energy Policy is planned to be implemented to approach energy efficiency and use of renewable energy sources. The timeline for adopting the Environmental Policy and Renewable Energy Policy is set for 2025.

The implementation of these policies and ISO recertifications does not require significant operational (OpEx) or capital (CapEx) expenditures.

During the reporting period, CSG did not identify any actual adverse climate change related impacts that resulted in specific or direct harm requiring remedial action. No cases of environmental degradation or regulatory breaches were recorded that necessitated the provision of or cooperation in a remedy.

No actions or action plans relating to material climate change-related impacts were disclosed in prior reporting periods, as this is CSG's first

reporting period under the ESRS framework. As a result, no quantitative or qualitative progress updates are available at this time. Future reporting periods will include such disclosures as actions are implemented and progress is monitored in line with ESRS requirements.

Further Information on Actions and Resources in Relation to Climate Change Policies

ISO Certification 14001

ISO 14001 recertification in 2024 does not directly include decarbonization levers or result in measurable GHG emission reductions. While the certification provides a framework for monitoring and mitigating environmental impacts, it does not prescribe specific climate mitigation measures. At this stage, no GHG reductions have been achieved or are expected solely due to ISO 14001 certification.

As ISO 14001 certification is already implemented, its continuation does not depend on significant new allocation of resources (financial, technical, or human).

Group Policy Framework

The Environmental and Renewable Energy policy will set the foundation for structured climate change mitigation efforts, including decarbonization levers such as energy efficiency.

GHG emissions in the reporting period were not compared to the previous

reporting period, as the scope of companies as well as the scope of measured GHG emissions differ between the periods. With the above-mentioned policies, CSG aims to establish structured decarbonization efforts. Potential future GHG emission reductions will be targeted through improvements in energy efficiency and increased use of renewable energy sources.

The ability to implement further climate change mitigation actions at CSG depends on the availability and allocation of financial, technical, and human

resources. The transition towards energy efficiency will require investments in renewable energy infrastructure and energy-efficient technologies. Such investments have not been defined, as a comprehensive strategy needs to be developed first, and at present, processes for reliable sustainability data collection remain key challenges.

E1-4

2.2.5. Targets Related to Climate Change Mitigation and Adaptation

Sustainability Matters in Topical ESRS

This chapter relates to these sustainability matters:

- E1_SM_01: Climate Change Management
- E1_SM_02: Climate Change Mitigation Plans
- E1_SM_03: GHG Emissions and Targets

Minimum Disclosure Requirement – Targets Related to Climate Change Mitigation and Adaptation

CSG has not yet set measurable outcome-oriented targets related to climate change mitigation and adaptation. At this stage, the focus remains on establishing a robust data foundation and enhancing internal processes for sustainability reporting, which are essential prerequisites for defining meaningful and achievable targets. While a specific timeline for setting such targets has not yet been determined, CSG anticipates that tar-

get-setting efforts will be developed in alignment with the Group Policy Framework within the next three years.

Despite the absence of formalized targets, CSG monitors the effectiveness of its policies and actions as described in chapter 2.2.4. (Actions and Resources in Relation to Climate Change Policies) of this Consolidated Sustainability Statement. As part of the ongoing development of its sustainability strategy, CSG aims to refine quantitative and qualitative indicators in the future to measure its environmental impact more effectively.

Further Information on Targets in Relation to Climate Change Mitigation and Adaptation

Since CSG has not yet established measurable outcome-oriented targets related to climate change mitigation and adaptation, there are currently no specific targets addressing the reduction of greenhouse gas emissions, enhancement of climate resilience, or implementation of adaptation strategies across CSG’s operations.

E1-5

2.2.6. Energy Consumption and Mix

Sustainability Matters in Topical ESRS

This chapter relates to these sustainability matters:

- E1_SM_01: Climate Change Management

Disclosure of Energy Consumption and Mix

No comparative energy mix analysis is available for the reporting period, as the scope of companies included in

2024 sustainability reporting is significantly broader than in previous reporting. The majority of CSG’s operations fall within high climate impact sectors. Specifically Manufacturing, Wholesale & Retail trade, Transportation, and Real

Estate, which covers the following sectors as defined in chapter 1.2.1. (Role of Administrative, Management and Supervisory Bodies) of this Consolidated Sustainability Statement:

High Climate Impact Sectors	Corresponding Sectors of CSG Companies
Manufacturing	Aerospace (3) Automotive (3) Defence (19) Metal Processing (1) Rolling Stock (5) Textiles, Apparel, Footwear & Accessories (1)
Wholesale & Retail	Wholesale & Retail trade (8)
Transportation	Transportation (3)
Real Estate	Real Estate & Services (1)

Numbers in brackets indicate number of CSG companies in the respective sector

Companies (15) operating outside of high climate impact sectors are included in the overall energy mix, as their energy consumption is insignificant in relation to the Group’s total energy usage, as most of them (7) are in the sector of “Professional & Commercial Services.” Therefore, any mention of “high climate impact sectors” in this chapter, i.e., 2.2.6. (Energy Consumption and Mix), means all companies in the reporting scope of this Consolidated Sustainability Statement.

Disclosure of Energy Consumption and Mix (Table ID 11)

Energy Consumption and Mix	2024
1. Fuel consumption from coal and coal products (MWh)	0
2. Fuel consumption from crude oil and petroleum products (MWh)	0
3. Fuel consumption from natural gas (MWh)	92,300
4. Fuel consumption from other fossil sources (MWh)	0
5. Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	50,344
6. Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5) Share of fossil sources in total energy consumption (%)	142,644 67%
7. Consumption from nuclear sources (MWh) Share of consumption from nuclear sources in total energy consumption (%)	34,893 16%
8. Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	0
9. Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	32,298
10. The consumption of self-generated non-fuel renewable energy (MWh)	1,889
11. Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10) Share of renewable sources in total energy consumption (%)	34,188 16%
Total energy consumption (MWh) (calculated as the sum of lines 6, 7 and 11)	211,724

In the reporting year, renewable energy production totaled 1 889 MWh and non-renewable energy was not produced.

⁶ High climate impact sectors are those listed in NACE Sections A to H and Section L (as defined in Commission Delegated Regulation (EU) 2022/1288)

Energy Intensity Based on Net Revenue

The energy intensity of CSG in the reporting period is 53 MWh per 1 million EUR associated with activities in high climate impact sectors.

As previously disclosed, CSG does not separate companies in high climate impact sectors from the rest of the

companies in the reporting scope. Therefore, the total energy consumption corresponds to 211,724 MWh. The net revenue amount used for calculating energy intensity was 4,008 million EUR and can be found in Revenues part of Management Discussion & Analysis section of the Financial Review. Please note that this figure does not include the financial results of the following companies, as they are not consoli-

dated according to IFRS requirements: MEDHA DAKO-CZ PRIVATE LIMITED, Milconn, a.s., TATRA EXPORT s.r.o., TATRA METALURGIE a.s., TATRA TRUCKS a.s., and VÝVOJ Martin, a.s.

E1-6

2.2.7. Gross Scopes 1, 2, 3 and Total GHG Emissions

Sustainability Matters in Topical ESRS

This chapter relates to the sustainability matter:

— E1_SM_03: GHG Emissions and Targets

GHG Emissions by Scope (Table ID 12)

GHG Emissions	2024
Scope 1 GHG emissions	
Gross Scope 1 GHG emissions (tCO2eq)	38,813
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0%
Scope 2 GHG emissions	
Gross location-based Scope 2 GHG emissions (tCO2eq)	116,612
Gross market-based Scope 2 GHG emissions (tCO2eq)	116,612 ⁶
Significant scope 3 GHG emissions	
Total Gross indirect (Scope 3) GHG emissions (tCO2eq)	842,424
1. Purchased goods and services (tCO2eq)	583,041
2. Capital goods (tCO2eq)	32,699
3. Fuel and energy-related—Activities (not included in Scope 1 or Scope 2) (tCO2eq)	35,592
4. Upstream transportation (distribution not included) (tCO2eq)	33,369
5. Waste generated in operations (tCO2eq)	14,668
6. Business travel (tCO2eq)	5,796
7. Employee commutes (tCO2eq)	20,025
8. Upstream leased assets (tCO2eq)	Not included
9. Downstream transportation (tCO2eq)	114,322
10. Processing of sold products (tCO2eq)	Not included
11. Use of sold products (tCO2eq)	Not included

GHG Emissions	2024
12. End-of-life treatment for sold products (tCO2eq)	Not included
13. Downstream leased assets (tCO2eq)	2,912
14. Franchises (tCO2eq)	Not included
15. Investments (tCO2eq)	Not included
Total GHG emissions	
Total GHG emissions (location-based) (tCO2eq) (Calculated as the sum of Gross Scope 1 + Gross Location-Based Scope 2 + Gross Scope 3)	997,849
Total GHG emissions (market-based) (tCO2eq) (Calculated as the sum of Gross Scope 1 + Gross Market-Based Scope 2 + Gross Scope 3)	997,849 ⁶

No comparison to the previous period is available for measured GHG Emissions, due to the significantly broader scope of companies included in the 2024 reporting period. As a result, changes in the reporting boundary have affected the comparability of GHG emissions data across periods.

Total GHG Emissions – Scope 1 & Scope 2

The total Scope 1 emissions for the consolidated group of companies within the scope of this Consolidated Sustainability Statement (parent and subsidiaries) for the reporting period amounted to 38,813 tCO2eq.

The total Scope 2 emissions for the consolidated group of companies within the scope of this Consolidated Sustainability Statement (parent and subsidiaries) for the reporting period amounted to 116,612 tCO2eq.

In line with the approach outlined within the “Scope of Consolidation of this Sustainability Report” section of chapter 1.1. (General Basis for Preparation), this Consolidated Sustainability Statement includes sustainability data for certain investees that are not under CSG’s full control. No additional sustainability-related disclosures are provided for associates, joint ventures, or unconsolidated subsidiaries.

The Kinetic Group (TKG) was acquired on November 27, 2024. However, for the purposes of this chapter 2.2.7. (Gross Scopes 1, 2, 3 and Total GHG

Emissions), data for the whole of 2024 were used for companies within the scope of TKG – Ammunition Operations LLC, Federal Cartridge Company, The Kinetic Group Operations LLC, and Vista Outdoor Sales LLC.

Disaggregation of GHG Emissions

CSG disaggregates total GHG emissions by country, sector, and value-chain boundary, providing a detailed breakdown to enhance transparency and comparability. The following table presents the disaggregated data.

⁶ Market-based Scope 2 emissions are aligned with location-based emissions as CSG does not currently procure renewable energy through specific contracts, guarantees of origin (GOs) or renewable energy certificates (RECs) and in location-based emissions CSG relies on the standard electricity mix available in relevant operational regions.

Disaggregation of GHG Emissions (Table ID 13)

Disaggregation	Total GHG Emissions (tCO2eq)
Country	
Czech Republic (33)	329,376
Great Britain (1)	5,847
India (3)	1,278
Italy (3)	173,814
Serbia (1)	24,018
Slovakia (11)	114,266
Spain (1)	4,012
United States of America (6)	345,240
Sector	
Aerospace (3)	10,259
Automotive (3)	96,057
Defence (19)	705,702
Health Care (1)	973
Metal Processing (1)	102,495
Professional & Commercial Services (7)	21,300
Real Estate & Services (1)	1
Rolling Stock (5)	13,840
Software (5)	1,449
Textiles, Apparels, Footwear & Accessories (1)	545
Transportation (3)	2,912
Wholesale & Retail trade (8)	81,266
Value chain Boundary	
Upstream Value Chain	725,190
Own Operations	155,426
Downstream Value Chain	117,233

Numbers in brackets indicate the number of CSG companies in each respective category.

Disclosure of Significant Scope 3 Categories

CSG identifies and discloses significant Scope 3 GHG emission categories based on their estimated GHG emissions and their relevance to its operations. The following categories are included in CSG’s Scope 3 reporting:

- Purchased goods and services—prioritized due to financial significance
- Capital goods—prioritized due to financial significance
- Fuel and energy-related activities (not included in Scope 1 or Scope

2)—prioritized due to expected higher GHG emissions

- Upstream transportation and distribution—prioritized due to expected high GHG emissions
- Waste generated in operations—prioritized due to expected high GHG emissions
- Business travel—prioritized due to number of employees and data availability
- Employee commuting—prioritized due to number of employees and data availability

- Downstream transportation—prioritized due to expected high GHG emissions

- Downstream leased assets—prioritized due to financial significance

The remaining Scope 3 categories are not included. Investments are excluded due to their immateriality and franchises are not relevant to CSG’s business operations.

While the categories Processing of Sold Products, Use of Sold Products, and End-of-Life Treatment of Sold Products are excluded from CSG’s Scope 3 inventory due to the complexity of the product portfolio, CSG

has undertaken additional steps to approximate their relevance and magnitude. Recognizing that these categories may contribute significantly to downstream emissions, CSG has implemented a high-level estimation approach to support transparency and completeness in its reporting, although it is fully aware of the very high level of uncertainty of the presented estimations.

To address this, CSG conducted an internal review of its subsidiaries’ product lines and operational profiles to determine whether these categories are materially relevant. This involved understanding the nature of each company’s products, their typical use phase, integration by downstream partners, and their expected end-of-life scenarios. Where products were likely to be combusted, used as components in more complex systems, or disposed of in ways that generate emissions, CSG applied a proportionate estimation methodology. These estimates were informed by general benchmarks derived from upstream emissions data, such as energy consumption, material intensity, and procurement values. The approach reflects the different types of outputs across CSG’s industrial and defence-related manufacturing companies.

Although the estimations derived from this exercise provide useful insights into the likely order of magnitude of these downstream impacts, it must be again emphasized that they are subject to a very high degree of uncertainty.

CSG strongly cautions against interpreting these values as precise measurements. The estimations rely on broad assumptions and indirect data, as there is currently no comprehensive access to product-level life-cycle information, no consistent visibility into downstream use patterns, and no standardized emission factors available

for many of the specialized products involved. Variability in customer practices, product lifespan, end-use environments, and disposal methods all contribute to this uncertainty. As such, the provided ranges represent indicative values only and are intended to support qualitative understanding rather than quantitative accuracy.

Use of Sold Products was found to potentially represent between 16% and 33% of the currently reported total Scope 3 emissions (not including omitted categories) across the group. Processing of Sold Products and End-of-Life Treatment of Sold Products are individually estimated to potentially represent up to 5% of the currently reported total Scope 3 emissions (not including omitted categories) and are considered potentially immaterial.

While these estimations have not been incorporated into the reported Scope 3 emissions ranges presented in this Consolidated Sustainability Statement, they provide an important reference point for understanding where material downstream emissions may be occurring.

CSG calculates its GHG emissions using the Green0meter⁷ platform, applying the GHG Protocol methodology to ensure consistency with internationally recognized standards for carbon accounting. Emission factors are sourced from DEFRA, MPO (for location-based electricity emissions), and ECOInvent. These sources were selected for their comprehensiveness, reliability, and alignment with industry best practices.

Significant Assumptions:

- **Ownership and Operational Control Approach:** Emissions are calculated based on activities where CSG has operational control or ownership.

- **Scope 2 Emissions:** Location-based method is considered. Market-based Scope 2 emissions are not calculated, since CSG does not currently procure renewable energy through specific contracts, guarantees of origin (GOs), or renewable energy certificates (RECs). As a result, market-based emissions would be largely aligned with location-based emissions as CSG does not currently procure renewable energy through specific contracts, guarantees of origin (GOs) or renewable energy certificates (RECs) and in location-based emissions, given that CSG relies on the standard electricity mix available in relevant operational regions.

- **Scope 3 Estimates:** Where direct supplier-specific data is unavailable, sector-specific emission factors are applied.

- **Data Gaps:** In cases where primary data is missing, estimations are used.

On November 27, 2024, CSG acquired The Kinetic Group, which introduced significant time pressure on data collection due to the deadline for publishing this Consolidated Sustainability Statement. Given the constraints, CSG has gathered the best available data within the timeframe, ensuring the most accurate representation of its GHG emissions.

Biogenic CO₂ emissions from the combustion or biodegradation of biomass are not relevant for CSG operations.

CSG does not purchase any renewable energy; therefore, the percentage of contractual instruments used in our energy sourcing is 0%. As a result, no further details are provided regarding contractual instruments in this Consolidated Sustainability Statement.

⁷ <https://www.green0meter.com>

CSG’s Scope 3 GHG emissions related to value chain were solely estimated, percentage of GHG Scope 3 emissions using primary data for calculation is 0%. Obtaining primary data from suppliers and other value chain partners remains challenging due to data availability and reporting inconsistencies. The measurement of emissions from specific activities within the upstream and downstream value chain is limited, with estimations applied where direct data was unavailable. To improve accuracy, CSG aims to explore ways to enhance supplier engagement and refine its data collection processes in future reporting periods.

CSG’s Scope 3 GHG emissions are estimated based on the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Due to data-availability challenges, a mix of primary and secondary data sources has been applied.

Breakdown of each Scope 3 category, including reporting boundaries, calculation methods, and tools used:

Purchased Goods and Services

- **Reporting Boundaries:** Includes all direct procurement of materials, components, and services from suppliers. Intragroup transactions were marked by companies, and consequently emissions from those transactions were removed at the level of CZECHOSLOVAK GROUP a.s.
- **Calculation Method:** Spend-based methodology utilizing financial data from procurement records combined with industry-specific emission factors. Activity-based methodology utilizing activity data in various units of measurement.
- **Tools Used:** GreenOmeter with emission factors from DEFRA and ECO Invent.

Capital Goods

- **Reporting Boundaries:** Includes capital expenditures on assets such as machinery, equipment, and infrastructure across all CSG facilities.
- **Calculation Method:** Spend-based approach, wherein capital investment data is multiplied by sector-specific emission factors from recognized databases.
- **Tools Used:** GreenOmeter with emission factors from DEFRA.

Fuel and Energy-Related Activities (Not Included in Scope 1 or Scope 2)

- **Reporting Boundaries:** Covers emissions associated with fuel supply chains and electricity transmission and distribution losses.
- **Calculation Method:** Hybrid approach—using fuel consumption data (activity-based) and grid-specific energy losses (factor-based).
- **Tools Used:** GreenOmeter with DEFRA and MPO emission factors.

Upstream Transportation

- **Reporting Boundaries:** Covers transportation of raw materials and components from tier 1 suppliers and to tier 1 customers, wherein CSG ensures transportation of goods.
- **Calculation Method:** Distance-based and weight-based approach, using freight ton-kilometers (t-km) to estimate emissions based on transport mode.
- **Tools Used:** GreenOmeter with DEFRA factors for transport emissions.

Waste Generated in Operations

- **Reporting Boundaries:** Includes non-hazardous and hazardous waste volume and management from manufacturing and administrative operations.
- **Calculation Method:** Waste-type-specific and waste-management-specific emission factors applied to reported waste volumes (activity-based approach).
- **Tools Used:** GreenOmeter with DEFRA and ECO Invent factors.

Business Travel

- **Reporting Boundaries:** Covers emissions from employee air travel, rail, road transport, and accommodation.
- **Calculation Method:** Activity-based approach, using ticketed/estimated distances for flights and fuel-based factors for company cars.
- **Tools Used:** GreenOmeter with DEFRA factors for business travel emissions.

Employee Commuting

- **Reporting Boundaries:** Covers emissions from employees commuting between home and work, including company-provided transport.
- **Calculation Method:** Estimated based on employee survey data regarding travel distances and transportation modes (average emissions per mode applied).
- **Tools Used:** GreenOmeter with DEFRA factors for commuter transport.

Downstream Transportation

- **Reporting Boundaries:** Includes emissions from the transportation and distribution of products sold from CSG’s facilities to distributors, or retailers.
- **Calculation Method:** Activity-based approach, using fuel consumption or distance traveled for each transportation mode. Whenever primary data is unavailable, a spend-based approach is used, multiplying transportation costs by emission factors from recognized sources.
- **Tools Used:** GreenOmeter with emission factors from DEFRA, Ecoinvent, and MPO (for location-based electricity emissions where applicable).

Downstream Leased Assets

- **Reporting Boundaries:** Covers emissions from assets owned by CSG but leased to third parties, such as vehicles, or buildings, where CSG does not have operational control.
- **Calculation Method:** Estimated using fuel consumption data for leased assets and applying fuel emission factors.
- **Tools Used:** GreenOmeter with DEFRA and Ecoinvent emission factors for energy and fuel use.

GHG Intensity Based on Net Revenue

CSG’s location-based GHG emissions intensity is 186 tCO2eq per 1 million EUR of net revenue. Market-based GHG intensity is 186 tCO2eq per 1 million EUR as it is aligned with location-based GHG emissions as CSG does not currently procure renewable

energy through specific contracts, guarantees of origin (GOs) or renewable energy certificates (RECs) and in location-based emissions CSG relies on the standard electricity mix available in relevant operational regions. For the purpose of the GHG intensity ratio calculation, emissions of companies within The Kinetic Group were adjusted to reflect only the post-acquisition period, aligning with the consolidated revenue recognition.

The net revenue amount used for the calculation of GHG emissions intensity is 4,008 million EUR and can be found in the Revenues part of the Management Discussion & Analysis section of the Financial Review. Please note that this figure does not include the financial results of the following companies, as they are not consolidated according to IFRS requirements: MEDHA DAKO-CZ PRIVATE LIMITED, Milconn, a.s., TATRA EXPORT s.r.o., TATRA METALURGIE a.s., TATRA TRUCKS a.s., and VÝVOJ Martin, a.s.



E1-7

2.2.8. GHG Removals and GHG Mitigation Projects Financed through Carbon Credits

Sustainability Matters in Topical ESRS

This chapter relates to these sustainability matters:

- E1_SM_02: Climate Change Mitigation Plans
- E1_SM_03: GHG Emissions and Targets

Disclosure of GHG Removals and Storage Resulting from Projects Developed in Own Operations or Contributed to in Upstream and Downstream Value Chain

CSG does not currently engage in GHG removal projects or initiatives involving carbon capture and storage within its own operations or across its value chain. No projects of this kind have been developed, financed, or contributed to during the reporting period.

Disclosure of GHG Emission Reductions or Removals from Climate Change Mitigation Projects outside Value Chain Financed or to be Financed through Any Purchase of Carbon Credits

CSG does not finance or intend to finance GHG emission reductions or removals through climate change mitigation projects outside its value chain, including the purchasing of carbon credits. No initiatives of this kind were undertaken during the reporting period.

E1-8

2.2.9. Internal Carbon Pricing

Sustainability Matters in Topical ESRS

This chapter relates to these sustainability matters:

- E1_SM_01: Climate Change Management
- E1_SM_03: GHG Emissions and Targets

Disclosure of Whether Internal Carbon Pricing Schemes Have Been Applied

CSG does not currently apply internal any carbon pricing schemes. At this

stage, the company is focusing on establishing reliable sustainability data collection processes and developing climate-related policies as part of its broader environmental strategy.

E1-9

2.2.10. Anticipated Financial Effects from Material Physical Risks

Sustainability Matters in Topical ESRS

This chapter relates to the sustainability matter:

- E1_SM_01: Climate Change Management

Disclosure of Anticipated Financial Effects from Material Physical Risks, Material Transition Risks, and Potential to Benefit from Material Climate-Related Opportunities

In accordance with the phase-in provisions, data on the anticipated financial effects from material physical risks has been omitted in this first year of the Consolidated Sustainability

Statement (see Annex 1: List of Phase-in ESRS Data Points in Accordance with Appendix C to ESRS 1). CSG is working to enhance data collection processes, and this information will be incorporated in next year’s Consolidated Sustainability Statement.

Building upon the disclosure in chapter 1.3.3. (Material Impacts, Risks and Opportunities and Their Interaction with Strategy and Business Model),

CSG has not yet quantified the anticipated financial effects of material physical and transition risks or potential climate-related opportunities. Future efforts will focus on enhancing risk assessment methodologies to improve the integration of climate-related financial impacts into decision-making and reporting.

2.3. Pollution

Sustainability Matters in Topical ESRS

List of sustainability topics that are material for chapter 3.2. Pollution (Table ID 14)

Sustainability Matter	Main Areas of Concern (IROs)
E2_SM_04 Pollution Mitigation and Policy	Implementing effective pollution mitigation policies supports the reduction of emissions, benefiting public health and ensuring regulatory compliance. Lack of stringent policies or poor enforcement may increase pollution levels, exposing the organization to health-related risks and reputational scrutiny.
E2_SM_05 Pollution Incident and Emergency Preparedness	Having robust incident and emergency preparedness plans improves the ability to respond to pollution incidents and reduces the risk of environmental harm. Climate-related events like floods and storms can elevate the risk of pollutant leaks.
E2_SM_06 Substance Management	Proper management of substances limits the use of harmful materials and minimizes environmental and health risks. Poor handling or misuse of substances can lead to regulatory non-compliance, reputational damage, and interruptions in the supply chain.
E2_SM_42 Air Pollution	Air pollution from manufacturing and operational activities can negatively affect local air quality and may impact local regulatory compliance and pose risks to community health. Effective monitoring and control of emissions are essential to maintaining compliance.

Pollution Data Methodology
and Considerations

— The pollution metrics have been estimated based on data provided by two CSG Group companies operating defence sector. These entities supplied environmental data related to air pollution and substances of concern, which we used as the foundation for reve-

nue-based extrapolation across the broader reporting scope. This approach reflects our view that air-pollution levels and the use of hazardous substances are closely linked to revenue, as revenue tends to scale with production volumes and material use. The methodology assumes that pollution intensity per unit of revenue is broadly consistent across similar operations within

the CSG. Adjustments were made for scale and known operational differences. While this provides a reasonable estimate in the absence of complete primary data, limitations remain, including variations in site-specific emissions and local regulatory contexts. At the time of reporting, these metrics have not been externally validated beyond the assurance provider.



E2.IRO-1

2.3.1. General Disclosures Related to Pollution

Sustainability Matters in Topical ESRS

This chapter relates to these sustainability matters:

- E2_SM_04: Pollution Mitigation and Policy
- E2_SM_05: Pollution Incident and Emergency Preparedness
- E2_SM_06: Substance Management
- E2_SM_42: Air Pollution

Processes to Identify and Assess Material Pollution-Related Impacts, Risks and Opportunities

CSG has conducted a high-level assessment of its business activities to identify pollution-related impacts, risks, and opportunities across its own operations. This evaluation took into consideration key environmental aspects such as pollution of air and

hazardous waste generation. No formal consultations with affected communities were conducted as part of this assessment.

As a result, pollution has been assessed as being a material topic for the following sectors:

- Aerospace, Automotive, Defence, Metal Processing, Rolling Stock, Textiles, Apparel, Footwear

& Accessories—These sectors involve manufacturing processes that pose higher pollution risks relative to other sectors.

- Healthcare—This sector presents additional pollution risks due to the involvement of biological waste, medical substances, and chemical disposal.

E2-1

2.3.2. Policies Related to Pollution

Sustainability Matters in Topical ESRS

This chapter relates to these sustainability matters:

- E2_SM_04: Pollution Mitigation and Policy
- E2_SM_05: Pollution Incident and Emergency Preparedness
- E2_SM_06: Substance Management
- E2_SM_42: Air Pollution

Disclosure of Policies Adopted to Manage Material Impacts, Risks and Opportunities Related to Pollution Prevention and Control (Including Minimal Disclosure Requirements)

CSG is ISO 14001 certified; this provides a structured framework for environmental management, including the prevention of pollution. While CSG does not

have a dedicated group-wide pollution policy, pollution-related risks and obligations are managed through the Group Standard for Environmental Management Systems (EMS). This standard ensures compliance with legal requirements by continuously identifying, managing, and mitigating environmental risks. To support this, each company within the group either assigns internal experts or engages external specialists with the necessary qualifications to

oversee pollution-related compliance and risk management. The CSG's Board of Directors or an equivalent governing body holds ultimate responsibility for implementing the Group Standard for EMS.

Mitigation of Negative impacts
Related to Pollution

This chapter relates to this
sustainability matter:

- E2_SM_04: Pollution Mitigation
and Policy

The approach used for mitigating negative impacts related to air, water, and soil pollution varies across CSG. 9.4% of its companies have a pollution prevention policy in place, outlining actions to reduce emissions and implement control measures. 21.9% monitor and report pollution levels to ensure compliance with environmental regulations and assess mitigation effectiveness. 15.6% have implemented advanced pollution control technologies such as air filtration, water treatment, and soil remediation. Additionally, 9.4% work with suppliers to uphold environmental standards, while 18.8% conduct regular audits and inspections to improve pollution mitigation strategies. Engagement with local communities and environmental organizations remains limited at 3.1%, and 75% of companies currently lack formalized pollution control policies but plan to develop them in the future.

The sectoral differences here highlight the Group’s varying levels of engagement with pollution mitigation. The Aerospace and Metal Processing sectors display the most comprehensive approaches, with a strong presence of pollution prevention policies, monitoring systems, and advanced pollution control technologies. The Defence sector has the highest share of companies conducting pollution monitoring and audits. The Automotive sector has no significant pollution policies in place, while Healthcare and Rolling Stock show limited engagement.

Substitution, Minimization,
and Phasing Out of Sub-
stances of Concern

This chapter relates to this
sustainability matter:

- E2_SM_06: Substance Manage-
ment

The Group’s approach toward substituting and minimizing substances of concern, as well as phasing out substances of very high concern, remains limited at this stage. 18.2% of CSG’s companies are actively working to replace substances of concern with safer alternatives across their operations and supply chains, particularly in non-essential societal uses and consumer products. 9.1% incorporate safer alternatives into product development at the early design and manufacturing stages, ensuring compliance with global safety standards. Collaboration with suppliers to phase out such substances throughout the supply chain is present in 6.06% of the companies, while an equal 6.1% conduct regular assessments to identify substances of concern and develop action plans for their substitution or minimization. However, 75.8% of the companies do not yet have a formal policy in this area, although they do plan to develop one in the future.

Sector-specific data highlights Aerospace as the most engaged sector, with 33.3% of its companies working on substitution, 66.7% committed to phasing out substances of very high concern, and an equal 66.7% considering safer alternatives in product development. The Defence sector also shows some engagement, with 21.1% of its companies substituting hazardous substances and 10.5% conducting assessments.

Avoiding Incidents and
Emergency Situations

This chapter relates to this
sustainability matter:

- E2_SM_05: Pollution Incident and
Emergency Preparedness.

A small portion of CSG’s companies currently have structured policies to prevent, control, and mitigate incidents and emergency situations. 12.5% of its companies have an incident prevention policy to identify and mitigate potential risks, while 18.8% have emergency preparedness and response procedures in place to ensure effective incident management. Regular risk assessments to identify and address environmental and safety risks are conducted by 18.8% of the companies. 12.5% have dedicated emergency response teams with clear roles and responsibilities, and 9.38% provide regular emergency response training for employees and suppliers. However, 59.4% of the companies do not currently have formal policies in place, although they plan to develop them in the near future.

A look at the sectoral differences highlights Aerospace, Automotive, and Defence as the sectors most engaged in emergency response preparedness. 33.3% of the Aerospace and Automotive companies conduct risk assessments and have emergency response teams, while 26.3% of the Defence companies have structured emergency response procedures. The Metal Processing, Rolling Stock, and Textiles sectors currently lack formal policies but have indicated future policy development.

E2-2

2.3.3. Actions and Resources Related to Pollution

Sustainability Matters in Topical ESRS

This chapter relates to these sustainability matters:

- E2_SM_04: Pollution Mitigation and Policy
- E2_SM_05: Pollution Incident and Emergency Preparedness
- E2_SM_06: Substance Management
- E2_SM_42: Air Pollution

Minimum Disclosure Require-
ment – Actions and Resources
in Relation to Pollution

ISO 14001 Certification

In 2024, CSG successfully completed the recertification process for ISO 14001, as previously described in chapter 2.2.4. (Actions and Resources in Relation to Climate Change Policies).

Group Policy Framework

As part of the planned Group Policy Framework, CSG intends to introduce a Hazardous Material Management Policy, which will specifically address the safe handling, storage, transport, and use of hazardous substances so as to minimize risks to employee health, environmental protection, and company assets. This policy will include classification and record-keep-

ing of hazardous materials, employee training, and compliance with legislative and international standards. Its objective is to enhance safety measures and risk prevention when dealing with hazardous substances within the Group’s companies. The timeline for adopting a Hazardous Material Management Policy is set for 2025.

The implementation of the Hazardous Material Management Policy and ISO recertifications does not require significant operational (OpEx) or capital (CapEx) expenditures.

During the reporting period, CSG did not identify any actual adverse pollution-related impacts that resulted in specific or direct harm requiring remedial action. No cases of environmental degradation or regulatory breaches were recorded that necessitated the provision of, or cooperation in, a remedy.

No actions or action plans relating to material pollution related impacts were disclosed in prior reporting periods, as this is CSG’s first reporting period under the ESRS framework. As a result, no quantitative or qualitative progress updates are available at this time. Future reporting periods will include such disclosures as actions are implemented and progress is monitored in line with ESRS requirements.

Further Information on
Actions and Resources in
Relation to Pollution

CSG’s pollution-related actions are currently limited to its own operations and do not extend to upstream or downstream value-chain engagements.

E2-3

2.3.4. Targets Related to Pollution

Sustainability Matters in Topical ESRS

This chapter relates to these sustainability matters:

- E2_SM_04: Pollution Mitigation and Policy
- E2_SM_05: Pollution Incident and Emergency Preparedness
- E2_SM_06: Substance Management
- E2_SM_42: Air Pollution

Minimum Disclosure Requirement – Targets Related to Pollution

CSG has not yet set measurable outcome-oriented targets related to pollution. At this stage, the focus remains on establishing a robust data foundation and enhancing internal processes for sustainability reporting, which are essential prerequisites for defining meaningful and achievable targets. Although no specific timeline for setting such targets has been set

so far, CSG anticipates that target-setting efforts will be developed in alignment with the Group Policy Framework within the next three years.

Despite the absence of formalized targets, CSG monitors the effectiveness of its policies and actions as described in chapter 2.3.3. (Actions and Resources Related to Pollution) of this Consolidated Sustainability Statement. As part of its ongoing sustainability strategy, CSG aims to refine quantitative and qualitative indicators

in the future to measure its environmental impact more effectively.

Further Information on Targets in Relation to Pollution

Since CSG has not yet established measurable outcome-oriented targets related to pollution, it currently has no specific targets addressing the prevention and control of air pollutants, emissions into water, pollution into soil, or substances of concern or very high concern.

E2-4

2.3.5. Pollution of Air

Sustainability Matters in Topical ESRs

This chapter relates to the sustainability matter:

— E2_SM_42: Air Pollution

Disclosure of Pollutants Emitted Through Own Operations

CSG has compiled an estimation of pollution emissions to air across its operations. CSG acknowledges the need for enhanced data collection

processes to improve pollutant-specific disclosures in alignment with Annex II of Regulation (EC) No. 166/2006 (E-PRTR Regulation).

Volume of Air Pollutants by Sector (Table ID 15)

Sector	Tons
Aerospace	13.8
Automotive	47.1
Defence	126.0
Metal Processing	29.5
Rolling Stock	3.1
Total	219.4

Volume of Air Pollutants by pollutant (Table ID 16)

Air pollutant	Tons
Particulate matters (PM)	21.1
Hydrogen cyanide	3.2
Ammonia and its gaseous compounds expressed as NH ₃	0.5
Sulfur dioxide (SO ₂)	0.9
Nitrogen oxides (NO ₂)	8.5
Carbon monoxide (CO)	65.0
Toluene	16.7

Air pollutant	Tons
Xylene (dimethylbenzene)	4.1
Alkyl alcohols	8.4
Butyl acetate	8.4
TOC from VOC	28.5
TOC	1.2
VOC	52.8
Total	219.4

Further Information on Air Pollution

Comparative data on air pollution is not available, due to the broader scope of companies included in the 2024 reporting period. As CSG refines its sustainability data collection processes, future reports are expected to enable more consistent year-over-year comparisons.

The reported data is based on estimations on pollution from previous reporting, as no data for 2024 was available at the time of compilation of this Consolidated Sustainability Statement. The companies that track pollution levels make use of national environmental reporting frameworks and methodologies aligned with regulatory requirements.

In order to support pollution-related accounting and reporting, data is collected at the company level and consolidated at the Group level. This process includes self-reported data from subsidiaries. The data sources primarily consist of emission records and compliance reports submitted to regulatory bodies.

E2-5

2.3.6. Substances of Concern and Substances of Very High Concern

Sustainability Matters in Topical ESRs

This chapter relates to the sustainability matter:

— E2_SM_06: Substance Management

Substances of Concern

CSG has estimated the amount of substances of concern. Due to inconsistencies in reporting and the complexity of tracking such substances across diverse operations, no comprehensive Group-wide dataset is cur-

rently available. The total amount of substances of concern that are generated / used during production / procured is 71,776 tons.

The breakdown of substances of concern by main hazard classes reflects the classification based on

their hazardous properties. Please note that many substances fall into multiple hazard categories. As a result, the sum of quantities across the individual hazard classes exceeds the total amount and should not be interpreted as an additive figure.

Substances of Concern per main hazard class⁸ (Table ID 17)

Main Hazard Class	Tons
Environmental Hazard	12.5
Health Hazard	71,775.6
Physical Hazard	71,767.3

⁸ These categories are defined by Regulation (EC) No 1272/2008 of the European Parliament and of the Council of 16 December 2008 on classification, labelling and packaging of substances and mixtures, amending and repealing Directives 67/548/EEC and 1999/45/EC, and amending Regulation (EC) No 1907/2006 (OJ L 353, 31.12.2008, p. 1)

Substances of Concern leaving facilities (Table ID 18)

Substance of concern (category)	Generated / used during production / procured (tons)
Substances of concern that leave facilities as emissions	2.0
Substances of concern that leave facilities as products	0.0
Substances of concern that leave facilities as part of products	71,761.6
Substances of concern that leave facilities as services	0.0
Total amount of substances of concern that leave facilities as emissions, as products, or as part of products or services	71,763.6

Substances of Concern leaving facilities as emissions (Table ID 19)

Main Hazard Class	Generated / used during production / procured (tons)
Environmental Hazard	0.2
Health Hazard	2.0
Physical Hazard	2.0

Substances of Concern leaving facilities as parts of products (Table ID 20)

Main Hazard Class	Generated / used during production / procured (tons)
Environmental Hazard	4.5
Health Hazard	71,761.6
Physical Hazard	71,757.3

Substances of Very High Concern

CSG has estimated the amount of substances of very high concern. Due to inconsistencies in reporting and the complexity of tracking such substances across diverse operations, no comprehensive Group-wide dataset is

currently available. The total amount of substances of very high concern that are generated / used during production / procured is 224.7 tons.

The breakdown of substances of very high concern by main hazard classes reflects the classification based on their hazardous properties. Please note

that many substances fall into multiple hazard categories. As a result, the sum of quantities across the individual hazard classes exceeds the total amount and should not be interpreted as an additive figure.

Substances of Very High Concern per main hazard class (Table ID 21)

Substance of concern (category)	Generated / used during production / procured (tons)
Environmental Hazard	224.7
Health Hazard	217.2
Physical Hazard	0.5

Substances of Very High Concern leaving facilities (Table ID 22)

Substance of very high concern (category)	Generated / used during production / procured (tons)
Substances of very high concern that leave facilities as emissions	0.0
Substances of very high concern that leave facilities as products	0.0
Substances of very high concern that leave facilities as part of products	224.3
Substances of very high concern that leave facilities as services	0.0
Total amount of substances of very high concern that leave facilities as emissions, as products, or as part of products or services	224.3

Substances of Very High Concern leaving facilities as parts of products (Table ID 23)

Main Hazard Class	Generated / used during production / procured (tons)
Environmental Hazard	224.3
Health Hazard	217.2
Physical Hazard	0.5

E2-6

2.3.7. Anticipated Financial Effects from Material Pollution-Related Risks and Opportunities

Sustainability Matters in Topical ESRS

This chapter relates to these sustainability matters:

- E2_SM_04: Pollution Mitigation and Policy
- E2_SM_05: Pollution Incident and Emergency Preparedness
- E2_SM_06: Substance Management
- E2_SM_42: Air Pollution

Disclosure of Anticipated Financial Effects from Material Pollution-related Risks and Opportunities

In accordance with phase-in provisions, data on the anticipated financial effects from material pollution-related risks and opportunities has been omitted in this first year of the Consolidated Sustainability Statement (see Annex 1: List of Phase-in ESRS Data Points in Accordance with Appendix C to ESRS 1). CSG is working to enhance data collection processes, and this information will be incorporated in next year’s Consolidated Sustainability Statement.

Building on the disclosure in chapter 1.3.3. (Material Impacts, Risks and Opportunities and Their Interaction with Strategy and Business Model), CSG has not yet quantified the anticipated financial effects of material pollution-related risks and opportunities. Future efforts will focus on enhancing risk assessment methodologies to improve the integration of

climate-related financial impacts into decision-making and reporting.

Percentage of Net Revenue Connected to Products and Services That Are or That Contain Substances of Concern / Substances of Very High Concern

CSG does not currently have a reliable data source that it can use to determine the percentage of net revenue generated from products and services that contain substances of concern / substances of very high concern. The complexity of tracking such substances across diverse product lines and supply chains presents data-availability challenges.

Operating Expenditures (OpEx) / Capital Expenditures (CapEx) in Conjunction with Major Incidents and Deposits (Pollution)

CSG does not currently have a reliable data source to determine the Operat-

ing Expenditures (OpEx) or Capital Expenditures (CapEx) associated with major pollution-related incidents and deposits. Due to the complexity of tracking such expenditures across various operations, no structured reporting mechanism is in place.

Provisions for Environmental Protection and Remediation Costs

CSG does not currently have a reliable data source that it can use to determine the provisions for environmental protection and remediation costs related to pollution. Due to the complexity of tracking such provisions across various operations, no structured reporting mechanism is in place.

2.4. Water and Marine Resources

Sustainability Matters in Topical ESRS

List of sustainability topics that are material for chapter 2.4. Water and Marine Resources (Table ID 24)

Sustainability Matter	Main Areas of Concern (IROs)
E3_SM_07 Water Management and Policy	Effective water management policies contribute to sustainable water use, cost savings, and regulatory compliance.
E3_SM_08 Water Treatment and Pollution Prevention	Proper water treatment and pollution prevention strategies reduce pollution levels, protect ecosystems, and help meet regulatory standards. Without these measures, there is an increased risk of pollution incidents and operational costs associated with treatment systems.
E3_SM_09 Water Sourcing and Usage	Efficient water sourcing and usage minimize resource consumption and lower operational costs. Poor water management can lead to unsustainable water usage, heightened vulnerability to droughts and storms.
E3_SM_10 Water-related Sustainable Practices and Ecological Impact	Implementing sustainable water-related practices ensures compliance with local and international regulations and supports environmental protection. Failure to meet these standards may result in legal penalties, financial fines, or restrictions on business operations.

E3.IRO-1

2.4.1. General Disclosures Related to Water and Marine Resources

Sustainability Matters in Topical ESRS

This chapter relates to these sustainability matters:

- E3_SM_07: Water Management and Policy
- E3_SM_08: Water Treatment and Pollution Prevention
- E3_SM_09: Water Sourcing and Usage
- E3_SM_10: Water-related Sustainable Practices and Ecological Impact

Processes to Identify and Assess Material Water- and Marine-Resources-Related Impacts, Risks and Opportunities

CSG has conducted an assessment of its business activities to identify potential and actual impacts, risks, and opportunities related to water and marine resources across its own

operations. This assessment considered key aspects such as water management policies, water sourcing and usage, pollution prevention, and regulatory compliance. No formal consultations with affected communities were conducted as part of this assessment.

The methodology used to assess these factors was based on:

- A review of operational processes to determine water usage, treatment, and discharge practices.
- A high-level review of regulatory requirements regarding water management standards across different regions.

- A consideration of climate-related risks, such as physical and transition risks affecting water availability and quality.

A detailed water risk screening has been conducted at all CSG locations and is further described in chapter 2.4.5. (Water Consumption) of this Consolidated Sustainability Statement.



E3-1

2.4.2. Policies Related to Water and Marine Resources

Sustainability Matters in Topical ESRS

This chapter relates to these sustainability matters:

- E3_SM_07: Water Management and Policy
- E3_SM_09: Water Sourcing and Usage
- E3_SM_08: Water Treatment and Pollution Prevention
- E3_SM_10: Water-related Sustainable Practices and Ecological Impact

Disclosure of Policies Adopted to Manage Material Impacts, Risks and Opportunities Related to Water and Marine Resources (Including Minimum Disclosure Requirements)

CSG is certified under ISO 14001, which provides a structured framework for environmental management and requires organizations to identify, monitor, and manage their water-related environmental impacts. CSG did not have a dedicated group-wide water management policy in 2024, but water-related risks and obligations are managed through the Group Standard for Environmental Management Systems (EMS). This standard ensures compliance with legal requirements by continuously identifying, managing, and mitigating risks to the environment. To support this, each company within the Group either assigns internal experts or engages external specialists with the necessary qualifications to oversee environmentally related compliance and risk management. The Board of Directors or an equivalent governing body holds the ultimate responsibility for implementing the Group Standard for EMS.

CSG does not have specific policies addressing water management, sourcing, or treatment at the Group level. Each of its subsidiaries is responsible for adhering to the applicable environmental laws and industry standards related to water discharge, treatment processes, and pollution prevention. Future developments in CSG’s water management policies may include more structured guidance regarding water management. No policy for preventing and abating water pollution is present within 71.9% of the Group. However, some of the companies have implemented measures to manage water pollution risks. However, some of the companies have implemented measures to manage water pollution risks as 9.4% have a pollution prevention policy in place, 6.3% conduct water quality monitoring, and 15.6% have advanced water treatment systems in place. Additionally, 15.6% apply best management practices, 6.3% conduct environmental impact assessments (EIAs), and 12.5% engage with local communities to address water pollution concerns.

CSG does not have a dedicated policy throughout the Group to address product and service design in relation to water-related issues, nor does it have formal policies or commitments related to reducing water consumption in areas at water risk.

No specific policies have been adopted to address water management in high-water-stress areas, including policies for Italy and Spain. This is due to several factors. While both of these countries do face increasing water-scarcity challenges, CSG’s operations in these regions do not currently represent high-consumption or high-impact water activities that would necessitate dedicated policies.

None of CSG’s operations are located in coastal or marine environments. Given the nature of conducted activities, CSG’s operations do not have a direct impact on marine ecosystems. As a result, sustainable ocean and sea management is not considered material to the company’s environmental strategy.

E3-2

2.4.3. Actions and Resources Related to Water and Marine Resources

Sustainability Matters in Topical ESRS

This chapter relates to these sustainability matters:

- E3_SM_07: Water Management and Policy
- E3_SM_08: Water Treatment and Pollution Prevention
- E3_SM_09: Water Sourcing and Usage
- E3_SM_10: Water-related Sustainable Practices and Ecological Impact

Minimum Disclosure Requirement – Actions and Resources in Relation to Water and Marine Resources

ISO 14001 Certification

In 2024, CSG successfully completed the recertification process for ISO 14001, as previously described in chapter 2.2.4. (Actions and Resources in Relation to Climate Change Policies).

Group Policy Framework

As part of the planned Group Policy Framework, CSG intends to introduce a Water Management Policy that will specifically address efficient and responsible water resource management. The policy will aim to optimize water consumption, minimize pollution in discharged water, and enhance compliance with the relevant regulations. It will include measures for water management, monitoring water-discharge quality, and mitigating risks associated with droughts and floods. The objective is to support the protec-

tion of water resources and contribute to environmental sustainability across the Group’s companies. The timeline for adopting the Water Management Policy is set for 2025.

The implementation of the Water Management Policy and ISO recertifications does not require significant operational (OpEx) or capital (CapEx) expenditures.

During the reporting period, CSG did not identify any actual adverse water and marine resources related impacts that resulted in specific or direct harm requiring remedial action. No cases of environmental degradation or regulatory breaches were recorded that necessitated the provision of, or cooperation in, a remedy.

No actions or action plans relating to material water and marine resources related impacts were disclosed in prior reporting periods, as this is CSG’s first reporting period under the ESRS framework. As a result, no quantitative or qualitative progress updates are

available at this time. Future reporting periods will include such disclosures as actions are implemented and progress is monitored in line with ESRS requirements.

Further Information on Actions and Resources in Relation to Water and Marine Resources

CSG has not implemented specific group actions or allocated dedicated resources for managing water risks in high-water stress areas. Nevertheless, one of CSG’s Spain-based companies is cooperating with local authorities and communities to implement sustainable water management practices, focusing on shared water resources, conservation, and equitable access to water, while a Serbia-based company is allocating financial resources to implement water-saving technologies.

E3-3

2.4.4. Targets Related to Water and Marine Resources

Sustainability Matters in Topical ESRS

This chapter relates to these sustainability matters:

- E3_SM_07: Water Management and Policy
- E3_SM_08: Water Treatment and Pollution Prevention
- E3_SM_09: Water Sourcing and Usage
- E3_SM_10: Water-related Sustainable Practices and Ecological Impact

Minimum Disclosure Requirement – Targets Related to Water and Marine Resources

CSG has not yet set measurable outcome-oriented targets related to water and marine resources. At this stage, the focus remains on establishing a robust data foundation and enhancing internal processes for sustainability reporting, which are essential prerequisites for defining meaningful and achievable targets. Although no specific timeline for

setting such targets has yet been determined, CSG anticipates that target-setting efforts will be developed in alignment with the Group Policy Framework within the next three years.

Despite the absence of formalized targets, CSG monitors the effectiveness of its policies and actions as described in chapter 2.4.3. (Actions and Resources Related to Water and Marine Resources) of this Consolidated Sustainability Statement. As part of its ongoing sustainability

strategy, CSG aims to refine quantitative and qualitative indicators in the future so as to measure its environmental impact more effectively.

Further Information on Targets in Relation to Water and Marine Resources

Since CSG has not yet established measurable outcome-oriented targets related to areas at water risk, there are currently no specific targets addressing the reduction of water consumption.

E3-4

2.4.5. Water Consumption

Sustainability Matters in Topical ESRS

This chapter relates to these sustainability matters:

- E3_SM_09: Water Sourcing and Usage
- E3_SM_08: Water Treatment and Pollution Prevention

Disclosure of Information About Water Consumption Performance Related to Material Impacts, Risks, and Opportunities

CSG has assessed water risk exposure across its operations using the WRI Aqueduct Water Risk Atlas, as recommended by the Task Force on Climate-Related Financial Disclosures (TCFD). This analysis categorized

CSG’s locations based on their respective water-risk levels. The results indicate that three CSG companies operate in Medium-High Water Risk areas, 3 in High Water Risk areas, and 2 in Extremely High-Water Risk areas.

Disclosure of Information About Water Consumption Performance Related to Material Impacts, Risks, and Opportunities

CSG has assessed water risk exposure across its operations using the WRI Aqueduct Water Risk Atlas, as recommended by the Task Force on Climate-Related Financial Disclosures (TCFD). This analysis categorized

CSG’s locations based on their respective water-risk levels. The results indicate that three CSG companies operate in Medium-High Water Risk areas, 3 in High Water Risk areas, and 2 in Extremely High-Water Risk areas.

For reporting purposes, CSG defines High Water Risk Areas as those classified under the High and Extremely High WRI categories, while locations in the Medium-High WRI category

are considered Water Risk Areas. This classification helps CSG prioritize water management efforts and mitigation strategies in regions where water-related challenges may have a large operational impact.

Based on the results of the double materiality assessment, water storage has been determined as non-material for CSG’s activities at this time.

Companies Facing Water / High-Water Risk (Table ID 25)

Company	Water risk category
14. OKTOBAR d.o.o. Kruševac	Water Risk Area
Armi Perazzi S.p.A.	Water Risk Area
DAKO-CZ INDIA PRIVATE LIMITED	High Water Risk Area
FABRICA DE MUNICIONES DE GRANADA S.L.	High Water Risk Area
Fiocchi of America Inc.	Water Risk Area
JWL DAKO-CZ (INDIA) PRIVATE LIMITED	High Water Risk Area
MEDHA DAKO-CZ PRIVATE LIMITED	High Water Risk Area
Perazzi USA, Inc.	High Water Risk Area

Data Related to Water Consumption

The water consumption data disclosed for the reporting period is primarily based on internal meter readings from operational facilities, supplemented by

historical consumption data from previous years to estimate usage where direct measurements were unavailable. These estimates were adjusted for changes in production activity and facility occupancy. While this approach provides a reasonable

approximation, actual consumption may vary once final data from utility providers is received. At the time of reporting, the metric has not been externally validated by any third party beyond the assurance provider.

Water Consumption (Table ID 26)

Water consumption (m³)	
Total water consumption	441,375
Water consumption in areas at water risk, including areas of high-water stress	197,259

The water intensity ratio for the reporting period has been calculated at 110 cubic meters of water consumed per 1 million EUR of net revenue. The net revenue amount used for calculating water intensity is EUR 4,008.7 million

and can be found in the Revenues part of the Management Discussion & Analysis section of the Financial Review. Please note that this figure does not include the financial results of the following companies, as they

are not consolidated according to IFRS requirements: MEDHA DAKO-CZ PRIVATE LIMITED, Milconn, a.s., TATRA EXPORT s.r.o., TATRA METALURGIE a.s., TATRA TRUCKS a.s., and VÝVOJ Martin, a.s.

E3-5

2.4.6. Anticipated Financial Effects from Material Water- and Marine-Resources-Related Risks and Opportunities

Sustainability Matters in Topical ESRS

This chapter relates to these sustainability matters:

- E3_SM_07: Water Management and Policy
- E3_SM_08: Water Treatment and Pollution Prevention
- E3_SM_09: Water Sourcing and Usage
- E3_SM_10: Water-related Sustainable Practices and Ecological Impact

Disclosure of Anticipated Financial Effects from Material Water- and Marine-Resources-Related Risks and Opportunities

In accordance with phase-in applicable reporting provisions, data on the anticipated financial effects from material water- and marine- resources-related risks and opportunities has been omitted in this first year of the

Consolidated Sustainability Statement (see Annex 1: List of Phase-in ESRS Data Points in Accordance with Appendix C to ESRS 1). CSG is working to enhance data collection processes, and this information will be incorporated in next year’s Consolidated Sustainability Statement.

Building upon the disclosure in chapter 1.3.3. (Material Impacts, Risks, and Opportunities and Their Interaction

with Strategy and Business Model), CSG has not yet quantified the anticipated financial effects of material water and marine resources-related risks and opportunities. Future efforts will focus on enhancing risk assessment methodologies to improve the integration of climate-related financial impacts into decision-making and reporting.

2.5. Resource Use and Circular Economy

Sustainability Matters in Topical ESRS

List of sustainability topics that are material for chapter 2.5. Resource Use and Circular Economy (Table ID 27)

Sustainability Matter	Main Areas of Concern (IROs)
E5_SM_14 Waste Management and Reduction Strategies	Implementing waste management and reduction strategies helps lower disposal costs, reduce environmental impact, and enhance compliance. However, traditional waste practices may become obsolete due to regulatory shifts, climate impacts, and technological changes, leading to potential disruptions and increased costs.
E5_SM_17 Circular Economy Practices	Adopting circular economy principles enhances product lifecycle sustainability and reduces waste. Yet, transitioning from linear models may face challenges such as technological obsolescence, increased costs for new equipment, limited availability of raw materials, and the need for regulatory adaptation.

While sustainable sourcing and the transition to reuse and recycling practices were not evaluated as material for 2024, we recognise those as important aspects of environmental

responsibility. However, their practical implementation within the defence sector remains constrained. Regulatory compliance, national security requirements, and strict technical perfor-

mance specifications often limit the feasibility of applying standard sustainability approaches. In particular, defence-related procurement is subject to rigid supplier standards and

durability expectations, which restrict the use of alternative or recycled materials. Similarly, circular economy practices such as reuse, or recycling

are challenging to adopt for mission-critical components due to performance and security concerns. Despite these limitations, CSG

acknowledges the relevance of these topics and continues to explore feasible opportunities.

E5.IRO-1

2.5.1. General Disclosures Related to Resource Use and the Circular Economy

Sustainability Matters in Topical ESRS

This chapter relates to these sustainability matters:

- E5_SM_14: Waste Management and Reduction Strategies
- E5_SM_17: Circular Economy Practices

Processes to Identify and Assess Material Resource Use and Circular-Economy-Related Impacts, Risks, and Opportunities

CSG has conducted a high-level assessment of its business activities to identify material impacts, risks, and opportunities related to resource use and the circular economy. This assessment considered factors such as waste management, sustainable sourcing, resource transition, and circular-economy practices, primarily across its own operations and partially for its upstream value chain. No formal consultations with affected communities were conducted as part of this assessment.

The analysis identified several key areas of concern:

- Waste Management and Reduction Strategies—CSG recognizes both the environmental and regulatory risks associated with high waste generation and traditional disposal methods. Opportunities exist in advanced waste reduction techniques and the implementation of circular economy models.
- Sustainable Sourcing and Renewable Resources: Potential risks include resource depletion, supply chain disruptions, and regulatory pressures to adopt sustainable procurement. On the other hand, transitioning towards renewable resource targets and forming

partnerships with sustainable suppliers are seen as opportunities.

— Circular Economy Practices: The shift towards a circular economy presents risks linked to regulatory compliance and business transformation but also provides opportunities in sustainable product lifecycle management and enhanced resource efficiency.

This initial assessment serves as a foundation for future resource optimization strategies, while ensuring compliance with evolving environmental regulations.

E5-1

2.5.2. Policies Related to Resource Use and the Circular Economy

Sustainability Matters in Topical ESRS

This chapter relates to these sustainability matters:

- E5_SM_14: Waste Management and Reduction Strategies
- E5_SM_17: Circular Economy Practices

Disclosure of Policies Adopted to Manage Material Impacts, Risks, and Opportunities Related to Resource Use and Circular Economy (Including Minimum Disclosure Requirements)

CSG is certified under ISO 14001, which provides a structured framework for environmental management, requiring organizations to identify, monitor, and manage their impacts related to resource use and the circular economy. Although CSG did not have a dedicated Group-wide resource use and circular economy policy in 2024, these topics are managed through the Group Standard for Environmental Management Systems (EMS). This standard ensures compliance with legal requirements by con-

tinuously identifying, managing, and mitigating environmental risks related to resource consumption, waste management, and material efficiency. To support this, each company (for which the topic is relevant) within the Group either assigns internal experts or engages external specialists with the necessary qualifications to oversee compliance and risk management related to resource use and the circular economy. The CSG's Board of Directors or an equivalent governing body holds the ultimate responsibility for implementing the Group Standard for EMS.

The majority of CSG's companies do not have specific policies in place to support a transition away from the use of virgin resources. However, one company within the Aerospace sector has

engaged in a product-design approach for recyclability, ensuring that its products can be easily disassembled and manufactured using materials that are more readily recyclable.

The majority of CSG's companies (95%) do not currently have formal policies addressing sustainable sourcing or the use of renewable resources. However, one company in the Aerospace sector has implemented a strategy to utilize renewable energy sources. Additionally, one company in the Software sector is actively promoting circular-economy practices.

and ISO recertifications does not require significant operational (OpEx) or capital (CapEx) expenditures.

During the reporting period, CSG did not identify any actual adverse Resource Use and Circular Economy-related impacts that resulted in specific or direct harm requiring remedial action. No cases of environmental

degradation or regulatory breaches were recorded that necessitated the provision of, or cooperation in, a remedy.

No actions or action plans relating to material Resource Use and Circular Economy related impacts were disclosed in prior reporting periods, as this is CSG's first reporting period under the ESRS framework. As a result,

no quantitative or qualitative progress updates are available at this time. Future reporting periods will include such disclosures as actions are implemented and progress is monitored in line with ESRS requirements.

E5-2

2.5.3. Actions and Resources Related to Resource Use and the Circular Economy

Sustainability Matters in Topical ESRS

This chapter relates to these sustainability matters:

- E5_SM_14: Waste Management and Reduction Strategies
- E5_SM_17: Circular Economy Practices

Minimum Disclosure Requirement – Actions and Resources in Relation to Resource Use and Circular Economy Actions and Resources Allocated to their Implementation

ISO 14001 Certification

In 2024, CSG successfully completed the recertification process for ISO 14001, as previously described in

chapter 2.2.4. (Actions and Resources in Relation to Climate Change Policies).

Group Policy Framework

As part of the planned Group Policy Framework, CSG intends to introduce a Waste Management and Recycling Policy that will specifically address principles and procedures for efficient and environmentally responsible waste management. This policy will focus on

minimizing waste generation, promoting recycling and material reuse, and ensuring compliance with relevant regulatory requirements. Its objective is to support the circular economy and contribute to sustainable development across CSG's companies. The timeline for adopting the Waste Management and Recycling Policy is set for 2025.

The implementation of the Waste Management and Recycling Policy



E5-3

2.5.4. Targets Related to Resource Use and the Circular Economy

Sustainability Matters in Topical ESRS

This chapter relates to these sustainability matters:

- E5_SM_14: Waste Management and Reduction Strategies
- E5_SM_17: Circular Economy Practices

Minimum Disclosure Requirement – Targets Related to Resource Use and the Circular Economy

CSG has not yet set measurable outcome-oriented targets related to resource use and the circular economy. At this stage, the focus remains on establishing a robust data foundation and enhancing internal processes for sustainability reporting, which are essential prerequisites for defining meaningful and achievable targets. While no specific timeline for setting such targets has yet been determined, CSG anticipates that target-setting

efforts will be developed in alignment with the Group Policy Framework within the next three years.

Despite the absence of formalized targets, CSG monitors the effectiveness of its policies and actions as described in chapter 2.5.3. (Actions and Resources Related to Resource Use and the Circular Economy) of this Consolidated Sustainability Statement. As part of its ongoing sustainability strategy, CSG aims to refine quantitative and qualitative indicators in the future to measure its environmental impact more effectively.

Further Information on Targets in Relation to Resource Use and the Circular Economy

Since CSG has not yet established measurable outcome-oriented targets related to resource use and the circular economy, there are currently no specific targets in place addressing resource efficiency, waste reduction, recycling initiatives, or the integration of circular-economy principles into CSG’s operations.

E5-5

2.5.5. Resource Outflows

Sustainability Matters in Topical ESRS

This chapter relates to these sustainability matters:

- E5_SM_17: Circular Economy Practices
- E5_SM_14: Waste Management and Reduction Strategies

Products and Materials

Key products emerging from CSG’s production processes include precision-engineered components, heavy and mid-weight machinery, special-

ized vehicle systems, ammunition, and defence-related equipment. These products are designed to meet stringent industry standards and operational requirements. Additionally, the company produces high-performance

parts and fabricated structures, which are essential for transportation, rail, and industrial applications.

Beyond finished products, CSG’s production processes also generate

various material by-products, including metal scraps, industrial polymers, and specialized alloys. While efforts are made to optimize resource efficiency, certain waste streams, such as non-recyclable composite materials and chemical residues, require careful handling and disposal in compliance with environmental regulations.

Waste

The waste reporting here integrates data from all companies within the sustainability reporting scope, irrespective of whether resource outflows were deemed material, because the companies for which the topic is non-material generate minimal waste. The waste data disclosed for this reporting period has been derived from internal tracking systems at facility level, supported by

historical waste disposal records from previous reporting years. Where direct data was not available, estimates were made based on production volume and waste generation ratios observed in comparable periods. Adjustments account for known changes in operations, such as shifts in output or waste management practices. At the time of reporting, these figures have not been externally validated by any independent body beyond the assurance provider.

Waste Amounts (Table ID 28)

Category	Amount (in tons)
Total amount of waste generated	30,939
Waste diverted from disposal	19,904
Hazardous waste	-
Preparation for reuse	0
Recycling	249
Other recovery operations	0
Non-hazardous waste	-
Preparation for reuse	5,274
Recycling	14,341
Other recovery operations	40
Waste directed to disposal	11,035
Hazardous waste	-
Incineration	333
Landfill	148
Other disposal operations	0
Non-hazardous waste	-
Incineration	879
Landfill	9,571
Other disposal operations	104

The total amount of non-recycled waste generated by CSG within the reporting period is 11,035 tons, which is approximately 36% of the total waste generated.

CSG’s waste composition is primarily affected by the nature of its industrial and manufacturing activities. The relevant waste streams across its sectors include:

- Metal Waste—Generated from machining, fabrication, and assem-

bly processes, particularly in the Aerospace, Defence, and Metal Processing sectors.

- Hazardous Waste—Includes chemicals, lubricants, and other industrial substances requiring specialized disposal, particularly in manufacturing and healthcare operations.

- Electronic Waste (E-Waste)—Arises from IT equipment, obsolete machinery, and electronic components across various business activities.

- Industrial and Packaging Waste—Comprising wood, plastics, and paper from shipping and production processes.

- The materials present in CSG’s waste streams reflect the composition of its industrial and manufacturing activities. These include:

- Metals—Generated from machining, fabrication, and assembly processes; these metals include steel, aluminium, and other alloys.

- Plastics—Found in packaging materials, industrial components, and discarded equipment.
- Textiles—Primarily from protective workwear and industrial fabrics used in production processes.
- Biomass—Arises from wooden pallets and packaging materials.
- Hazardous materials—These include industrial lubricants, solvents, and other regulated substances requiring specialized disposal.

The total amount of hazardous waste generated by CSG in the reporting period was 730 tons. There was no radioactive waste.

E5-6

2.5.6. Anticipated Financial Effects from Material Resource Use and Circular-Economy-Related Risks and Opportunities

Sustainability Matters in Topical ESRS

This chapter relates to these sustainability matters:

- E5_SM_14: Waste Management and Reduction Strategies
- E5_SM_17: Circular Economy Practices

Disclosure of Anticipated Financial Effects from Material Resource Use and Circular-Economy-Related Risks and Opportunities

In accordance with phase-in provisions, data on the anticipated financial effects from material resource use and circular-economy-related risks and opportunities has been omitted in this first year of the Consolidated Sustainability Statement (see Annex 1: List of Phase-in ESRS Data Points in Accordance with Appendix C to ESRS 1). CSG is working to enhance data collection processes, and this information will be incorporated in next year’s Consolidated Sustainability Statement.

Building on the disclosure in chapter 1.3.3. (Material Impacts, Risks, and Opportunities and Their Interaction with Strategy and Business Model), CSG has not yet quantified the anticipated financial effects of material resource use and circular-economy-related risks and opportunities. Future efforts will focus on enhancing risk-assessment methodologies to improve the integration of climate-related financial impacts into decision-making and reporting.



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3. Social Information

3.1. Own Workforce

Sustainability Matters in Topical ESRS

List of sustainability topics that are material for chapter 3.1. Own Workforce (Table ID 29)

Sustainability Matter	Main Areas of Concern (IROs)
S1_SM_18: Diversity and Inclusion	Fostering a diverse and inclusive workforce contributes to enhanced creativity, better decision-making, and a more resilient organizational culture. However, failing to ensure an inclusive environment may result in reputational challenges and increased operational costs due to potential labour shortages and retention difficulties.
S1_SM_19: Employee Training and Development	Investing in employee development strengthens organizational capabilities and ensures workforce adaptability. Insufficient focus on training may lead to skills mismatches, reduced productivity, higher turnover rates, and difficulty in filling key roles.
S1_SM_20: Grievance and Compliance	Establishing clear grievance channels and compliance mechanisms helps maintain employee trust, promotes a fair workplace, and minimizes legal exposure. Inadequate systems can undermine morale, escalate turnover, and expose the organization to regulatory penalties and talent shortages.
S1_SM_21: Health and Safety	Prioritizing health and safety fosters a supportive work environment, boosting employee well-being and operational efficiency. Conversely, weak policies can result in frequent accidents, higher absenteeism, potential legal claims, and reputational harm, impacting both workforce stability and financial performance.
S1_SM_22: Human Rights and Non-Discrimination	Ensuring strong adherence to human rights and non-discrimination principles strengthens ethical conduct and legal compliance. Failure to uphold these principles can lead to significant reputational loss, legal liabilities, and erosion of stakeholder trust.
S1_SM_23: Workforce Management and Policy	Implementing effective workforce management strategies improves employee engagement, productivity, and supports regional economic development. Conversely, poorly designed policies may cause inefficiencies, employee dissatisfaction, and challenges in attracting and retaining talent.

Workforce Data Methodology and Considerations

The workforce-related figures in this Consolidated Sustainability Statement, including total employee numbers and workforce composition, are estimates based on available data. Although CSG

provided standardized methodology and definitions, variations in how entities applied these guidelines resulted in inconsistencies across multiple workforce disclosures. Despite efforts to improve data verification, some discrepancies remain. CSG recognizes the importance of accurate workforce data

and will implement enhanced training and oversight in future reporting cycles. At the time of reporting, these metrics have not been externally validated beyond the assurance provider. For a full explanation of the data’s limitations, please refer to the chapter 1.1. Basis for Preparation.

S1.SBM-3

3.1.1. Material Impacts, Risks, and Opportunities and Their Interaction with Strategy and Business Model

Sustainability Matters in Topical ESRS

This chapter relates to these sustainability matters:

- S1_SM_18: Diversity and Inclusion
- S1_SM_19: Employee Training and Development
- S1_SM_20: Grievance and Compliance
- S1_SM_21: Health and Safety
- S1_SM_22: Human Rights and Non-Discrimination
- S1_SM_23: Workforce Management and Policy

All People in Undertaking’s Own Workforce Who Can Be Materially Impacted by Undertaking Are Included in Scope of Disclosure Under ESRS 2

CSG has applied a general approach to assessing material impacts on its own workforce but has not yet comprehensively included all potentially impacted employees within the scope of its disclosure under ESRS 2. The assessment considers key areas such as diversity and inclusion, employee training and development, grievance and compliance, health and safety, human rights, and workforce management.

While CSG acknowledges that its activities influence employee well-being, engagement, and retention, as well as legal and reputational risks associated with human rights and compliance issues, it has not yet developed a structured framework to assess workforce-related impacts at a granular level. CSG recognizes both positive and negative impacts: e.g., increased innovation through diverse perspectives, productivity improvements from effective workforce poli-

cies, and enhanced safety measures, but also challenges such as recruitment difficulties, legal risks from non-compliance, and reputational damage due to perceived lack of inclusivity. Due to the absence of a standardized methodology for identifying all materially impacted workforce groups, CSG cannot confirm that its current assessment fully captures the extent of workforce-related risks and opportunities. However, CSG acknowledges the importance of this issue and is committed to refining its workforce impact assessment process to ensure more comprehensive and structured reporting in the future.

Description of Types of Employees and Non-employees in Its Own Workforce Subject to Material Impacts

CSG has not yet developed a structured approach to categorizing the types of employees and non-employees in its own workforce who are subject to material impacts. While CSG acknowledges that its workforce is affected by various factors, including diversity and inclusion, training and development, grievance mechanisms, health and safety, and workforce

management, it has not yet conducted a detailed assessment to differentiate among specific workforce segments.

At this stage, CSG recognizes that employees across all levels and functions may experience both positive and negative material impacts. For example, improved diversity and inclusion initiatives can enhance innovation and engagement, while unclear workforce policies may contribute to inefficiencies or high employee turnover. Additionally, workers in operational roles—such as those in manufacturing or production—may be particularly affected by health and safety risks, absenteeism, or disruptions due to accidents, while those in administrative or managerial roles may experience impacts related to compliance, training opportunities, and human-capital development.

CSG also acknowledges that non-employees working in outsourced functions or temporary roles could be exposed to workforce-related risks, such as lower job security, lack of career development opportunities, or unclear inclusion in grievance and compliance frameworks. However, as there is currently no formalized segmentation

of impacted workforce groups, CSG is unable to provide a comprehensive disclosure on how different categories of employees and non-employees experience material impacts.

Occurrence of Material Negative Impacts (Own Workforce)

CSG has identified several material negative impacts affecting its own workforce, distinguishing between those that have already materialized and those that remain potential risks. These impacts primarily relate to training and development, grievance and compliance, health and safety, human rights, and workforce management, all of which have implications for employee retention, productivity, workplace well-being, and overall organizational stability.

Among the potential negative impacts, skill gaps and decreased productivity from insufficient training have been identified as a workforce challenge. Without structured training programs, inefficiencies may emerge, requiring sustained efforts to upskill employees and mitigate long-term consequences. Another potential concern is the impact of unresolved grievances, which can lead to dissatisfaction and high employee turnover, affecting workforce stability and requiring significant internal adjustments if left unaddressed. Additionally, potential risks in health and safety have been noted, particularly regarding absenteeism and lower productivity due to deficiencies in workplace policies. Ensuring a safe and supportive work environment remains essential, as disruptions in this area could have far-reaching implications.

In the area of human rights and non-discrimination, CSG recognizes the potential risk of violations, which could result in legal and reputational consequences. The need for reinforced compliance mechanisms is

evident, as addressing such risks proactively is critical to safeguarding employee rights and ensuring alignment with ethical and regulatory standards.

In contrast, one actual material impact has already been observed in workforce management policies, where inefficiencies have led to operational challenges. The consequences of ineffective workforce planning have thus already materialized, affecting business continuity and highlighting the necessity for improved strategic workforce policies.

While these negative impacts are acknowledged, CSG has not yet implemented a structured, company-wide approach to systematically managing them. Moving forward, CSG aims to refine its policies and social frameworks to strengthen workforce resilience and enhance overall organizational effectiveness.

Description of Activities That Result in Positive Impacts and Types of Employees and Non-Employees in Undertaking’s Own Workforce That Are Positively Affected or Could Be Positively Affected

CSG recognizes that certain aspects of its operations contribute to positive impacts on its workforce, particularly in areas related to diversity and inclusion, workplace well-being, and workforce management. However, as CSG has not yet developed a formalized overview of specific activities that lead to these outcomes, it is not in a position to provide detailed disclosures on the actions driving these positive impacts.

While acknowledging the potential benefits arising from efforts to enhance workforce engagement, productivity, and overall working conditions, CSG does not currently have a structured approach to systematically assessing or tracking these

impacts. Consequently, CSG has decided to omit this information for the reporting period to ensure transparency and avoid misrepresenting the extent of its progress in this area.

Description of Material Risks and Opportunities Arising from Impacts and Dependencies on Undertaking’s Own Workforce

CSG has identified several material risks and opportunities related to its workforce, primarily linked to diversity and inclusion, employee training and development, grievance and compliance, health and safety, human rights, and workforce management policies. These factors influence employee retention, engagement, operational stability, and long-term organizational performance.

Among the material risks, challenges related to diversity and inclusion have been noted, particularly regarding the potential reputational impact of a perceived lack of inclusivity and increased labor costs due to workforce shortages. Similarly, in employee training and development, risks include high turnover rates caused by limited development opportunities and increased costs associated with labor shortages.

Grievance and compliance risks present another area of concern, with potential legal and financial repercussions if non-compliance issues are not managed effectively. Additionally, workforce-related inefficiencies can contribute to higher operational costs and employee dissatisfaction, particularly if poor workforce management practices lead to turnover. Health and safety risks have also been recognized, including disruptions in manufacturing due to workplace accidents, costs related to absenteeism, and challenges in maintaining employer attractiveness due to reputational concerns.

At the same time, several opportunities have been identified as well. Strength-

ening diversity and inclusion efforts could enhance CSG’s competitive positioning while also contributing to lower recruitment and hiring costs through improved employee retention. Investing in training and development could similarly reduce hiring expenses by enabling retention of skilled workers. In grievance and compliance, improved mechanisms and policies could enhance workforce stability and reduce legal and financial risks.

CSG also recognizes opportunities in health and safety, with comprehensive programs and preventive health measures contributing to higher workforce well-being and productivity. Furthermore, a strong commitment to human rights and anti-discrimination reinforces CSG’s social capital and reputation, while strategic workforce management policies offer an opportunity to optimize talent retention and strengthen long-term workforce stability.

While these risks and opportunities have been identified, CSG is still in the process of developing a structured approach to systematically managing and tracking them. Moving forward, CSG aims to refine its workforce-related social frameworks to ensure a balanced approach to mitigating risks and maximizing workforce-related opportunities.

Description of Material Impacts on Workers That May Arise from Transition Plans for Reducing Negative Impacts on Environment and Achieving Greener and Climate-Neutral Operations

CSG has not yet developed a formal transition plan for reducing environmental impacts and achieving greener and climate-neutral operations. As a result, CSG is currently unable to assess or describe any material impacts that such a plan might have on its workforce. Without a structured

transition strategy, there is no defined framework for evaluating how shifts toward more sustainable operations may affect employment conditions, workforce restructuring, skills development, or job security. Additionally, potential opportunities arising from green initiatives, such as workforce reskilling, health and safety improvements, or enhanced employee engagement in sustainability efforts, have not yet been formally assessed.

Information About Types of Operations and Countries or Geographic Areas at Significant Risk of Incidents of Forced Labor or Compulsory Labor

CSG has not identified any specific operations, countries, or geographic areas where its business is considered at significant risk of incidents of forced or compulsory labor. While the manufacturing sector is widely acknowledged as an industry where such risks may arise—due to factors such as complex subcontracting, reliance on external suppliers, and regulatory variations across jurisdictions—CSG has not conducted a formal assessment to determine whether these risks apply to its own operations.

At this stage, there is no evidence of forced or compulsory labor occurring within CSG’s workforce, and no operations have been flagged as high-risk in this regard. Similarly, without a structured risk evaluation, CSG is unable to provide disclosures on specific regions that may present heightened risks.

CSG remains committed to upholding ethical labor standards and ensuring compliance with international human rights and labor regulations. As part of its broader risk management strategy, CSG aims to enhance its monitoring and assessment processes to gain a more comprehensive understanding of potential labor-related risks within its operations and supply chains.

Information About Types and Countries or Geographic Areas of Operations at Significant Risk of Incidents of Child Labor

CSG has not identified any specific operations, countries, or geographic areas where its business is considered at significant risk of including incidents of child labor. While certain industries, including manufacturing, are often associated with higher risks due to supply chain complexities and regulatory differences across jurisdictions, CSG has not conducted a formal assessment to determine whether these risks apply to its own operations.

At present, there is no evidence of child labor occurring within CSG’s workforce, and no operations have been classified as high-risk in this regard. Similarly, without a structured evaluation, CSG is unable to disclose specific regions that may present heightened risks.

CSG remains committed to upholding ethical labor standards and ensuring compliance with international human rights and labor regulations. As part of its broader risk management approach, CSG intends to strengthen its monitoring and assessment processes to better understand and mitigate any potential risks related to child labor within its operations and supply chains.

Disclosure of Whether and How an Understanding of People in Undertaking’s Own Workforce with Particular Characteristics, Working in Particular Contexts, or Engaged in Particular Activities May Be at Greater Risk of Harm Has Been Developed

CSG has not yet developed a structured understanding of how individuals within its workforce—based on spe-

cific characteristics, work environments, or job functions—may be at greater risk of harm. While CSG acknowledges that certain roles, industries, or employment conditions could present varying degrees of risk, no formal assessment has been conducted to evaluate these factors systematically.

As a result, CSG is currently unable to provide insights into whether specific workforce groups face heightened exposure to physical, social, or economic risks. Recognizing the importance of this understanding, CSG aims to integrate a more structured approach in the future, ensuring a comprehensive assessment of

workforce-related risks and implementing targeted measures where necessary.

Disclosure of Which of Material Risks and Opportunities Arising from Impacts and Dependencies on People in Its Own Workforce Relate to Specific Groups of People

At this stage, CSG has not identified any material risks or opportunities that specifically relate to distinct groups within its workforce. While CSG acknowledges that certain risks and opportunities may affect employees differently depending on their roles, working conditions, or employment

status, no structured assessment has been conducted to distinguish these impacts by specific workforce segments.

As a result, CSG is currently unable to provide a breakdown of workforce-related risks and opportunities in relation to particular groups. CSG recognizes the importance of developing a more detailed understanding of how different workforce segments may be affected and aims to refine its assessment approach in the future to ensure a more targeted and inclusive evaluation.

S1-1

3.1.2. Policies Related to Own Workforce

Sustainability Matters Covered in the Topical ESRS

This chapter relates to these sustainability matters:

- S1_SM_18: Diversity and Inclusion
- S1_SM_19: Employee Training and Development
- S1_SM_20: Grievance and Compliance
- S1_SM_21: Health and Safety
- S1_SM_22: Human Rights and Non-Discrimination
- S1_SM_23: Workforce Management and Policy

Disclosure of Policies Adopted to Manage Material Impacts, Risks, and Opportunities Related to Own Workforce (Including Minimum Disclosure Requirements)

Group Standards

CSG acknowledges that formalized policies are expected in this context. However, as the transition to the CSG Policy Framework is still in progress, the Group HR Standards are currently

serving as the main framework guiding human resource management across all Group companies with employees. While not formalized as policies, these standards establish key principles in areas such as workforce planning, employee benefits, remuneration structures, HR processes, and internal communication. As CSG develops its future policies, these standards will serve as a foundation for ensuring consistency across all subsidiaries.

The Group HR Standards provide structured guidance on HR-related

matters, covering topics such as recruitment, contract management, performance evaluation, training and development, workforce monitoring, and employee well-being. These standards apply to all CSG companies with employees, ensuring a baseline for HR management across the group. Additionally, a Workplace Code of Conduct exists at the Group level, though its adoption is not centrally mandated. These documents ensure a degree of alignment across the Group, though their implementation is currently left to the individual companies.

The Group's Chief Human Resources Officer (CHRO) is responsible for overseeing and implementing the Group HR Standards, ensuring that HR principles are communicated and maintained across CSG. While the CHRO sets overarching HR guidelines, subsidiaries retain discretion over certain aspects of implementation. The Group HR Standards are developed internally and do not align with third-party initiatives or external standards. They are tailored specifically to CSG's governance framework and operational needs.

The development of these standards did not involve a structured consultation process with external stakeholders. Instead, they were designed internally to provide operational alignment across CSG, rather than integrating external perspectives. The Group HR Standards are internal documents and are not publicly available. Access is granted to relevant HR personnel and management across CSG. The Workplace Code of Conduct follows the same principle, with individual companies determining its application.

CSG has not yet introduced formal group-wide workforce policies, as the company has historically relied on its Group HR Standards and operational frameworks to manage workforce-related matters. This approach has prioritized flexibility at the subsidiary level while maintaining core HR principles across the Group. As part of its governance strategy, CSG plans to introduce formalized workforce-related policies in 2025. These policies will build upon the existing Group HR Standards, strengthening their consistency and enforcement across all subsidiaries.

CSG manages material impacts, risks, and opportunities related to its workforce primarily through its Group HR Standards, which currently serve as the guiding framework during the transition to a formalized CSG Policy Framework. These standards apply to all CSG companies with employees and cover essential human resource management areas, including recruitment, performance evaluation, training, employee well-being, and internal communication. However, their implementation is decentralized, granting subsidiaries flexibility while ensuring core HR principles are maintained across the Group. Although no formal human rights policies have been established, the Group HR Standards incorporate essential labor rights considerations. CSG recognizes that human rights commitments are expected in this context; nonetheless, no structured consultation with external stakeholders has been conducted in the development of these standards.

While CSG has not yet introduced specific measures to provide or enable remedies for human rights impacts, the existing grievance mechanisms embedded in the Group HR Standards offer a foundation for addressing potential concerns. The Compliance Program, featuring an Ethics Line accessible to all stakeholders, further supports the reporting and management of workforce-related issues. Despite these provisions, CSG's HR Standards do not currently fully align with internationally recognized instruments, as they were developed internally to address governance and operational needs. Additionally, there are no explicit policies in place addressing human trafficking, forced labor, or child labor—though these

areas are expected to be covered in the future formalized policies.

From a health and safety perspective, although no comprehensive workplace accident prevention policy is formally in place, the Group HR Standards encourage subsidiaries to implement health and safety programs tailored to their operations. In terms of diversity and inclusion, the absence of centrally mandated policies means that specific policies aimed at eliminating discrimination, along with defined grounds for discrimination, are yet to be formalized. Nevertheless, CSG demonstrates a strong commitment to human rights and an anti-discrimination stance through its existing standards. Opportunities for enhanced diversity have been recognized as providing a competitive advantage, while risks such as reputational damage due to perceived lack of inclusion have been identified as long-term concerns.

CSG acknowledges the need for policy commitments related to inclusion and positive action for groups at particular risk of vulnerability within its workforce. Although specific procedures to prevent, mitigate, and address discrimination, as well as to advance diversity and inclusion, are not yet formalized, the planned introduction of group-wide workforce-related policies in 2025 will build upon existing standards to strengthen consistency and enforcement across all subsidiaries.

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S1-2

3.1.3. Processes for Engaging with Own Workforce and Workers’ Representatives Regarding Impacts

Sustainability Matters in Topical ESRS

This chapter relates to these sustainability matters:

- S1_SM_23: Workforce Management and Policy
- S1_SM_22: Human Rights and Non-Discrimination

Disclosure of Whether and How Perspectives of Own Workforce Inform Decisions or Activities Aimed at Managing Actual and Potential Impacts

To date, CSG has not established a structured process for systematically integrating workforce perspectives into the identification, assessment, or management of actual and potential impacts. While workforce insights are recognized as an important factor in shaping responsible business prac-

tices, no formalized mechanisms currently exist to incorporate employee input into decision-making on these matters.

The only engagement conducted in 2024 in relation to workforce impact identification occurred as part of the double materiality assessment, during which the identification and assessment of actual and potential impacts were discussed with the top management of all the companies included in the reporting scope. This process primarily involved CEOs or their equiv-

alent persons, ensuring a high-level strategic review of material impacts, but it did not extend to active impact management or broader workforce involvement.

CSG recognizes the value of systematically engaging its workforce in this process and intends to develop a more structured approach in the future to ensure that workforce perspectives are appropriately considered in the identification and management of material risks and opportunities.



S1-3

3.1.4. Processes to Remediate Negative Impacts and Channels for Own Workforce to Raise Concerns

Sustainability Matters in Topical ESRS

This chapter relates to the sustainability matter:

- S1_SM_20: Grievance and Compliance

Disclosure of General Approach to and Processes for Providing or Contributing to Remedy Where Undertaking Has Caused or Contributed to a Material Negative Impact on People in Its Own Workforce

Although potential material negative impacts related to grievances and compliance have been identified—such as legal and financial repercussions from non-compliance and increased costs due to labor shortages—CSG currently does not provide or contribute to specific remedy mechanisms. This is primarily because the workforce has not yet been involved in the formal assessment of impacts, risks, and opportunities (IROs). While acknowledging the relevance of these identified risks, CSG considers them a low priority at this stage, because the Group has an established, company-wide whistleblowing and ethics hotline, known as the Ethics Line. This channel is accessible to all internal stakeholders, including employees, providing a mechanism for raising concerns until a more comprehensive approach is developed. The opportunity to strengthen grievance mechanisms and policies has been recognized and remains under consideration.

Disclosure of Specific Channels in Place for Its Own Workforce to Raise Concerns or Needs Directly with Undertaking and Have Them Addressed

CSG has a comprehensive Compliance Program that outlines the Group’s approach to ethics and integrity, including mechanisms for raising concerns. The Program details the availability of the company-wide Ethics Line, which is accessible to all internal stakeholders, including the entire workforce. This platform ensures employees can report concerns safely and securely.

Grievance or Complaints Handling Mechanisms Related to Employee Matters Exist

Grievance and complaints handling mechanisms exist through the Group-wide Ethics Line. The Ethics Line allows employees to report concerns related to compliance, labor conditions, and workplace issues. Recognized opportunities such as strengthening grievance mechanisms have been identified and are expected to lower recruitment and hiring costs if more employees can be retained because of them.

Disclosure of Processes Through Which Undertaking Supports or Requires Availability of Channels

CSG ensures maximum transparency and accessibility by providing unrestricted access to its Ethics Line for all internal stakeholders. This comprehensive reporting channel facilitates the secure and confidential submission of complaints and concerns through multiple formats, including online platforms, telephone communication, and email correspondence.

Disclosure of How Issues Raised and Addressed Are Tracked and Monitored and How Effectiveness of Channels Is Ensured

Issues raised through CSG’s Ethics Line are tracked and monitored using the same approach applied to all concerns submitted via this channel. Each case is managed individually, as a unified approach to handling such matters has not yet been established. For the 2024 reporting period, no instances related to own workforce were reported. The Compliance Department monitors the effectiveness of the Compliance Program.

Disclosure of Whether and How It Is Assessed That Its Own Workforce Is Aware of and Trust Structures or Processes as Way to Raise Their Concerns or Needs and Have Them Addressed

No formal assessment has been conducted to determine whether employees are aware of and trust the existing structures or processes in place to raise concerns. However, CSG’s Ethics Line is publicly available on internal communication platforms and accessible to all employees, providing an open and secure channel for submit-

ting concerns. As part of the identified opportunities, CSG is considering methods to strengthen these grievance mechanisms further.

Policies Regarding Protection Against Retaliation for Individuals That Use Channels to Raise Concerns or Needs Are in Place

CSG has established robust policies to protect employees from retaliation when these employees are using available channels to raise concerns. In line with the Group’s Whistleblowing Policy, CSG maintains a zero-tolerance

approach to any form of retaliation against whistleblowers or other protected persons. Protections extend to employees who report concerns to relevant public authorities in accordance with applicable national laws or European Union regulations. All allegations of retaliation are treated with the utmost seriousness and are managed consistently across the Group. Suspicions of retaliation can be reported through CSG’s internal information system using the designated contacts provided in the Whistleblowing Policy.

S1-4

3.1.5. Taking Action on Material Impacts on Own Workforce

Sustainability Matters in Topical ESRS

This chapter relates to these sustainability matters:

- S1_SM_18: Diversity and Inclusion
- S1_SM_19: Employee Training and Development
- S1_SM_20: Grievance and Compliance
- S1_SM_21: Health and Safety
- S1_SM_22: Human Rights and Non-Discrimination
- S1_SM_23: Workforce Management and Policy

Minimum Disclosure Requirement – Actions and Resources in Relation to Own Workforce

Group Standards

CSG’s approach to managing matters related to its own workforce is currently guided by the Group HR Standards. These standards are overseen by the Group Chief Human Resources Officer (CHRO), ensuring consistent communication and application across CSG. Since the implementation of these standards, no additional periodic

follow-up actions have been required, as the framework has proven sufficient for maintaining operational alignment and addressing internal workforce-related matters. However, it is recognized that these standards do not fully align with internationally recognized instruments and were developed without structured consultation with external stakeholders.

Group Policy Framework

As part of the upcoming Group Policy Framework, CSG plans to replace the existing Group HR Standards with

comprehensive, formalized workforce-related policies. These new policies will enhance governance and accountability across all subsidiaries and address critical areas currently lacking formal procedures. The upcoming framework will include structured commitments to human rights, explicit policies addressing human trafficking, forced labor, child labor, diversity, inclusion, and health and safety.

The formalized workforce-related policies will standardize processes for recruitment, contract management, performance evaluation, and employee

development while introducing systematic risk assessments, ethics training, whistleblowing mechanisms, and anti-discrimination measures. This transition aims to strengthen consistency and enforcement across all subsidiaries while enhancing stakeholder trust and corporate responsibility. The adoption of the new policies is scheduled for 2025, with internal alignment, data collection capabilities, and regulatory developments being key assumptions for successful implementation.

Importantly, the transition is not expected to require significant operational (OpEx) or capital (CapEx) expenditures. Currently, no specific actions have been taken to provide remedies for those harmed by actual material impacts.

Further Information on Actions and Resources in Relation to Own Workforce

CSG has not yet implemented a structured Group-wide approach or allocated dedicated resources for managing workforce-related impacts beyond the existing Group HR Standards. The decentralized implementation of these standards has provided operational flexibility at the subsidiary level while maintaining core HR principles across the Group. However, the absence of standardized procedures prevents CSG from providing disclosures on key aspects, including actions taken or planned to mitigate or remediate material negative impacts, efforts to enable remedies, and initiatives aimed at delivering positive workforce outcomes.

Furthermore, CSG is currently unable to report on the tracking and assessment of the effectiveness of its workforce management practices, processes for identifying appropriate actions, or approaches to ensuring access to remedies. The company also cannot disclose whether and how it ensures that its practices do not cause or contribute to material negative impacts or severe human rights issues related to its workforce. CSG acknowledges these gaps and remains committed to introducing the formalized Group Policy Framework in 2025, which will build upon existing standards to enhance consistency, governance, and future disclosures.



S1-5

3.1.6. Targets Related to Own Workforce

Sustainability Matters in Topical ESRS

This chapter relates to these sustainability matters:

- S1_SM_18: Diversity and Inclusion
- S1_SM_19: Employee Training and Development
- S1_SM_20: Grievance and Compliance
- S1_SM_21: Health and Safety
- S1_SM_22: Human Rights and Non-Discrimination
- S1_SM_23: Workforce Management and Policy

Minimum Disclosure Requirement – Targets Related to Own Workforce

CSG has not yet set measurable outcome-oriented targets related to its own workforce. At this stage, the primary focus remains on strengthening the internal data infrastructure and refining processes for sustainability reporting. These foundational efforts are considered essential for defining meaningful and achievable targets that align with CSG’s strategic objectives. Although a specific timeline for establishing these targets has not been determined, CSG anticipates that target-setting initiatives will be developed in line with the Group

Policy Framework within the next three years.

Despite the absence of formalized targets, CSG actively monitors the effectiveness of its workforce-related policies and actions, as outlined in chapter 3.1.5. (Taking Action on Material Impacts on Own Workforce) of this Consolidated Sustainability Statement. These monitoring activities ensure that workforce management practices remain consistent with CSG’s broader sustainability strategy. As part of its long-term commitment to sustainability, CSG plans to enhance both quantitative and qualitative indicators in the future to better measure its social impact on its workforce.

Further Information on Targets in Relation to Own Workforce

Since CSG has not yet established measurable outcome-oriented targets related to its own workforce, there are currently no specific targets addressing areas such as employee retention, diversity and inclusion, training and development, workplace safety, or employee satisfaction. However, as CSG continues to refine its sustainability reporting processes, the development of these targets will become a key focus used for supporting long-term workforce engagement and performance goals.

S1-6

3.1.7. Characteristics of CSG's employees

Sustainability Matters in Topical ESRS

This chapter relates to these sustainability matters:

- S1_SM_23: Workforce Management and Policy
- S1_SM_18: Diversity and Inclusion

Number of Employees

Employee Headcount by Gender (Table ID 30)

Gender	Number of employees (head count)
Male	9,466
Female	3,371
Other	0
Not reported	18
Total employees	12,855

Disclosure of Cross-Reference of Information Reported in Financial Statements

The information on the number of employees reported under paragraph 50 (a) of Directive (EU) 2022/2464 of the European Parliament and of the Council corresponds to figures presented in financial statements incorporated by reference section Consolidated Financial Statements, Note 11. Employee Benefits Costs of this Consolidated Sustainability Statement.

The discrepancy in the overall number of employees between the financial consolidated statement and the Consolidated Sustainability Statement arises from a difference in the scope of employee counting. While the financial consolidation excludes companies in which there is no equity interest or which are not consolidated, namely Milconn, a.s., TATRA EXPORT s.r.o., TATRA METALURGIE a.s., TATRA TRUCKS a.s., VÝVOJ Martin, a.s., and ReDat Recording, a.s., the sustainability consolidation includes employees from these companies as well.

Average Number of Employees

The above table presents the number of employees at the end of the reporting period. CSG does not report average employee figures—which would reflect workforce fluctuations throughout the reporting period—as this data is not currently collected.

Number of Employees in Countries with 50 or More Employees Representing at Least 10% of Total Number of Employees

Employee Headcount by Country (Table ID 31)

Country	Number of Employees (head count)
Czech Republic	5,377
Slovakia	1,605
United States of America	3,772

Average Number of Employees in Countries with 50 or more Employees representing at least 10% of total number of employees

CSG reports the total number of employees by country for those countries in which the workforce represents more than 10% of CSG’s total workforce. However, average employee

figures by country—which would capture workforce fluctuations during the reporting period—are not provided, as CSG does not currently collect this data.

Information on Employees by Contract Type and Gender (Table ID 32)

2024				
Head count / FTE	Female	Male	Other (*)	Not disclosed
Number of employees	3,371	9,466	0	18
Number of permanent employees	2,747	8,088	0	18
Number of temporary employees	368	1,057	0	0
Number of non-guaranteed hours employees	22	125	0	0
Not reported	234	196	0	0

* Gender as specified by the employees themselves.

"Not reported" refers to cases where employee gender data was not provided or categorized, meaning the individuals did not disclose their gender or the information was unavailable at the time of reporting.

Information on Employees by Region (Table ID 33)

2024			
Head count / FTE	Asia	Europe	North America
Number of employees	54	9,025	3,776

Number of employees Who Have Left and Percentage of Employee Turnover

During the reporting period, a total of 1,638 employees left the undertaking. The employee turnover rate for the group was 12.7%, calculated by dividing the total number of employees who left—whether voluntarily or due to dismissal, retirement, or death in service—by the total number of employees at the end of the reporting period.

Description of methodologies and assumptions used to compile data (employees)

During the reporting period, companies within CSG used a variety of methodologies to compile employee data. The most commonly applied

method, used by 81.1% of CSG’s companies, was the analysis of internal HR databases. Surveys conducted with employees accounted for 11.3%, while 9.4% relied on employee self-reporting through HR portals. Observation and manual tracking by HR staff were used by 13.2% of the companies. Data collected from exit interviews represented 1.9%. Government or regulatory reporting and other methodologies were each used by 9.4% of the companies.

The large companies primarily relied on internal HR database analysis (95.8%), with a smaller proportion using surveys (20.8%). Medium-sized companies also favored internal HR data (90.9%). Small companies showed lower reliance on this method (55.6%) and a greater use of observation and manual tracking (22.2%) than

medium and large companies. The Aerospace, Automotive, and Defence sectors showed a strong preference for internal HR database analysis, with Defence additionally utilizing surveys (15.8%) and observation methods (26.3%).

Employee Numbers Reported using Head Count or FTE

CSG uses headcount as its foundation for compiling employee data. The headcount is defined as the total number of individuals employed by a company at the end of the reporting period.

S1-7

3.1.8. Characteristics of Non-employees in Undertaking’s Own Workforce

Sustainability Matters in Topical ESRS

This chapter relates to the sustainability matter:

— S1_SM_23: Workforce Management and Policy

Description of Key Characteristics of Non-Employees in Own Workforce

Total Number of Non-Employees in Own workforce, at End of Period

At the end of the reporting period, the total number of non-employees in CSG’s own workforce was 973. This figure included all the individuals who were not directly employed by CSG but contributed to its operations, such as temporary workers, independent contractors, and other external personnel engaged in work-related activities.

Total Number of Non-Employees in Own Workforce Who Were Self-Employed Persons, at End of Period

At the end of the reporting period, CSG’s own workforce included 261 self-employed individuals.

Total Number of Non-Employees in Own Workforce Who Were Persons Provided by Undertakings Primarily Engaged in Employment Activities, at End of Period

At the end of the reporting period, CSG’s own workforce included 699 individuals provided by undertakings primarily engaged in employment activities. Although they work under the direction of CSG, these persons are employed by external entities

responsible for their employment contracts and related obligations.

Description of Methodologies and Assumptions Used to Compile Data (Non-Employees)

Methodology for Measurement of Non-Employee Data

During the reporting period, companies within CSG applied a variety of methodologies to measure non-employee data. The most commonly used method was cross-referencing of non-employee data with internal HR or procurement systems, applied by 20.8% of companies. The use of external contractor or freelancer payroll records accounted for 15.1%, while 9.4% of the companies relied on surveys or self-reporting by non-employees. Data aggregation from third-party staffing agencies or platforms was used by 7.6% of the companies. Tracking of hours or output via project management tools accounted for 9.4%, and methodologies for identifying and categorizing non-employees by role or function were used by 5.7%. Other methodologies represented 45.3% of responses.

A look at size-specific insights shows that the medium-sized companies reported the highest reliance on external contractor payroll records at 36.4% apart from other methodologies (45.5%). The large companies demon-

strated a balanced approach, with 16.7% using payroll records and third-party data aggregation, and 20.8% relying on cross-referencing with internal systems. Small companies showed a preference for observation-based methodologies, with 22.2% tracking hours or output. Sector-specific insights indicate that companies in the Aerospace sector primarily used cross-referencing with internal HR or procurement systems (66.7%), while those in the Defence sector adopted a more diversified approach, employing surveys, internal-system cross-referencing, and project-management tracking.

Non-Employee Numbers Reported Using Headcount or FTE

CSG uses headcount as the basis for compiling non-employee data. The headcount is defined as the total number of individuals at the end of the reporting period.

S1-8

3.1.9. Collective Bargaining Coverage and Social Dialogue

Sustainability matters in Topical ESRS

This chapter relates to the sustainability matter:

- S1_SM_23: Workforce Management and Policy

Percentage of total employees covered by collective bargaining agreements

At the end of the reporting period, 35% of the total employees within CSG were covered by collective bargaining agreements. This percentage was calculated by dividing the number of employees covered by collective bargaining agreements by the total number of employees.

Percentage of own employees covered by collective bargaining agreements are within coverage rate by country with significant employment (in the EEA)

At the end of the reporting period, 41.1% of CSG's own employees in the Czech Republic and 59.2% in Slovakia, in countries within the European Economic Area (EEA) with significant employment, were covered by collective bargaining agreements. Significant employment is defined as having at least 50 employees by headcount, representing at least 10% of CSG's total number of employees. The percentage represents the overall share of employees covered by one or more collective bargaining agreements in each of these countries.

To determine the coverage rate, the total number of employees in Slovakia

and the Czech Republic was divided by the number of those covered by collective bargaining agreements. At the end of the reporting period, there were 5,665 employees in the Czech Republic and 1,701 in Slovakia.

Percentage of own employees covered by collective bargaining agreements (outside EEA) by region

At the end of the reporting period, 1.0% of CSG's own employees outside the European Economic Area (EEA) were covered by collective bargaining agreements. This percentage represents the overall share of employees covered by such agreements across the different regions where CSG operates outside the EEA. At the end of the reporting period, there were 38 employees in the United Kingdom, with a coverage rate of 100%.

Percentage of employees in country with significant employment (in the EEA) covered by workers' representatives

For the current reporting period, CSG has made its best efforts to collect data on the percentage of employees in countries with significant employment within the European Economic Area (EEA) covered by workers' representatives. However, due to limitations in ensuring the reliability of the col-

lected data, CSG is unable to report this information for this reporting period.

Disclosure of existence of any agreement with employees for representation by European Works Council (EWC), Societas Europaea (SE) Works Council, or Societas Cooperativa Europaea (SCE) Works Council

For the current reporting period, none of the companies within CSG have agreements in place with European Works Councils (EWC), Societas Europaea (SE) Works Councils, or Societas Cooperativa Europaea (SCE) Works Councils.

Collective bargaining coverage and social dialogue (Table ID 34)

Coverage Rate	Employees – EEA (for countries with >50 empl. representing >10% total empl.)	Employees – Non-EEA (estimate for regions with >50 empl. representing >10% total empl.)	Workplace representation (EEA only) (for countries with >50 empl. representing >10% total empl.)
0–19%	Slovakia		N/A
20–39%			N/A
40–59%	Czech Republic		N/A
60–79%			N/A
80–100%			N/A

S1-9

3.1.10. Diversity Metrics

Sustainability Matters in Topical ESRS

This chapter relates to these sustainability matters:

- S1_SM_18: Diversity and Inclusion
- S1_SM_23: Workforce Management and Policy

Gender Distribution in Number of Employees (Headcount) and Percentage in Top Management Level

Gender Distribution as Headcount and Percentage at Top Management Level (Table ID 35)

	Female	Male
Headcount	67	254
Percentage	21%	79%

Distribution of Employees (Headcount) by Age Group (Table ID 36)

	Under 30 Years Old	Between 30 and 50 Years Old	Over 50 Years Old	Not Reported
Headcount	2,128	6,455	3,941	330

"Not reported" refers to cases where employee age group data was not provided or categorized, meaning the individuals did not disclose their age or the information was unavailable at the time of reporting.

Disclosure of Own Definitions of Top Management Used

During the reporting period, the companies within CSG defined "top management" using a variety of criteria. The most common definition was

"senior executives and C-suite roles, such as CEO, CFO, and COO"; it was used by 67.9% of the companies. The definition "heads of departments or divisions" accounted for 15.1%, while 1.9% of the companies identified top management as "individuals one or

two levels below administrative and supervisory bodies." Additionally, 20.8% of the companies defined it as "all employees with decision-making authority at the organizational level."

S1-10

3.1.11. Adequate Wages

Sustainability Matters in Topical ESRS

This chapter relates to the sustainability matter:

- S1_SM_23: Workforce Management and Policy

Companies within CSG have indicated that they remunerate employees in accordance with applicable wage benchmarks in compliance with national legislation, and thus, all employees and non-employees are paid adequate wages in line with applicable benchmarks. CSG ensures that all employees across its countries of operation receive compensation aligned with applicable adequate-wage benchmarks, resulting in 0% of employees earning below this standard.

S1-11

3.1.12. Social Protection

Sustainability Matters in Topical ESRS

This chapter relates to the sustainability matter:

- S1_SM_21: Health and Safety

Social Protection Against Loss of Income Due to Sickness

At the end of the reporting period, 99.8% of the employees within CSG were covered by social protection, either through public programs or company-offered benefits, against loss of income due to sickness. The remaining 0.2%, representing 25 employees across the entire Group, are not covered in this regard. All employees not covered are located outside the European Economic Area (EEA).

Social Protection Against Loss of Income Due to Unemployment

At the end of the reporting period, 77.6% of the employees within CSG were covered by social protection, either through public programs or company-offered benefits, against loss of income due to unemployment starting from the commencement of their employment with the undertaking. The remaining 22.4% of employees, who are not covered, are all located outside the EEA.

Social Protection Against Loss of Income Due to Employment Injury and Acquired Disability

At the end of the reporting period, 100% of the employees within CSG were covered by social protection

against loss of income due to employment injury and acquired disability. This protection was provided through either public programs or benefits offered by the company.

Social Protection Against Loss of Income Due to Parental Leave

At the end of the reporting period, 72.4% of employees within CSG were covered by social protection against loss of income due to parental leave. This protection was provided through either public programs or benefits offered by the company. The remaining 27.6% of employees who were not covered are all located outside the EEA.

Social Protection Against Loss of Income Due to Retirement

At the end of the reporting period, 100% of employees within CSG were covered by social protection, either through public programs or benefits offered by the company, against loss of income due to retirement. All companies within the group confirmed that this protection is provided.

Types of Employees Who Are Not Covered by Social Protection

While CSG is able to report percentage and region data on employees who are not covered by the various social protections described, there is insufficient data available to disaggregate this information by type of employee for the current reporting period. As this is the first year of the

Consolidated Sustainability Statement, the disclosure is omitted in accordance with the phase-in provisions (see Annex 1: List of Phase-in ESRS Data Points in Accordance with Appendix C to ESRS 1). Efforts are underway to enhance data collection, and this information will be included in the next reporting cycle.

S1-12

3.1.13. Persons with Disabilities

Sustainability Matters in Topical ESRS

This chapter relates to the sustainability matter:

- S1_SM_18: Diversity and Inclusion

Percentage of Persons with Disabilities Among Employees

At the end of the reporting period, persons with disabilities represented 2.4% of the total employee workforce within CSG.

Contextual Information Necessary to Understand Data and How Data Has Been Compiled (for Persons with Disabilities)

The companies within CSG applied a variety of definitions and methodologies when compiling data related to persons with disabilities. The predominant approach was to use the definitions outlined in national legislation in each country of operation. Some entities applied the definition provided by the UN Convention on the Rights of Persons with Disabilities (CRPD), while others used a combination of legal and functional definitions tailored to specific operational con-

texts. A few companies adopted other definitions, including definitions aligned with internal diversity and inclusion policies. In terms of data collection methodologies, most of the companies relied on government-mandated reporting systems where applicable. Other commonly used methods included the leveraging of external certifications or government-recognized disability registries, the use of third-party assessments in line with country-specific definitions, and the conducting of self-identification surveys with optional disclosure by employees. In some cases, data was not collected due to legal or cultural restrictions in specific regions. It is a future ambition for CSG to unify the application of these definitions and methodologies across the Group to ensure consistency and comparability in reporting.

S1-13

3.1.14. Training and Skills Development Metrics

Sustainability Matters in Topical ESRS

This chapter relates to the sustainability matter:

— S1_SM_19: Employee Training and Development

Training and Skills-Development Indicators

While CSG has access to partial data on training and skills development, the available information does not provide sufficient clarity for the required gender breakdown. As a result, CSG is unable to disclose these indicators for the current reporting period. In line with its commitment to accurate and consistent reporting, CSG has chosen to withhold this disclosure until more comprehensive and reliable data has been secured. In accordance with phase-in provisions, this data has been omitted in this first year of the Consolidated Sustainability Statement (see Annex 1: List of Phase-in ESRS Data Points in Accordance with Appendix C to ESRS 1). CSG is working to enhance data collection processes, and this information will be incorporated in next

year’s Consolidated Sustainability Statement.

Percentage of Employees That Participated in Regular Performance and Career Development Reviews

While some data is available, CSG cannot provide a definitive percentage for this reporting period. This is due to the absence of a unified definition of performance and career development reviews across the group. In line with applicable reporting provisions, this disclosure has been omitted in this first year of the Consolidated Sustainability Statement. Consequently, to maintain reporting accuracy and consistency, CSG has opted not to disclose this information for the current reporting period.

Average Number of Training Hours by Gender and per Person

Although partial data exists, CSG is unable to disclose the average number of training hours by gender and per employee for this reporting period. In accordance with phase-in provisions, data on the average number of training hours by gender and average number of training hours per person has been omitted in this first year of the Consolidated Sustainability Statement (see Annex 1: List of Phase-in ESRS Data Points in Accordance with Appendix C to ESRS 1). CSG is working to enhance data collection processes, and this information will be incorporated in next year’s Consolidated Sustainability Statement.

S1-14

3.1.15. Health and Safety Metrics

Sustainability Matters in Topical ESRS

This chapter relates to the sustainability matter:

— S1_SM_21: Health and Safety

Percentage of People in Own Workforce Who Are Covered by Health and Safety Management System Based on Legal Requirements and (or) Recognized Standards or Guidelines

CSG confirms that 100% of its own workforce is covered by a health and safety management system. These systems are implemented in accordance with applicable legal requirements and recognized standards or guidelines, ensuring a consistent

approach to health and safety management across all group operations.

Number of Fatalities in Own Workforce as Result of Work-Related Injuries and Work-Related Ill Health

During the reporting period, there were no fatalities in CSG’s own workforce resulting from work-related injuries or work-related ill health.

Number of Fatalities as Result of Work-Related Injuries and Work-Related Ill Health of Other Workers Working on Undertaking’s Sites

During the reporting period, there were no fatalities among other workers operating on CSG’s sites due to work-related injuries or ill health.

Number of Recordable Work-Related Accidents

During the reporting period, CSG recorded a total of 323 work-related accidents across its operations. Large companies within the Group accounted for 281 cases, while medium and small companies reported 38 and 4 cases respectively. Sector-specific data indicates that the Defence sector reported the highest number of cases, with 193 incidents, followed by Metal Processing with 47 cases and Rolling Stock with 35 cases. The Aerospace and Automotive sectors recorded 19 and 25 cases respectively. The Professional & Commercial Services and Health Care sectors each experienced 2 work-related accidents, and the other sectors, including Software, Textiles, Wholesale & Retail Trade, and Apparels, Footwear, & Accessories, reported no work-related accidents during this period.

Definition of Work-Related Accidents

CSG defines a work-related accident as an incident causing injury or ill health due to workplace hazards or work-related activities, including travel and remote work when directly tied to job tasks. It excludes medical events unrelated to work, personal commuting injuries (unless employer-organized), and health conditions from lifestyle factors. Occupational diseases

are classified as work-related ill health but not as work-related injuries. As CSG operates across multiple jurisdictions, this definition is not based on national legislation in any specific country, and its approach may be further refined in future reporting cycles.

Rate of Recordable Work-Related Accidents

At the end of the reporting period, CSG recorded a rate of 16.36 work-related accidents per one million hours worked. This calculation follows the prescribed methodology, which requires the total number of hours worked by the workforce to determine the rate.

Number of Cases of Recordable Work-Related Ill Health

During the reporting period, CSG recorded 43 cases of work-related ill health within its own workforce. These cases were documented in line with local legal obligations to ensure consistency across all Group companies.

Definition of Work-Related Ill Health

CSG defines work-related ill health as acute, recurring, or chronic conditions caused or worsened by workplace conditions, including musculoskeletal disorders, respiratory diseases, occupational cancers, and mental illnesses linked to work factors. Since this definition applies internationally, it does not adhere to any single country’s legal framework, and adjustments may be considered in future reporting cycles.

Number of Days Lost to Work-Related Injuries and Fatalities from Work-Related Accidents, Work-Related Ill Health and Fatalities from Ill Health

A total of 7,818 days were lost across CSG’s operations due to work-related injuries, work-related ill health, and fatalities resulting from ill health during the reporting period.

S1-15

3.1.16. Work-Life Balance Metrics

Sustainability Matters in Topical ESRS

This chapter relates to the sustainability matter:

- S1_SM_23: Workforce Management and Policy

Percentage of Employees Entitled to Take Family-Related Leave

At the end of the reporting period, 85.7% of employees within CSG were entitled to take family-related leave in accordance with applicable regulations and company policies.

Percentage of Entitled Employees That Took Family-Related Leave

Of the employees entitled to family-related leave, 3.3% exercised this entitlement during this reporting period.

In accordance with phase-in provisions, data on the percentage of entitled employees who took family-

ly-related leave by gender has been omitted in this first year of the Consolidated Sustainability Statement (see Annex 1: List of Phase-in ESRS Data Points in Accordance with Appendix C to ESRS 1). CSG is working to enhance data collection processes, and this information will be incorporated in next year’s Consolidated Sustainability Statement.

S1-16

3.1.17. Remuneration Metrics (Pay Gap and Total Remuneration)

Sustainability Matters in Topical ESRS

This chapter relates to these sustainability matters:

- S1_SM_18: Diversity and Inclusion
- S1_SM_23: Workforce Management and Policy

Gender Pay Gap

The gender pay gap within CSG for the reporting period was 24.7%. This figure was calculated using the pre-defined methodology, which requires the inclusion of all employees’ gross hourly pay levels. The gender pay gap is calculated by subtracting the average gross hourly pay level of female employees from that of male employees, dividing the result by the average gross hourly pay level of male employees, and multiplying by 100.

To determine the Group-level figure, the average gross hourly pay gap was first calculated individually for each company within CSG. Subsequently, these company-level averages were consolidated by calculating the overall average across all of CSG’s companies, resulting in a single figure representing the gender pay gap at the Group level.

Annual Remuneration Ratio

The annual remuneration ratio within CSG for the reporting period is 6.89:1. This ratio was calculated using the inclusion of all employees and considers total annual remuneration, including base salary, benefits in cash, benefits in kind, and the total fair value of long-term incentives such as stock options and performance shares.

The ratio was determined by dividing the total annual remuneration of the

undertaking’s highest-paid individual by the median annual total remuneration of all employees, excluding the highest-paid individual. To arrive at the Group-level figure, the ratio was first calculated individually for each company within CSG. Subsequently, these company-level ratios were consolidated by calculating the average across all companies, resulting in a single Group-wide ratio of 6.89:1.

Contextual Information Necessary to Understand Data, How Data Has Been Compiled and Other Changes to Underlying Data That Are to Be Considered

During the reporting period, the companies within CSG used a range of methodologies to compile employee data. The most frequently

applied method was the use of HR records and systems; it was chosen by 79.3% of the companies. Employee self-identification was used by 15.1% of the companies, while 9.4% relied on a combination of methods. Additionally, 13.2% of the companies reported using other methods.

S1-17

3.1.18. Incidents, Complaints, and Severe Human Rights Impacts

Sustainability Matters in Topical ESRS

This chapter relates to these sustainability matters:

- S1_SM_20: Grievance and Compliance
- S1_SM_22: Human Rights and Non-Discrimination

Number of Incidents of Discrimination

During the reporting period, CSG recorded three incidents of discrimination within its operations, all of which occurred in the United States.

Number of Complaints Filed Through Channels for People to Raise Concerns

A total of 64 complaints were filed through designated internal channels by employees within CSG’s workforce during the reporting period.

Number of Complaints Filed to National Contact Points for OECD Multinational Enterprises

Two complaints related to CSG’s operations were filed with National Contact Points for OECD Multinational Enterprises.

Total Amount of Fines, Penalties, and Compensation for Damages as Result of Incidents and Complaints

The total fines, penalties, and compensation for damages resulting from the reported incidents and complaints during the reporting period amounted to €41,003.57. This amount was logged in the financial statements under a single cost centre within the respective company’s accounting records, ensuring clear financial tracking and reconciliation.

Contextual Information Necessary to Understand Data and How Data Has Been Compiled

CSG does not currently have sufficient contextual information available to provide a comprehensive understanding of how data related to incidents, complaints, and severe human rights

impacts has been compiled. Efforts will be made to enhance data collection processes so as to enable more detailed reporting in future periods.

Number of Severe Human Rights Incidents

CSG confirms that no severe human rights incidents connected to its own workforce were recorded during this reporting period.

Number of Severe Human Rights Incidents Connected to Own Workforce That Are Non-respect of Un Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises

No incidents of non-respect related to the UN Guiding Principles on Business

and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises were reported during the reporting period.

Total Amount of Fines, Penalties, and Compensation for Damages for Severe Human Rights Incidents

No fines, penalties, or compensation for damages were recorded in connection with severe human rights incidents within CSG’s own workforce.

3.2. Affected Communities

Sustainability Matters in Topical ESRS

List of sustainability topics that are material for chapter 3.2. Affected Communities (Table ID 37)

Sustainability Matter	Main Areas of Concern (IROs)
S3_SM_29 Community Engagement	Maintaining continuous engagement and open dialogue with local communities strengthens relationships, reduces the risk of social unrest, and helps align business practices with community expectations. Lack of proper engagement may lead to long-term reputational harm.
S3_SM_30 Community Grievance and Compliance	Effective grievance mechanisms and compliance practices foster improved community relations and increase local support. Failure to address community concerns may result in loss of trust, persistent conflicts, and potential decreases in sales and market support.
S3_SM_31 Community Management and Policy	Establishing clear and consistent community management policies ensures smooth community relations and regulatory alignment. Poor policy implementation can lead to dissatisfaction among communities, resulting in reputational damage.



S3.SBM-3

3.2.1. General Disclosures Related to Affected Communities

Sustainability Matters in Topical ESRS

This chapter relates to these sustainability matters:

- S3_SM_29: Community Engagement
- S3_SM_30: Community Grievance and Compliance
- S3_SM_31: Community Management and Policy

All Affected Communities That Can Be Materially Impacted by Undertaking Are Included in Scope of Disclosure Under ESRS 2

CSG acknowledges that while a general approach has been applied in identifying affected communities likely to be materially impacted by its operations, value chain, products, services, and business relationships, not all affected communities have been comprehensively included in the current scope of disclosure under ESRS 2. CSG’s assessment was conducted based on the available data, and it prioritized key areas of impact, risk, and opportunity, focusing on engagement, grievance mechanisms, compliance risks, and policy implementation. CSG is currently engaging in efforts to enhance the identification process and expand coverage to ensure a more complete representation of materially affected communities in future reporting cycles.

Description of Types of Affected Communities Subject to Material Impacts and Types of Communities Subject to Material Impacts by Own Operations or Through Value Chain

CSG has applied a general approach to assessing affected communities but

has not identified specific communities subject to material impacts at this stage. However, CSG acknowledges that its operations and downstream activities influence community relations, stakeholder trust, and potential conflicts. The assessment highlights that community engagement plays a crucial role in shaping these interactions, with positive effects observed in strengthened relationships and trust, while potential risks include resistance to company activities and social unrest due to a lack of engagement.

In the area of grievance and compliance, the undertaking recognizes that community conflicts may arise, with reputational risks associated with unresolved grievances. At the same time, there are opportunities to enhance governance and compliance by establishing transparent and accessible grievance-handling mechanisms that support long-term stability and trust in affected areas.

The identification of specific communities remains an area for further development. Future steps may involve refining data-collection methodologies, conducting targeted stakeholder consultations, and improving impact mapping to enhance the precision of disclosures under this chapter.

Description of Material Risks and Opportunities

Arising from Impacts and Dependencies on Affected Communities

CSG acknowledges that its downstream activities present both material risks and opportunities arising from its interactions with affected communities. Risks primarily stem from potential resistance to company activities, which could lead to social unrest, legal challenges, and reputational damage. A lack of effective engagement or policy implementation may exacerbate grievances within communities, resulting in conflicts, loss of trust, and decreased stakeholder support. Unresolved issues could further escalate over the long term, negatively impacting CSG’s social license to operate and contributing to operational disruptions and declining business performance.

Conversely, opportunities exist for CSG to strengthen relationships with communities through proactive engagement, continuous dialogue, and the establishment of transparent grievance mechanisms. Implementing structured communication plans and governance frameworks can help mitigate risks while enhancing trust and cooperation. Additionally, a well-managed approach to community engagement and compliance can lead to increased brand appreciation, long-term social acceptance, and

improved business sustainability. By fostering inclusive policies and responding effectively to community concerns, CSG can reinforce its positive impact and secure stable, long-term relationships with stakeholders.

Disclosure of Whether and How the Undertaking Has Developed an Understanding of How Affected Communities with Particular Characteristics, Those Living in Particular Contexts, or Those Undertaking Particular Activities, May Be at Greater Risk of Harm

CSG has not yet developed an understanding of how affected communities with particular characteristics, those living in specific contexts, or those undertaking particular activities may be at greater risk of harm. At this stage,

CSG has applied a general approach to assessing community-related risks and opportunities but has not conducted a detailed evaluation of varying levels of vulnerability among different groups. As a result, there is currently no structured assessment in place to determine whether certain communities are more exposed to harm due to their socio-economic conditions, geographic location, or engagement in specific activities.

Disclosure of Which of Material Risks and Opportunities Arising from Impacts and Dependencies on Affected Communities Are Impacts on Specific Groups

As CSG has not yet developed an understanding of how particular characteristics, contexts, or activities may increase the risk of harm to certain

community groups, there is currently no structured assessment that distinguishes among its impacts on different segments of the population.

While CSG recognizes that its downstream activities may lead to risks such as community resistance, social unrest, and loss of trust, as well as opportunities like enhanced stakeholder relationships and improved grievance mechanisms, these impacts have not been disaggregated by specific community groups. Future efforts to refine data collection and stakeholder engagement may provide greater clarity on which populations are most affected, allowing for a more targeted and inclusive approach to managing community-related risks and opportunities.

S3-1

3.2.2. Policies Related to Affected Communities

Sustainability Matters in Topical ESRS

This chapter relates to these sustainability matters:

- S3_SM_29: Community Engagement
- S3_SM_30: Community Grievance and Compliance
- S3_SM_31: Community Management and Policy

Disclosure of Policies Adopted to Manage Material Impacts, Risks, and Opportunities Related to Affected Communities (including Minimum Disclosure Requirements)

CSG’s Compliance Policy and Code of Ethics serve as the foundations of its governance framework and are mandatory for all companies within the Group. These policies establish the principles of ethical conduct,

legal compliance, and corporate integrity, guiding the organization’s business practices and decision-making processes. As part of CSG’s governance structure, the Compliance Program ensures clear and accessible channels for raising concerns, reinforcing transparency and accountability across all of CSG’s operations.

The scope of these policies is comprehensive, applying to all entities within the Group without exception.

While the Compliance Program extends to external stakeholders, including affected communities, its primary focus is on ethical business conduct rather than a dedicated human rights policy framework. Consequently, while engagement with affected communities is recognized within the ethics framework, it is not explicitly structured through a human-rights-centric approach.

At the highest level of corporate oversight, the CSG’s Board of Directors (or

an equivalent governing body within CSG) holds ultimate responsibility for the implementation and enforcement of the Compliance Program. This ensures that compliance and ethical considerations remain integrated into strategic decision-making and governance.

CSG’s Compliance Program also incorporates third-party standards to reinforce its integrity framework. Specifically, the Group implements an anti-corruption program in cooperation with the Czech branch of Transparency International. Additionally, the Ethics Line—a critical mechanism within CSG’s compliance system—is operated in the framework of the Group’s anti-corruption and anti-bribery policy, ensuring adherence to internationally recognized ethical standards.

Given CSG’s large-scale, internationally diverse operations, there is no standardized group-wide process for direct stakeholder consultation when formulating policies. Instead, to ensure consistency and credibility, CSG’s Compliance Program is structured around the Transparency International Framework. While this approach does not replace direct stakeholder engagement, it has been deemed effective in addressing relevant sustainability concerns. Given the limited material negative impacts observed in this area, CSG currently sees no immediate need to revise the framework, as it continues to meet corporate governance and sustainability objectives.

To ensure policy accessibility and transparency, CSG’s Code of Ethics and other governance policies are publicly available on the company’s website. Additionally, the Ethics Line, a key component of the compliance framework, is accessible to both internal and external stakeholders, including affected communities. This ensures that all relevant parties have the necessary resources to report

concerns, seek guidance, and engage with CSG’s compliance mechanisms.

CSG has conducted an assessment of the sustainability matter “S1_SM_28: Indigenous Peoples and Human Rights” and determined that it is non-material across all sectors of the Group. Consequently, the company does not have specific policy provisions dedicated to preventing or addressing impacts on indigenous peoples. Similarly, CSG has not established formal human rights policy commitments that are specific to affected communities, nor does it have a defined Group-wide approach to ensuring the respect and protection of the human rights of communities, including indigenous peoples.

Despite the absence of a unified Group strategy in this area, companies within CSG’s portfolio that have identified this matter as material do engage in proactive collaboration with local stakeholders. These companies work closely with educational institutions, government agencies, and community organizations to support initiatives that foster technical training, hands-on learning opportunities, and broader community development. Additionally, these companies contribute to local infrastructure projects and participate in regional community events that enhance social and economic growth. While these efforts are not consolidated into a single framework, CSG ensures consistency across its operations through company-wide ethics and whistleblowing mechanisms, which provide a secure and transparent channel for affected communities to voice concerns and report potential issues.

In terms of remediation measures for human-rights impacts, CSG does not currently have specific mechanisms or formalized commitments in place to address human-rights-related grievances from affected communities. However, the Group recognizes the

evolving regulatory landscape and is committed to evaluating and refining its approach to human rights governance. The potential development of targeted policies and remediation frameworks will be considered as part of CSG’s ongoing commitment to responsible business practices.

Regarding the alignment of policies with internationally recognized human rights instruments, CSG does not currently maintain policies that specifically address adherence to frameworks such as the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises. The Group is continuing its efforts to assess the relevance and applicability of these standards and will consider their integration into corporate policies where appropriate.

At present, CSG does not systematically track or report cases of non-compliance with the aforementioned international human rights frameworks as they relate to affected communities within its operations or value chain. Recognizing the importance of robust monitoring and due diligence, CSG is currently reviewing its internal processes to enhance tracking, reporting, and compliance mechanisms in alignment with emerging regulatory expectations and industry best practices.

S3-2

3.2.3. Processes for Engaging with Affected Communities About Impacts

Sustainability Matters in Topical ESRS

This chapter relates to the sustainability matter:

- S3_SM_29: Community Engagement

Disclosure of Whether and How Perspectives of Affected Communities Inform Decisions or Activities Aimed at Managing Actual and Potential Impacts

To date, the perspectives of affected communities have not been incorporated into CSG’s assessment of actual

and potential impacts within the relevant sectors. Consequently, no specific decisions or activities have been conducted in collaboration with these communities. This was primarily due to the prioritization of other stakeholder groups during the 2024 validation process for the impacts, risks, and opportunities (IROs) assessment. As a result, CSG will not be reporting on

affected communities for this reporting period. However, as it recognizes affected communities as a key stakeholder group identified during the stakeholder analysis, CSG is committed to engaging them in future impact assessments and decision-making processes to ensure a more inclusive and comprehensive approach.

S3-3

3.2.4. Processes to Remediate Negative Impacts and Channels for Affected Communities to Raise Concerns

Sustainability Matters in Topical ESRS

This chapter relates to these sustainability matters:

- S3_SM_29: Community Engagement
- S3_SM_30: Community Grievance and Compliance

Disclosure of General Approach to and Processes for Providing or Contributing to Remedy When Undertaking Has Identified That It Is Connected with a Material Negative Impact on Affected Communities

Although a material negative impact related to affected communities has

been identified within one company in the Group, CSG currently does not provide or contribute to specific remedy mechanisms. This is primarily because the affected communities have not yet been involved in the assessment of impacts, risks, and opportunities (IROs). While acknowledging the relevance of this identified impact, CSG considers it a low prior-

ity at this stage, because the company has an established, company-wide whistleblowing and ethics hotline, aptly named the Ethics Line, that is accessible to external stakeholders, including affected communities, thus providing them with a mechanism for raising concerns until a more comprehensive approach is developed.

Disclosure of Specific Channels in Place for Affected Communities to Raise Concerns or Needs Directly with Undertaking and Have Them Addressed

CSG has a comprehensive compliance program in place that outlines the Group’s approach to ethics and integrity, including mechanisms for raising concerns. This program details the availability of the company-wide Ethics Line, which are accessible to both internal and external stakeholders, including affected communities.

Disclosure of Processes Through Which Undertaking Supports or Requires Availability of Channels

CSG ensures maximum transparency and accessibility by providing unrestricted access to its Ethics Line for all stakeholders, both internal and external to the organization. This comprehensive reporting channel is designed to facilitate the secure and confidential submission of complaints and concerns through multiple formats, including online platforms, telephone communication, and email correspondence, thereby supporting a robust and responsive compliance framework.

Disclosure of How Issues Raised and Addressed Are Tracked and Monitored and How Effectiveness of Channels Is Ensured

Issues raised through CSG’s Ethics Line are tracked and monitored using the same approach applied to all concerns submitted via this channel. Each such case is managed on an individual basis, as a unified approach to handling such matters has not yet been established. For the 2024 reporting period, no such instances were reported.

Disclosure of Whether and How It Is Assessed That Affected Communities Are Aware of and Trust Structures or Processes as Way to Raise Their Concerns or Needs and Have Them Addressed

No formal assessment has been conducted to determine whether affected communities are aware of and trust the structures or processes in place to raise their concerns or needs. However, CSG’s Ethics Line is publicly available online and accessible to all stakeholders, including affected communities, providing an open channel for submitting concerns.

Policies Regarding Protection Against Retaliation for Individuals That Use Channels to Raise Concerns or Needs Are in Place

CSG has established robust policies to protect individuals, including affected communities, from retaliation when using available channels to raise concerns or needs. In line with the Group’s Whistleblowing Policy, CSG maintains a zero-tolerance approach to any form of retaliation against whistleblowers or other protected persons. Protections extend to individuals who report concerns to relevant public authorities in accordance with applicable national laws or European Union regulations. All allegations of retaliation are treated with the utmost seriousness and are managed consistently across the Group. Suspicions of retaliation can be reported through CSG’s internal information system using the designated contacts provided in the Whistleblowing Policy.

S3-4

3.2.5. Taking Action on Material Impacts on Affected Communities

Sustainability Matters in Topical ESRS

This chapter relates to these sustainability matters:

- S3_SM_29: Community Engagement
- S3_SM_30: Community Grievance and Compliance
- S3_SM_31: Community Management and Policy

Minimum Disclosure Requirement – Actions and Resources in Relation to Affected Communities

Compliance Program

CSG’s approach to managing matters related to affected communities is primarily guided by its established Compliance Program. Since the implementation of the Compliance Program, no additional follow-up actions have been required on a regular basis, as the framework has proven sufficient for addressing stakeholder concerns. This program is managed internally by the Compliance Department, ensuring consistent oversight and adherence to ethical standards.

Group Policy Framework

As part of the planned Group Policy Framework, CSG intends to replace its existing Compliance Program with a comprehensive framework that will enhance governance and accountability across its operations. This framework—the new Compliance Policy—will include dedicated provisions addressing the company’s interactions with affected communities. Specifically, it will incorporate the Code of Ethics, Whistleblowing Policy, and Ethics Line, which will provide structured mechanisms for community engagement, ethical conduct, and grievance han-

dling. The aim is to establish clear processes for identifying, managing, and mitigating risks related to CSG’s impact on affected communities while ensuring transparency and corporate responsibility. The timeline for adopting the Compliance Policy is set for 2025.

The implementation of the unified Compliance Policy does not require significant operational (OpEx) or capital (CapEx) expenditures. Currently, no specific actions have been taken to provide remedies for those harmed by actual material impacts.

Further Information on Actions and Resources in Relation to Affected Communities

CSG has not yet implemented a structured group-wide approach or allocated dedicated resources for managing impacts on affected communities. While one of CSG’s automotive companies in the Czech Republic has made the most progress in this area, the lack of a standardized framework prevents CSG from providing disclosures on key aspects, including actions taken or planned to mitigate or remediate material negative impacts, efforts to enable remedies, and initiatives aimed at delivering positive outcomes for affected communities.

Additionally, CSG cannot currently report on the tracking and assessment of effectiveness, processes for identifying appropriate actions, approaches to ensuring access to remedy, or planned efforts to mitigate risks and pursue opportunities related to affected communities. Furthermore, the company is unable to disclose whether and how it ensures that its practices do not cause or contribute to material negative impacts, severe human rights issues connected to affected communities, or resources allocated to managing material impacts. However, CSG recognizes the importance of these areas and is committed to further developing a standardized approach to enhance future disclosures.

S3-5

3.2.6. Targets Related to Affected Communities

Sustainability Matters in Topical ESRS

This chapter relates to these sustainability matters:

- S3_SM_29: Community Engagement
- S3_SM_30: Community Grievance and Compliance
- S3_SM_31: Community Management and Policy

Minimum Disclosure Requirement – Targets Related to Affected Communities

CSG has not yet set measurable outcome-oriented targets related to affected communities. At this stage, the focus remains on establishing a robust data foundation and enhancing internal processes for sustainability reporting, which are essential prerequisites for defining meaningful and achievable targets. While a specific timeline for setting such targets has not yet been determined, CSG anticipates that target-setting efforts will be developed in alignment with the Group Policy Framework within the next three years.

Despite the absence of formalized targets, CSG monitors the effectiveness of its policies and actions as described in chapter 3.2.5. (Taking Action on Material Impacts on Affected Communities) of this Consolidated Sustainability Statement. As part of its ongoing sustainability strategy, CSG aims to refine quantitative and qualitative indicators in the future to measure its social impact more effectively.

Further Information on Targets in Relation to Affected Communities

Since CSG has not yet established measurable outcome-oriented targets related to affected communities, there are currently no specific targets in place addressing the prevention and mitigation of potential negative impacts on community well-being, engagement practices, or social development initiatives.



3.3. Consumers and End-users

Sustainability Matters in Topical ESRS

List of sustainability topics that are material for chapter 3.3. Consumers and End-users (Table ID 38)

Sustainability Matter	Main Areas of Concern (IROs)
S4_SM_32 Consumer Rights and Human Rights	Strong commitments to consumer and human rights strengthen consumer trust and attract ethically conscious customers and investors. Failure to uphold these rights may result in reputational damage and legal challenges.
S4_SM_33: Consumer Engagement	Meaningful consumer engagement fosters community-building and loyalty. Strategic and efficient planning of consumer engagement campaigns ensures resources are allocated effectively.
S4_SM_34 Consumer Grievance and Compliance	Effective grievance mechanisms support consumer trust, enhance compliance with legal frameworks, and streamline complaint resolution processes. Poorly managed mechanisms risk legal penalties, operational inefficiencies, and reduced market trust due to unresolved complaints.
S4_SM_35 Consumer Management and Policy	Clear and proactive consumer management policies foster consumer loyalty, brand reputation, and compliance with global standards. Unclear or mismanaged policies may result in customer dissatisfaction, conflicts, and negative media coverage impacting market position.

S4.SBM-3

3.3.1. General Disclosures Related to Consumers and End-Users

Sustainability Matters in Topical ESRS

This chapter relates to these sustainability matters:

- S4_SM_32: Consumer Rights and Human Rights
- S4_SM_33: Consumer Engagement
- S4_SM_34: Consumer Grievance and Compliance
- S4_SM_35: Consumer Management and Policy

All Consumers and End-Users Who Can Be Materially Impacted by Undertaking Are Included in Scope of Disclosure Under ESRS 2

CSG has applied a general approach to assessing consumers and end-users who may be materially impacted by its operations, but it has not yet comprehensively included all such groups in the scope of its disclosure under ESRS 2. The assessment con-

siders key areas related to consumer rights, engagement, grievance mechanisms, and management policies, highlighting both actual and potential risks and opportunities.

CSG recognizes the importance of consumer trust and strong commitments to human rights in fostering long-term relationships; however, reputational risks, such as allegations of human rights violations, remain a concern. Additionally, consumer

engagement strategies present both opportunities for brand advocacy and risks related to operational difficulties and cost inefficiencies. The effectiveness of grievance mechanisms plays a significant role in shaping consumer trust, but non-compliance with consumer rights regulations may lead to legal penalties. Consumer management policies also influence brand reputation, with potential risks arising from unclear policies or ineffective impact management.

Due to the lack of a standardized framework, CSG is currently unable to confirm that all materially impacted consumers and end-users are included in the disclosure scope, and it will work toward refining its assessment process in the future.

Description of Types of Consumers and End-Users Subject to Material Impacts and Types of Consumers and End-Users Subject to Material Impacts by Own Operations or Through Value Chain

CSG has not yet developed a structured approach to categorizing the types of consumers and end-users subject to material impacts from its operations or value chain. While CSG acknowledges that its activities influence consumer rights, engagement, grievance handling, and management policies, a comprehensive segmentation of impacted consumer groups has not been conducted.

Due to the absence of a standardized assessment framework, CSG is unable to provide a description of the types of consumers and end-users subject to material impacts or specify whether these impacts arise from its own operations or through its value chain. The current analysis highlights general risks and opportunities related to consumer trust, reputation, engagement strategies, and regulatory compliance, but it does not distinguish between different consumer segments or assess variations in exposure to material impacts.

Recognizing the importance of these disclosures, CSG aims to refine its data collection and assessment processes so as to improve the identification of consumer groups that may be disproportionately affected. Future efforts will focus on defining clear criteria for evaluating consumer impacts across different business segments and value chain interactions.

Description of Material Risks and Opportunities Arising from Impacts and Dependencies on Consumers and End-Users

CSG acknowledges that its interactions with consumers and end-users present both material risks and opportunities, primarily arising from its impacts on consumer rights, engagement, grievance mechanisms, and policy management. One key opportunity lies in strengthening consumer trust and brand reputation through strong commitments to human rights, ethical business practices, and compliance with consumer protection regulations. Ethical leadership and effective grievance mechanisms can enhance CSG's market position, attract ethically conscious consumers, and foster long-term brand loyalty. Additionally, smartly designed consumer engagement strategies can improve operational efficiency, ensuring that resources are allocated effectively while targeting the right audience.

However, significant risks remain. Allegations of human rights violations or failures in consumer rights protection could result in reputational damage, consumer boycotts, and long-term loss of trust. The company also faces strategic and market-related risks associated with consumer-engagement initiatives, including high operational costs and unrealistic expectations that may lead to inefficiencies if not properly managed. Furthermore, ineffective grievance mechanisms and non-compliance with consumer protection laws could expose CSG to legal actions, fines, and penalties, particularly in jurisdictions with stringent regulations. While these risks have been identified, they are considered to have a low likelihood of occurrence and did not register high severity scores during the assessment process. As a result, they have been classified as a lower priority relative to other identified material impacts, risks, and opportunities (IROs).

Consumer management policies also play a critical role, as unclear or poorly communicated policies may lead to consumer distrust and brand damage, while ineffective impact management could result in conflicts or negative media coverage. However, aligning consumer policies with international standards presents an opportunity to enhance brand reputation and appeal to ethically conscious customers.

CSG recognizes the importance of addressing these material risks and opportunities and is committed to refining its compliance frameworks, consumer engagement strategies, and grievance-handling mechanisms to mitigate risks and maximize positive outcomes in the future.

Disclosure of Whether and How an Understanding of How Consumers and End-Users with Particular Characteristics, Working in Particular Contexts, or Undertaking Particular Activities May Be at Greater Risk of Harm Has Been Developed

CSG has not yet developed an understanding of how consumers and end-users with particular characteristics, working in specific contexts, or undertaking particular activities may be at greater risk of harm. At this stage, the company has applied a general approach to assessing consumer-related risks and opportunities but has not conducted a detailed evaluation of the varying levels of vulnerability among different consumer segments. As a result, there is currently no structured assessment in place to determine whether certain consumer groups are more exposed to harm due to their socio-economic conditions, geographic location, or their usage of specific products or services.

Disclosure of Which of Material Risks and Opportunities Arising from Impacts and Dependencies on Consumers and End-Users Are Impacts on Specific Groups

CSG has not yet identified specific groups of consumers and end-users that are subject to material risks and opportunities arising from its impacts and dependencies. Since the com-

pany has not developed an understanding of how particular characteristics, contexts, or activities may increase the risk of harm for different consumer segments, there is currently no structured assessment distinguishing between the effects on specific groups.

While CSG recognizes that consumer trust, grievance mechanisms, compliance with consumer rights, and

engagement strategies present both risks and opportunities, these impacts have not been categorized by consumer demographics or market segments. Future efforts will focus on refining data collection and stakeholder engagement so as to improve the identification of the consumer groups most affected, allowing for a more targeted and inclusive approach to managing consumer-related risks and opportunities.

S4-1

3.3.2. Policies Related to Consumers and End-Users

Sustainability Matters in Topical ESRS

This chapter relates to these sustainability matters:

- S4_SM_32: Consumer Rights and Human Rights
- S4_SM_33: Consumer Engagement
- S4_SM_34: Consumer Grievance and Compliance
- S4_SM_35: Consumer Management and Policy

Disclosure of Policies Adopted to Manage Material Impacts, Risks and Opportunities Related to Consumers and End-Users (Including Minimum Disclosure Requirements)

CSG has not yet adopted formal policies or official documents specifically addressing the management of material impacts, risks, and opportunities related to consumers and end-users. While principles of ethical business conduct, compliance, and governance are embedded within the company’s broader framework, there is currently no structured policy dedicated to consumer rights, engagement, grievance handling, or product responsibility. This is primarily due to CSG’s strategic focus on other governance and compliance priorities, with consumer-related considerations being managed through

general regulatory and ethical business practices rather than dedicated policies. While consumer trust, engagement, and compliance risks are recognized as important, they have not yet been addressed through a structured policy approach.

Recognizing the growing significance of consumer-related governance, CSG aims to integrate these considerations into its corporate framework within the next three years. The company is currently assessing the most effective way to incorporate consumer-related policies into its existing governance structure, ensuring alignment with regulatory requirements and best practices.

As CSG has not yet adopted formal policies specifically addressing material impacts, risks, and opportunities

related to consumers and end-users, the company is currently unable to provide detailed disclosures on several key aspects of consumer-related governance. The absence of a structured policy framework means that consumer-related considerations are managed within broader compliance and ethical business practices rather than through dedicated policies, resulting in a lack of standardized governance mechanisms in this area.

Due to this, CSG is unable to disclose policies to manage material impacts, risks, and opportunities related to affected consumers and end-users, whether for specific consumer groups or for all consumers and end-users. Without a formalized approach, CSG is also unable to provide a description of relevant human rights policy commitments specific to consumers and/or

end-users, as these considerations are not currently addressed through a distinct human-rights-focused policy.

Additionally, the lack of a structured framework prevents CSG from outlining a general approach to respecting the human rights of consumers and end-users or from providing a general approach to engagement with consumers and/or end-users. While consumer trust and ethical business conduct are recognized as important, there is no dedicated policy governing these interactions or establishing clear engagement mechanisms.

S4-2

3.3.3. Processes for Engaging with Consumers and End-Users About Impacts

Sustainability Matters in Topical ESRS

This chapter relates to the sustainability matter:

- S4_SM_33: Consumer Engagement

Disclosure of Whether and How Perspectives of Consumers and End-Users Inform Decisions or Activities Aimed At Managing Actual and Potential Impacts

To date, the perspectives of consumers and end-users have not been incorporated into the assessment of actual and potential impacts within the relevant sectors. Consequently, no specific decisions or activities have been conducted in collaboration with these stakeholder groups. This has primarily been due to the prioritization of other governance and compliance initiatives, which have taken precedence over consumer-specific policy development. As a result, CSG will not be reporting on consumer and end-

Similarly, as CSG has not yet implemented structured measures related to providing or enabling remedies for human rights impacts on consumers and end-users, the company is unable to disclose a formalized approach in this area. Furthermore, as policies have not been developed to specifically address consumer-related governance, CSG is unable to confirm whether and how its policies align with relevant internationally recognized instruments, such as the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises.

Given the absence of a dedicated policy framework, CSG is also unable to report on the extent and nature of cases involving failures to respect these international principles and guidelines in relation to consumers and/or end-users. The company acknowledges the importance of these aspects and is committed to evaluating its governance structures to determine how best to integrate consumer-related policies into its broader compliance and risk management framework in the future.

S4-3

3.3.4. Processes to Remediate Negative Impacts and Channels for Consumers and End-Users to Raise Concerns

Sustainability Matters in Topical ESRS

This chapter relates to these sustainability matters:

- S4_SM_34: Consumer Grievance and Compliance
- S1_SM_20: Grievance and Compliance

Disclosure of General Approach to and Processes for Providing or Contributing to Remedies Where Undertaking Has Identified That It Is Connected with a Material Negative Impact on Consumers and End-Users

Although one material negative impact related to consumer trust and brand reputation has been identified, CSG currently does not provide or contribute to specific remedy mechanisms for consumers and end-users. This is primarily because consumer and end-user perspectives have not yet been integrated into the assessment of impacts, risks, and opportunities (IROs). While acknowledging the relevance of this identified impact, CSG considers it a low priority at this stage, because the company has an established, company-wide whistleblowing and ethics hotline, known as the Ethics Line, which is accessible to external stakeholders, including consumers and end-users. This provides them with an effective mechanism for raising concerns until a more comprehensive approach is developed.

At the same time, CSG recognizes the critical importance of customer and end-user safety, particularly for products such as firearms and ammunition, where proper handling, quality assurance, and regulatory compliance are essential. The Group places a strong

emphasis on ensuring that these products meet high safety standards.

Disclosure of Specific Channels in Place for Consumers and End-Users to Raise Concerns or Needs Directly with Undertaking and Have Them Addressed

CSG’s Compliance Program outlines the group’s approach to ethics and integrity, including clearly defined mechanisms for raising concerns. Central to this framework is the Ethics Line, a company-wide reporting channel accessible to all stakeholders, both internal and external, including consumers and end-users. This ensures that concerns can be raised transparently and addressed appropriately across all Group entities.

Disclosure of Processes Through Which Undertaking Supports or Requires Availability of Channels

To ensure maximum transparency and accessibility, CSG provides unrestricted access to its Ethics Line for all stakeholders. This comprehensive reporting channel allows for secure and confidential submission of complaints and concerns through multiple formats, including online platforms, telephone communication, and email correspondence.

Disclosure of How Issues Raised and Addressed Are Tracked and Monitored and How Effectiveness of Channels Is Ensured

Issues raised through CSG’s Ethics Line are tracked and monitored using the same consistent approach applied to all concerns submitted via this channel. Each case is handled on an individual basis, as a unified approach to managing such matters has not yet been established. For the 2024 reporting period, no instances related to consumers and end-users were reported.

Disclosure of Whether and How It Is Assessed That Consumers and End-Users Are Aware of and Trust Structures or Processes as Way to Raise Their Concerns or Needs and Have Them Addressed

No formal assessment has been conducted to determine whether consumers and end-users are aware of and trust the structures or processes in place for raising concerns. Nevertheless, CSG’s Ethics Line is publicly accessible online, ensuring that consumers and end-users have open and secure channels to submit concerns. This accessibility serves as a foundation for fostering trust and transparency across all operations.

Implementation of Policies Regarding Protection Against Retaliation for Individuals That Use Channels to Raise Concerns or Needs

CSG has implemented robust policies to protect individuals, including consumers and end-users, from retaliation when utilizing available channels to

raise concerns. In line with the Group’s Whistleblowing Policy, CSG maintains a zero-tolerance approach to any form of retaliation against whistleblowers or other protected persons. Protections extend to individuals who report concerns to relevant public authorities under applicable national laws or European Union regulations. All allegations of retaliation are treated with the

utmost seriousness and managed consistently across the Group. Suspicions of retaliation can be reported through CSG’s internal information system using the designated contacts outlined in the Whistleblowing Policy.

S4-4

3.3.5. Taking Action on Material Impacts on Consumers and End-Users

Sustainability Matters in Topical ESRS

This chapter relates to these sustainability matters:

- S4_SM_32: Consumer Rights and Human Rights
- S4_SM_33: Consumer Engagement
- S4_SM_34: Consumer Grievance and Compliance
- S4_SM_35: Consumer Management and Policy

Minimum Disclosure Requirement – Actions and Resources in Relation to Consumers and End-Users

Compliance Program

CSG’s approach to managing matters related to consumers and end-users is primarily guided by its established Compliance Program. Since the implementation of the Compliance Program, no additional follow-up actions have been required on a regular basis, as the framework has proven sufficient for addressing stakeholder concerns. The program is managed internally by the Compliance Department, ensuring consistent oversight and adherence to ethical standards.

Group Policy Framework

As part of the planned Group Policy Framework, CSG intends to replace its existing Compliance Program with a comprehensive framework that will enhance governance and accountability across its operations. The new Compliance Policy will include dedicated provisions addressing the company’s interactions with consumers and end-users. Specifically, it will incorporate the Code of Ethics, Whistleblowing Policy, and Ethics Line, which will provide structured mechanisms for community engagement, ethical conduct, and grievance handling. The aim is to establish clear processes for identifying, managing, and mitigating risks related to CSG’s impact on consumers and end-users while ensuring transparency and

corporate responsibility. The timeline for adopting the Compliance Policy is set for 2025.

The implementation of the unified Compliance Policy does not require significant operational (OpEx) or capital (CapEx) expenditures. Currently, no specific actions have been taken to provide remedies for those harmed by actual material impacts.

Further Information on Actions and Resources in Relation to Consumers and End-Users

CSG has not yet implemented a structured group-wide approach or allocated dedicated resources for managing impacts on consumers and end-users. As a result, the company is

currently unable to provide disclosures on key aspects of consumer impact management. Without a formalized strategy, CSG cannot disclose actions planned or underway to prevent, mitigate, or remediate material negative impacts on consumers and end-users or describe whether and how action has been taken to provide or enable remedy for actual impacts. Additionally, there are no structured initiatives focused on delivering positive consumer impacts, nor a framework to track and assess the effectiveness of such actions.

Moreover, CSG lacks a defined approach to identifying and responding to material negative consumer impacts, ensuring remedy processes are available and effective, or mitigating risks arising from consumer-related impacts and dependencies. Similarly, no systematic efforts are in place to pursue consumer-related opportunities or to ensure that company practices do not cause or contribute to negative impacts. CSG is also unable to disclose severe human rights issues and incidents connected to consumers and end-users or provide details on resources allocated to managing consumer-related impacts.

Recognizing the need for a more structured approach, CSG intends to integrate consumer-related governance into its broader compliance and

risk management framework. Future developments will focus on defining policies, establishing engagement mechanisms, and ensuring transparency in managing consumer risks and opportunities.

S4-5

3.3.6. Targets Related to Consumers and End-Users

Sustainability Matters in Topical ESRS

This chapter relates to these sustainability matters:

- S4_SM_32: Consumer Rights and Human Rights
- S4_SM_33: Consumer Engagement
- S4_SM_34: Consumer Grievance and Compliance
- S4_SM_35: Consumer Management and Policy

Minimum Disclosure Requirement – Targets Related to Consumers and End-Users

CSG has not yet set measurable outcome-oriented targets related to consumers and end-users. At this stage, the focus remains on establishing a robust data foundation and enhancing internal processes for sustainability reporting, which are essential prerequisites for defining meaningful and achievable targets. While a specific timeline for setting such targets has not

yet been determined, CSG anticipates that target-setting efforts will be developed in alignment with the Group Policy framework within the next three years.

Despite the absence of formalized targets, CSG monitors the effectiveness of its policies and actions as described in chapter 3.3.5. (Taking Action on Material Impacts on Consumers and End-Users) of this Consolidated Sustainability Statement. As part of its ongoing sustainability strategy, CSG aims to refine quantitative and qualita-

tive indicators in the future to measure its social impact more effectively.

Further Information on Targets in Relation to Consumers and End-Users

Since CSG has not yet established measurable outcome-oriented targets related to consumers and end-users, there are currently no specific targets in place addressing consumer safety, product transparency, customer satisfaction, or responsible marketing practices.



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4. Governance Business Conduct

Sustainability Matters in Topical ESRS

List of sustainability topics that are material for chapter 4. Governance – Business Conduct (Table ID 39)

Sustainability Matter	Main Areas of Concern (IROs)
G1_SM_36 Corporate Culture and Ethics	Promoting a strong ethical culture fosters trust, enhances reputation, and supports long-term stakeholder relationships. Conversely, unethical behavior or weak ethical standards may result in reputational damage, financial loss, and regulatory scrutiny.
G1_SM_37 Anti-Corruption and Anti-Bribery	Effective anti-corruption and anti-bribery policies strengthen organizational integrity and improve access to capital. However, corruption risks expose the organization to severe legal penalties, reputational damage, and exclusion from critical contracts, along with high compliance costs.
G1_SM_38 Whistleblowing and Reporting	Encouraging whistleblowing and ensuring proper reporting channels can protect the organization by identifying unethical practices early. Lack of protection and ineffective handling of whistleblower cases may suppress reporting, leading to legal challenges and organizational mistrust.
G1_SM_39 Business Conduct Training	Providing comprehensive business conduct training ensures that employees understand and adhere to ethical standards and compliance requirements. Insufficient or ineffective training programs can result in non-compliance, legal risks, and reduced ethical awareness within the organization.
G1_SM_40 Legal Compliance and Investigations	Maintaining strong legal compliance frameworks minimizes exposure to legal actions and strengthens corporate reputation. Poor compliance systems may incur high legal costs, regulatory penalties, and loss of business opportunities, especially in highly regulated sectors.

ESRS G1

4.1. General Disclosures Related to Governance

Sustainability Matters in Topical ESRS

This chapter relates to these sustainability matters:

- G1_SM_36: Corporate Culture and Ethics
- G1_SM_37: Anti-Corruption and Anti-Bribery
- G1_SM_38: Whistleblowing and Reporting
- G1_SM_39: Business Conduct Training
- G1_SM_40: Legal Compliance and Investigations

4.1.1. Role of Administrative, Management, and Supervisory Bodies

Executive Summary

Czechoslovak Group is committed to strong governance, with its administrative, management, and supervisory bodies playing a vital role in promoting ethical business practices. More than half of its companies actively shape their own business conduct policies, set ethical standards, and encourage integrity, while others focus on oversight and corrective actions. Ensuring leadership expertise is a priority in CSG, with many companies having leaders experienced in business conduct or seeking out external advice when needed. However, some companies still lack formal oversight or specialized knowledge in this area, highlighting the need for ongoing improvement. CSG remains dedicated to strengthening governance and providing its leadership with the right tools and training to foster a culture of integrity across the group.

Information about Roles and Responsibilities of Administrative, Management, and Supervisory Bodies

Role of Administrative, Management, and Supervisory Bodies Related to Business Conduct

The administrative, management, and supervisory bodies within CSG play a significant role in shaping and overseeing its business conduct policies. Currently, 51.9% of the entities within CSG set clear expectations and policies for business conduct, while 57.4% are involved in approving and updating the company's code of conduct and other related policies. Leadership in fostering an ethical business culture is reported by 46.3% of entities, while 35.2% provide oversight and take corrective actions on business conduct issues when necessary. However, only 16.7% of CSG's

entities regularly review and monitor compliance with business conduct policies. Despite these efforts, 20.4% of CSG's entities indicate that their administrative, management, and supervisory bodies do not play a formal role in business conduct.

Governance involvement within CSG varies across company sizes and sectors. The larger companies show strong engagement, with 58.3% setting business conduct policies and 83.3% updating their code of conduct. In the Defence sector, 63.2% have established conduct policies, while 57.9% have updated related policies. Aerospace is leading here, with 66.7% of its companies setting policies and providing oversight. In Wholesale & Retail, 62.5% set policies, while 50% actively promote ethical practices.

Expertise of Administrative, Management, and Supervisory Bodies on Business Conduct Matters

A review of the overall expertise of CSG’s administrative, management, and supervisory bodies in business conduct matters shows that 55.6% of their members have specific expertise in business conduct, ethics, or compliance. 38.9% have prior experience managing business conduct

issues, while 25.9% receive regular training. External experts are consulted in 42.6% of cases, ensuring additional guidance on complex issues. However, 18.5% of these bodies do not have specific expertise in business conduct matters, indicating room for further training and development.

Among key sectors and company sizes, large companies demonstrate the greatest expertise, with 66.7%

of members having business conduct expertise and 45.8% receiving training. In the Defence sector, 68.4% of members have expertise. The Aerospace sector consults external experts in 100% of cases, while Automotive shows strong reliance on external advisors at 66.7%.

4.1.2. Processes to Identify and Assess Material Business Conduct Related Impacts, Risks, and Opportunities

Information on Processes to Identify and Assess Material Business Conduct Related Impacts, Risks and Opportunities is incorporated by reference to

chapter 1.4. (Impact, Risk, and Opportunity Management) of this Consolidated Sustainability Statement.

4.1.3. Minimum Disclosure Requirements

Policies Related to Business Conduct

To prevent, mitigate, and remediate actual and potential impacts, address risks, and pursue opportunities related to business conduct, a comprehensive Compliance Program Policy, which is consistent with the United Nations Convention against Corruption, is in place across all of CSG’s entities. This framework integrates key topics, including Anti-Corruption and Anti-Bribery, Whistleblower Protection, and training, ensuring a structured approach to ethical business practices. By embedding these policies within a unified compliance structure, business con-

duct risks are managed systematically, fostering a culture of integrity and accountability among employees, business partners, and stakeholders. The Anti-Corruption and Anti-Bribery policies, Whistleblower Protection Policies, and Business Conduct Training Policy are described in greater detail below in Chapter 4.2. (Business Conduct Policies and Corporate Culture).

Each CSG company’s board of directors, or an equivalent governing body, holds the ultimate responsibility for implementing business conduct policies. This ensures accountability at the highest level, with oversight of compliance, risk management, and ethical

standards across the organization. Key stakeholders, including employees, investors, and regulatory bodies, are considered when setting business conduct policies. Their expectations and regulatory requirements shape the policies to ensure ethical standards, compliance, and transparency across operations. CSG’s business conduct policies are made accessible to all relevant stakeholders through multiple channels. Employees receive these policies via the internal data management system, internal communication channels, and dedicated training sessions. External stakeholders, including suppliers and business partners, can access information about them through the official CSG website,

ensuring transparency and alignment with compliance expectations.

Actions and Resources Related to Business Conduct

As outlined in Chapter 4.2 (Business Conduct Policies and Corporate Culture), a comprehensive Compliance Program, established in 2018, is already in place to prevent, mitigate, and remediate actual and potential impacts, as well as to address risks and opportunities. In 2024, a regular review of the policy was conducted to ensure its continued effectiveness and alignment with evolving regulatory and business requirements. Looking ahead, a key planned action for 2025 is the implementation of the Group Policy Framework, which will include our already existing Compliance Program and will further standardize compliance and business conduct measures across Czechoslovak Group. The implementation of these actions will not require significant operational (OpEx) or capital (CapEx) expenditures.

Metrics Related to Business Conduct

The effectiveness of CSG’s actions for managing material sustainability matters is tracked through a set of metrics. CSG monitors compliance-related areas such as whistleblowing practices, participation in business conduct and ethics training, and adherence to anti-corruption and anti-bribery policies through its internal oversight and audit processes. CSG tracks its business conduct and compliance-related metrics using standardized methodologies to ensure consistency and reliability. Metrics such as whistleblowing case resolution, training completion rates, and adherence to anti-corruption and anti-bribery policies are monitored through internal reporting systems, employee reporting, and periodic internal audits. Key assumptions include those regarding the completeness of reported data, the accuracy of self-reported compliance, and the effectiveness of internal review

mechanisms. The measurement of CSG’s business conduct and compliance-related metrics is conducted internally through established reporting and audit mechanisms. These metrics are not validated by an external body beyond the assurance provider.

Targets Related to Business Conduct

Measurable outcome-oriented targets have not yet been established. However, the effectiveness of policies and actions related to business conduct and compliance is actively monitored using defined metrics and the processes described earlier in this chapter, i.e., in chapter 4.1.3. (Minimum Disclosure Requirements). No formal quantitative targets have been set at this stage, but the overarching ambition here is to maintain the present state—zero cases of corruption and bribery.



G1-1

4.2. Business Conduct Policies and Corporate Culture

Sustainability Matters in Topical ESRS

This chapter relates to these sustainability matters:

- G1_SM_36: Corporate Culture and Ethics
- G1_SM_37: Anti-Corruption and Anti-Bribery
- G1_SM_38: Whistleblowing and Reporting
- G1_SM_39: Business Conduct Training
- G1_SM_40: Legal Compliance and Investigations

Policies on Business Conduct and Corporate Culture

Executive Summary

Across the Group, CSG demonstrates a strong commitment to fostering a positive corporate culture by embedding ethical practices and integrating ESG considerations into its strategic decision-making. Clear mechanisms for reporting and investigating business conduct concerns are in place, with the compliance department overseeing cases and ensuring Board-level oversight. While anti-corruption and anti-bribery policies aligned with the United Nations Convention against Corruption have been fully implemented, continuous efforts are being made to ensure their consistent application across all operations and external markets. Whistleblower protection measures, including secure reporting channels and safeguards against retaliation, are robust and comply with EU and Czech regulations. Comprehensive compliance training, supported by Transparency International, reinforces ethical standards and cor-

porate values, ensuring alignment with evolving stakeholder expectations.

Aspects of Corporate Culture

This chapter relates to the sustainability matter:

- G1_SM_36: Corporate Culture and Ethics

CSG establishes, develops, promotes, and evaluates its corporate culture by embedding ethical practices into every aspect of its operations. The Group's corporate culture is built upon a clear ethical framework that guides decision-making, supported by comprehensive training programs, continuous communication, and well-defined company values. Ethical considerations are integrated into business operations to foster trust among stakeholders and enhance the Group's reputation. CSG's commitment to corporate responsibility is further

demonstrated through employee sponsorship programs and community engagement initiatives that support personal development and well-being. The Group also prioritizes sustainability by integrating ESG matters into its strategic decision-making. Regular internal discussions, education initiatives, and the nomination of ESG-responsible members to boards of directors ensure that CSG's corporate culture remains dynamic and responsive to evolving industry standards and stakeholder expectations.

Mechanisms for Reporting and Investigating Unlawful or Non-Compliant Behaviour

This chapter relates to the sustainability matter:

- G1_SM_38: Whistleblowing and Reporting

Within the group, CSG has established clear mechanisms for identifying,

reporting, and investigating concerns related to unlawful behavior or actions that contradict its Code of Ethics, which is part of the Compliance Program. Concerns can be reported through CSG's ethics line, accessible via the Group's website, which provides a secure and confidential channel through which stakeholders can raise issues. The Compliance Department oversees the intake and examination of reported cases, ensuring that all credible allegations are thoroughly assessed and appropriately addressed. The reporting process is designed to protect the confidentiality of the reporting party while promoting a transparent and responsive investigative procedure. Employees are encouraged to report any actions reasonably suspected to breach legal, ethical, or safety standards. In cases where reports involve external partners, such as dealers and suppliers, these concerns are evaluated with the same level of scrutiny. The compliance department plays a central role in coordinating investigations and has direct access to the CSG's Board of Directors, ensuring high-level oversight and effective resolution of any identified concerns.

Anti-Corruption and Anti-Bribery Policies in Place

This chapter relates to the sustainability matter:

- G1_SM_37: Anti-Corruption and Anti-Bribery

CSG has implemented comprehensive anti-corruption and anti-bribery policies that are consistent with the United Nations Convention against Corruption. These policies are embedded in the Group's Compliance Program and are governed by the Code of Ethics, which outlines clear expectations for all employees, management, and relevant external partners. As the Code of Ethics is based

on the requirements of Transparency International's Defence Companies Index—an index aligned with the UN Convention—CSG's adherence to international anti-corruption and anti-bribery standards is ensured. The policies prohibit all forms of corrupt and bribery-related behavior, including facilitation payments, even in jurisdictions where such payments may be legally permissible. Strict rules govern corporate hospitality, gifts, and sponsorships to prevent inappropriate or excessively luxurious offerings. Sponsorship donations tied to business opportunities and gifts to political parties and movements are explicitly forbidden. CSG employees, particularly those in sales and marketing, are required to familiarize external partners with the relevant portions of the anti-corruption and anti-bribery program. The CSG's Board of Directors holds ultimate responsibility for overseeing these policies, while the compliance department ensures their ongoing application and integration into daily operations. This structured approach ensures that all business activities conducted by CSG uphold the highest standards of integrity, transparency, and ethical conduct across all operational markets.

Protection of Whistleblowers

This chapter relates to the sustainability matter:

- G1_SM_38: Whistleblowing and Reporting

Within the Group, CSG has implemented robust whistleblower protection policies as part of its broader Compliance Program. These policies ensure that employees, contractors, shareholders, and other third parties can report suspected violations of law or ethical standards securely and anonymously. Reports are handled in line with Directive (EU) 2019/1937 of the European Parliament and related

Czech legislation, guaranteeing whistleblowers protection of their identity and immunity from retaliation. The preferred reporting channel is a specific secure web-based platform that is available 24/7 via web and mobile applications, supporting anonymous submissions and secure follow-up communication. Reports are reviewed and verified by an independent, competent person to ensure confidentiality and impartiality. Additional reporting options include a dedicated telephone hotline, the option of reporting in person to designated personnel, and an external notification system provided by the Ministry of Justice of the Czech Republic.

Procedures for Independent Business Conduct Investigations

This chapter relates to the sustainability matter:

- G1_SM_40: Legal Compliance and Investigations

CSG is fully committed to investigating all business-conduct incidents promptly, independently, and objectively. Its Compliance Program incorporates a dedicated reaction component that ensures comprehensive internal investigations whenever potential compliance violations are identified. Investigations are triggered through findings from regular monitoring activities, audits, management reviews, or reports received via the Ethics Hotline. All investigations are conducted with impartiality and confidentiality by independent, competent personnel, ensuring that their outcomes are based on objective assessments. The structured approach used also includes taking corrective actions to address identified issues and implementing measures to prevent recurrence, thereby upholding the Group's commitment to ethical business conduct.

Animal Welfare Policies
in Place

The sustainability matter: G1_SM_41: Animal Welfare; was assessed as non-material across all CSG sectors.

Business Conduct
Training Policy

This chapter relates to the sustainability matter:

- G1_SM_39: Business Conduct Training

CSG prioritizes a comprehensive compliance education program for all employees and members of its elected bodies, with a strong emphasis on business conduct. Training sessions are systematically organized to ensure that all employees receive thorough instruction on compliance standards, company values, and corporate culture from the outset of their employment. Refresher courses

are conducted at least once every three years to maintain awareness of evolving compliance requirements. Attendance and the contents of training sessions are documented in accordance with internal regulations to ensure accountability and enable effective compliance monitoring. CSG also collaborates with Transparency International to enhance the effectiveness and relevance of its training programs. Additionally, specialized training is provided for security personnel, emphasizing the protection of human rights and safety within Group activities. While these practices and training sessions are well-established, they do not currently constitute a formalized policy, but they may be considered for inclusion in the upcoming Policy Framework.

High-Risk Functions for
Corruption and Bribery

This chapter relates to the sustainability matter:

- G1_SM_37: Anti-Corruption and Anti-Bribery

Within CSG, the functions identified as most at-risk in relation to corruption and bribery are the CSG’s Board of Directors, Management, and Sales. The Compliance Program mandates that employees in these high-risk functions adhere to stringent anti-corruption policies, including the communication of these policies to external partners such as dealers and suppliers. The Compliance Department plays a central role in evaluating business opportunities and transactions involving these functions, focusing on corruption risk factors such as sector involvement, country-specific Transparency International rankings, and procurement methods.

G1-2
4.3. Management of
Relationships with Suppliers

Sustainability Matters in Topical ESRS

This chapter relates to the sustainability matter:

- G1_SM_36: Corporate Culture and Ethics

Executive Summary

CSG prioritizes strong supplier relationships by enhancing procurement capabilities, managing supply chain risks, and engaging stakeholders on sustainability issues such as transparency, environmental impacts, and labor rights. The “Know your Partner” pro-

cess supports these efforts by assessing financial, security, and reputational risks, while CSG’s supplier selection process emphasizes practices that promote sustainability, social welfare, and responsible operations. CSG does not have a formal policy addressing late payments to SMEs, relying instead on robust legal frameworks like the EU

Late Payment Directive (2011/7/EU) in its core markets of the Czech Republic, Slovakia, and the European Union. However, recent international expansion into regions with differing regulations has led the Group to consider developing internal guidelines to ensure consistency and fairness in supplier-payment practices.

Policy to Prevent Late
Payments to SMEs

CSG does not have a formal policy specifically addressing late payments, particularly to SMEs, as the Group has historically operated primarily within the Czech Republic, Slovakia, and the European Union, where stringent regulations—such as the EU Late Payment Directive (2011/7/EU)—govern payment terms and practices. These regulations ensure that late payments are addressed through robust legal frameworks, reducing the need for additional internal policies. However, with CSG’s growing international presence over the past year and expansion into territories where legal requirements regarding payment practices differ, the Group recognizes that variations in local regulations may necessitate further internal considerations. As part of its evolving approach to sustainable procurement, the Sus-

tainability Committee may, in the future, evaluate the potential development of additional guidelines related to supplier payment practices to ensure consistency and fairness across all operational markets.

Approach to Supplier
Relationships

CSG’s approach to supplier relationships focuses on enhancing procurement capabilities, engaging stakeholders, and managing risks within the supply chain. The Group emphasizes the training of procurement teams to address sustainability challenges and selectively engages with stakeholders to discuss key topics, including transparency, traceability, environmental impacts, and labor rights. Its “Know your Partner” process supports the management of supplier relationships by monitoring for potential financial, security, and reputational risks, ensur-

ing alignment with sustainability considerations throughout the supply chain.

Supplier Selection Based
on Social and Environmental
Criteria

CSG recognizes the importance of integrating social and environmental criteria into the selection of supply-side contractual partners. Current approaches involve monitoring suppliers through the “Know your Partner” process, which helps assess financial stability, reputational considerations, and operational integrity. While formalized criteria for selecting sustainable suppliers are not explicitly outlined, the Group emphasizes supplier practices that support sustainability, social welfare, and responsible operations across its supply chain.

G1-3

4.4. Prevention and Detection
of Corruption and Bribery

Executive Summary

CSG’s comprehensive strategy for addressing corruption and bribery is centered on its Compliance Program, which is overseen by its Compliance Department. This program incorporates clear policies, risk assessments, and due diligence processes such as the “Know Your Partner” initiative. Independent investigations, supported by an ethics hotline and internal controls, ensure objectivity and transparency, with outcomes reported to relevant governing bodies. Policies are communicated through C-level executives by way of

workshops, seminars, intranet, and handbooks. Comprehensive training, including specialized sessions for high-risk functions, reinforces compliance standards, with collaboration from Transparency International enhancing effectiveness. Although some training-data specifics are unavailable, CSG’s commitment to ethical business conduct remains clear through its structured practices and continuous improvement efforts.

System to Prevent, Detect,
and Respond to Corruption
and Bribery

This chapter relates to the sustainability matter:

- G1_SM_37: Anti-Corruption and Anti-Bribery

CSG has a comprehensive Compliance Program that integrates robust procedures to prevent, detect, and address corruption and bribery. Its Compliance Department holds primary responsibility for overseeing these procedures and ensuring their

effective implementation. CSG’s prevention measures include clear anti-corruption and anti-bribery policies embedded within its Code of Ethics, which applies to all employees, management, and external partners. The program also emphasizes risk assessment processes, in particular the “Know Your Partner” initiative, which ensures due diligence in supplier relationships to reduce risks related to financial integrity and reputation. Detection processes rely on internal controls, regular audits, and a dedicated ethics line for reporting concerns. All allegations are subject to thorough investigation by competent personnel, ensuring that appropriate corrective actions are taken to address violations and prevent recurrence.

Independent Investigators for Corruption and Bribery

This chapter relates to the sustainability matter:

- G1_SM_40: Legal Compliance and Investigations

CSG ensures that investigations related to allegations of corruption and bribery are conducted promptly, independently, and objectively. The Compliance Program includes a dedicated reaction component that guarantees internal investigations are handled by independent, competent personnel who are separate from the management chain responsible for prevention and detection activities. Investigations are initiated through regular monitoring, audits, management reviews, or reports received via the Ethics Hotline. The investigative process is conducted with impartiality and confidentiality, ensuring that outcomes are based on objective assessments. This separation of investigative functions from management roles maintains high standards of integrity, accountability, and ethi-

cal business conduct across the Group.

Anti-Corruption and Bribery Prevention Training

This chapter relates to the sustainability matter:

- G1_SM_37: Anti-Corruption and Anti-Bribery

CSG’s Compliance Program includes anti-bribery and anti-corruption measures but does not currently define standardized training requirements such as topics, frequency, or duration. While its subsidiaries have implemented various training programs, the absence of a unified framework makes it difficult to consolidate this data at the group level. Training records vary in format, scope, and tracking methodologies, making aggregation complicated and limiting the ability to quantify total training hours, session frequency, or content themes.

As a result, while insight can be provided into the overall state of anti-corruption and anti-bribery training, the lack of standardization prevents a comprehensive assessment of training coverage and effectiveness across subsidiaries. Differences in reporting practices also hinder comparability, as subsidiaries operate within distinct regulatory environments and industry-specific compliance structures. A single consolidated figure would not accurately reflect the effectiveness or scope of training across the Group.

As CSG refines its governance framework, a review of the 2024 reporting cycle may help identify opportunities to improve data standardization, enhance reporting consistency, and support the development of a more aligned approach to training across subsidiaries.

Reporting Process to Management and Supervisory Bodies

This chapter relates to the sustainability matter:

- G1_SM_37: Anti-Corruption and Anti-Bribery

The Compliance Department plays a central role in overseeing investigations and maintains direct access to the CSG’s Board of Directors. The outcomes of all investigations are communicated to administrative, management, and supervisory bodies through structured reporting channels. This process ensures transparency and accountability while allowing leadership to make informed decisions regarding corrective measures and future preventive strategies.

Procedures for Preventing and Addressing Corruption and Bribery

This chapter relates to the sustainability matter:

- G1_SM_37: Anti-Corruption and Anti-Bribery

CSG already has an existing system to prevent, detect, and investigate allegations or incidents of corruption and bribery, which includes training for employees. This is the company-wide Compliance Program, which includes mandatory guidance on anti-corruption and anti-bribery training. However, resource constraints as well as regional differences still lead to variance between companies. CSG is committed to developing a comprehensive plan to achieve better adherence to group policies on corruption and bribery across all its regions, using the baseline data gathered during this reporting year to inform targeted actions and set measurable targets starting next year.

Communication of Policies

This chapter relates to the sustainability matter:

- G1_SM_37: Anti-Corruption and Anti-Bribery

Policies related to the prevention and detection of corruption and bribery are communicated from the CSG level to the C-level executives within the Group’s individual companies. It is the responsibility of these executives to disseminate relevant information to employees using various methods tailored to their operational contexts. These methods include workshops, seminars, intranet portals, employee handbooks, and other communication tools.

Training

Details of Anti-Corruption and Anti-Bribery Training

This chapter relates to these sustainability matters:

- G1_SM_39: Business Conduct Training

- G1_SM_37: Anti-Corruption and Anti-Bribery

CSG offers comprehensive anti-corruption and anti-bribery training as a critical component of its compliance education program. This training covers essential topics such as compliance standards, company values, and corporate culture. It includes refresher sessions at least once every three years and specialized training tailored to high-risk functions such as those in sales, management, and the Board of Directors. The training is further strengthened by collaboration with Transparency International, enhancing the curriculum’s depth and relevance. Additionally, specialized training sessions are conducted for security personnel to ensure their alignment with human rights and safety standards.

Training Coverage of At-Risk Functions

This chapter relates to the sustainability matter:

- G1_SM_39: Business Conduct Training

CSG has comprehensive training programs targeting high-risk functions, including those in the Board of Directors, Management, and Sales, and the exact percentage of at-risk functions covered by these training programs is 100%.

Training Coverage for Management and Supervisory Bodies

This chapter relates to the sustainability matter:

- G1_SM_39: Business Conduct Training

Members of the Board of Directors, management, and other relevant administrative bodies undergo anti-corruption and anti-bribery training as part of CSG’s compliance education program. This ensures that key decision-makers possess the knowledge and skills necessary to oversee and implement anti-corruption measures effectively, aligning their responsibilities with CSG’s broader commitment to ethical business conduct.



G1-4

4.5 Incidents of Corruption or Bribery

Sustainability Matters in Topical ESRS

This chapter relates to the sustainability matter:

— G1_SM_37: Anti-Corruption and Anti-Bribery

Convictions for Violations of Anti-Corruption and Anti-Bribery Laws

No convictions for violations of anti-corruption or anti-bribery laws were reported during the reporting period. Compliance measures are maintained across CSG’s subsidiaries so as to mitigate legal and ethical risks.

While no incidents of corruption or bribery occurred in 2024, a development occurred in a legacy case regarding MSM Martin, s.r.o. originating in 2020; further details are disclosed in Note 37 of the Notes to the Consolidated Financial Statements.

Fines for Violations of Anti-Corruption and Anti-Bribery Laws

As no violations were recorded, no fines were imposed. CSG’s Compliance Program and oversight structures continue to support adherence to anti-corruption and anti-bribery regulations.

G1-5

4.6. Political Influence and Lobbying Activities

Sustainability Matters in Topical ESRS

This chapter relates to the sustainability matter:

— G1_SM_36: Corporate Culture and Ethics.

Executive Summary

This chapter outlines CSG’s approach to political influence and political contributions, in line with Group policies. At the Group level, the CSG’s Board of Directors is responsible for overseeing activities in this area, while at the company

level, the Chief Executive Officer maintains this responsibility. Companies within the Group never provide any material or non-material support to political parties or movements. Although some Group companies are members of national Chambers of Commerce due to their prominence and role as key employers, these

memberships are solely for informational purposes related to industry legislation and do not serve political objectives. Consequently, estimating the monetary value of such fees is not applicable. As no financial or in-kind political contributions have been made, a breakdown by country cannot be provided.

Information about Representatives Responsible in Administrative, Management and Supervisory Bodies for Oversight of Activities Related to Political Influence and Lobbying

At the Group level, the responsibility for overseeing activities related to material impacts, risks, and opportunities lies with the Board of Directors. However, in line with the Group policies, companies do not provide any material or non-material support to political parties or movements. At the individual company level, there is typically no specifically designated person covering this responsibility. In most cases, the Chief Executive Officer assumes accountability for overseeing relevant activities within their respective entities, should such activities arise.

Information about Financial or In-Kind Political Contributions

Companies do not provide any material or non-material support to political parties or movements, in accordance with CSG’s Group policies.

Total Financial Political Contributions Made

The Group’s companies do not provide any material or non-material support to political parties or movements, in accordance with CSG’s Group policies. For the purposes of this disclosure, financial political contributions refer to any form of monetary support provided directly to political parties, their elected representatives, or individuals seeking political office. Such contributions may include donations, loans, sponsorships, advance payments for services, or the purchasing of tickets for fundraising events and other similar practices.

Total In-Kind Political Contributions Made

Within the Group, companies do not provide any material or non-material support to political parties or movements. However, certain CSG entities are members of the Chambers of Commerce of countries where they maintain a significant presence, either due to their size or their role as key employers in certain regions. Membership in these institutions is considered part of their responsibility to engage with the broader business community. The associated fees paid for such memberships are strictly administrative and are not intended for political purposes. While exact figures related to these administrative fees are not available, CSG confirms that these payments do not constitute in-kind political contributions under the scope of this disclosure.

Disclosure of How Monetary Value of In-Kind Contributions Is Estimated

Since the companies within CSG do not provide any material or non-material support to political parties or movements, estimation of the monetary value of direct or in-kind political contributions is not applicable.

Disclosure of Main Topics Covered by Lobbying Activities and Undertaking’s Main Positions on These Topics

As previously noted, CSG’s companies do not provide any material or non-material support to political parties or movements. Their involvement in national Chambers of Commerce is solely due to their significant presence in certain regions and their positions as leaders within their respective industries. Their participation in these institutions does not aim to advance political objectives or promote favorable policies.

Undertaking is Registered in EU Transparency Register or in Equivalent Transparency Register in Member State

None of the companies within the Group are members of any transparency registers.

Information about Appointment of Members of Administrative, Management and Supervisory Bodies Who Held Positions in Public Administration in the Last Two Years

Across the Group, only a single company has a member of its administrative, management, or supervisory bodies appointed in 2024 who has previously held a position in public administration within the two years preceding their appointment. In this specific instance, CSG does not consider this appointment to be contrary to Group policies, as the company in question is co-owned by the national government of the respective country. The individual thus serves as a representative of the shareholder’s interests.

Financial and In-Kind Political Contributions Made by Country

Since CSG’s companies do not provide any material or non-material support to political parties or movements, in accordance with CSG’s Group policies, no such contributions have been made across the Group, and therefore, it is not possible to provide a table breaking down financial or in-kind political contributions by country.

Annex 1: List of Phase-in ESRS Data Points in Accordance with Appendix C to ESRS 1

Phase-In Data Points (Table ID 40)

Chapter	Data Point
2.2.10. Anticipated Financial Effects from Material Physical Risks	E1-9_01 – E1-9_44
2.3.7. Anticipated Financial Effects from Material Pollution-related Risks and Opportunities	E2-6_01 – E2-6_11
2.4.6. Anticipated Financial Effects from Material Water- and Marine-Resources-Related Risks and Opportunities	E3-5_01 – E3_5_06
2.5.6. Anticipated Financial Effects from Material Resource Use and Circular-Economy-Related Risks and Opportunities	E5-6_01 – E5-6_06
3.1.12. Social protection	S1-11_06 – S1-11_11
3.1.14. Training and skills development metrics	S1-13_01 – S1-13_04
3.1.16. Work-life balance metrics	S1-15_02 – S1-15_04

Financial Part

Consolidated Financial Statements

Consolidated Financial Statements prepared under International
Financial Reporting Standards (IFRS) as Adopted by the EU
for the year ended December 31, 2024

Consolidated Financial Statements for the year ended December 31, 2024

Name of the Company: **CZECHOSLOVAK GROUP a.s.**
Registered Office: **U Rustonky 714/1, Karlín, 186 00 Prague 8, Czech Republic**
Legal Status: **Joint Stock Company**
Corporate ID: **034 72 302**

Components of the Financial Statements:

Statement of Comprehensive Income
Statement of Financial Position
Statement of Changes in Equity
Statement of Cash Flows
Notes to Financial Statements

These financial statements were prepared on April 2, 2025.


David Chour
Vice-Chairman of the Board of Directors
since September 1, 2020


Zdeněk Jurák
Member of the Board of Directors
since January 1, 2024

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended December 31, 2024

(€ '000)	Note	For the year ended December 31, 2024	For the year ended December 31, 2023
Revenues	8	4,008,614	1,734,430
Raw material and consumables	9	(2,157,664)	(840,848)
External costs	10	(442,284)	(245,255)
Employee benefits expense	11	(286,212)	(222,385)
Depreciation and amortisation expenses	16,17	(66,291)	(60,654)
Other operating income	12	61,028	46,486
Other operating expense	13	(104,318)	(33,647)
Profit from operating activities		1,012,873	378,127
Financial income	14	165,850	23,154
Financial expense	14	(378,336)	(104,107)
Profit / (loss) from other financial instruments	14	43,526	(20,659)
Profit from financing activities		(168,960)	(101,612)
Share of profit / (loss) from associates & JVs, net	19	(300)	647
Profit / (loss) from the sale of equity interests	7	2,225	1,766
Profit before tax		845,838	278,928
Income tax	15	(212,451)	(68,717)
Net profit from continuing operations		633,387	210,211
Total profit		633,387	210,211

(€ '000)	Note	For the year ended December 31, 2024	For the year ended December 31, 2023
Other comprehensive income			
Items not reclassified to profit/loss			
FX differences from presentation currency		5,491	(2,046)
Items that are or may be subsequently reclassified to profit or loss			
FX differences on foreign operations, net		(1,477)	(2,908)
Fair value gain / (loss) on hedging instruments		1,474	1,196
Share of OCI of associates & JV, net of tax		—	(501)
Other comprehensive income, net		5,488	(4,259)
Total comprehensive income		638,875	205,952
Profit attributable to:			
Shareholders of the Company		526,074	174,055
Non-controlling interest		107,313	36,156
Profit for the year	27	633,387	210,211
Total comprehensive income attributable to:			
Shareholders of the Company		531,562	169,795
Non-controlling interest	27	107,313	36,157
Total comprehensive income for the year		638,875	205,952

Consolidated Statement of Financial Position

As of December 31, 2024

(€ '000)	Note	December 31, 2024	December 31, 2023
Assets			
Non – current assets			
Intangible assets	16	289,636	217,482
Goodwill	16	2,021,760	416,910
Property, plant and equipment	17,18	653,588	373,073
Investment property		5,848	2,572
Investments in associates and joint ventures	19	83,923	103,499
Loans and other financial assets	20	77,206	171,518
Trade and other receivables	21	24,666	2,392
Prepayments made and deferred expenses and accrued income	21	154,534	15,046
Deferred tax asset	22	26,773	11,640
Contract costs	8	60,437	41,185
Total non-current assets		3,398,371	1,355,317
Current assets			
Inventory	23	2,160,141	860,245
Trade and other receivables	21	520,233	218,044
Loans and other financial assets	20	69,474	102,091
Prepayments made and deferred expenses and accrued income	21	584,886	208,786
Tax receivables	24	21,381	19,331
Current income tax receivable		7,401	7,458
Cash and cash equivalents	25	1,248,487	563,865
Assets classified as held for sale		—	1,979
Contract Assets	8	18,913	15,211
Total current assets		4,630,916	1,997,010
Total assets		8,029,287	3,352,327
Equity			
Share capital	26	78,427	78,427
Other reserves	26	65,931	(139,845)
Translation reserve	26	38,150	34,136
Retained earnings of past years including profit or loss or the current accounting period		998,070	487,720
Equity attributable to the Company's shareholders		1,180,578	460,438
Non-controlling interests	27	313,307	226,478
Total equity		1,493,885	686,916

(€ '000)	Note	December 31, 2024	December 31, 2023
Liabilities			
Non-current liabilities			
Liability from put option	20	5,260	176,451
Loans and borrowings	20	1,140,402	456,940
Other financial instruments	20	94,542	40,436
Trade and other payables	28	149,297	11,026
Provisions	29	12,792	10,180
Deferred tax liability	22	79,616	65,672
Bonds	20	1,000,830	278,073
Contract liabilities	8	352,229	103,553
Total non-current liabilities		2,834,968	1,142,331
Current liability			
Liability from put option	20	143,517	
Loans and borrowings	20	772,094	300,459
Other financial instruments	20	57,622	9,109
Trade and other payables	28	1,956,951	345,759
Provisions	29	18,314	3,233
Tax liabilities	30	45,050	15,264
Current income tax payable	30	174,185	52,913
Contract liabilities	8	527,836	736,971
Bonds	20	4,865	59,372
Total current liabilities		3,700,434	1,523,080
Total liabilities		6,535,402	2,665,411
Total equity and liabilities		8,029,287	3,352,327

Consolidated Statement of Changes in Equity

For the year ended December 31, 2024

		Attributable to the shareholders of the Company						
(€ '000)	Note	Share capital	Other reserves	Foreign exchange translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
Balance at January 1, 2024 (A)	26	78,427	(139,845)	34,136	487,720	460,438	226,478	686,916
Total comprehensive income for the year:								
Profit for the year (B)		—	—	—	526,074	526,074	107,313	633,387
Other comprehensive income:								
Foreign exchange differences on translation of foreign operations recycled		—	—	(1,477)	—	(1,477)	—	(1,477)
Foreign exchange differences on translation of foreign operations non-recycled		—	—	5,491	—	5,491	—	5,491
Fair value gain / (loss) arising on hedging instruments during the period		—	1,474	—	—	1,474	—	1,474
Total other comprehensive income (C)		—	1,474	4,014	—	5,488	—	5,488
Total comprehensive income for the year (D) = (B + C)		—	1,474	4,014	526,074	531,562	107,313	638,875
Additions and disposals:								
Changes in non-controlling interests without a change of control	27	—	858	—	(9,164)	(8,306)	(5,594)	(13,900)
Effects of acquisitions in the form of business combinations		—	—	—	—	—	1,064	1,064
Change in present value of put option liability		—	27,674	—	—	27,674	—	27,674
Capital contribution		—	169,210	—	—	169,210	—	169,210
Dividends	26	—	—	—	—	—	(15,954)	(15,954)
Previous years adjustments		—	—	—	—	—	—	—
Total additions and disposals (E)		—	197,742	—	(9,164)	188,578	(20,484)	168,094
Transfer in equity		—	6,560	—	(6,560)	—	—	—
Total transfers in equity (F)		—	6,560	—	(6,560)	—	—	—
Balance at December 31, 2024 (H) = (A + D + E + F)		78,427	65,931	38,150	998,070	1,180,578	313,307	1,493,885

For the year ended December 31, 2023

Attributable to the shareholders of the Company								
(€ '000)	Note	Share capital	Other reserves	Foreign exchange translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
Balance at January 1, 2023 (A)	26	78,427	(131,960)	39,090	331,024	316,581	177,451	494,032
Total comprehensive income for the year:								
Profit for the year (B)		—	—	—	174,055	174,055	36,156	210,211
Other comprehensive income:								
Foreign exchange differences on translation of foreign operations recycled		—	—	(2,908)	—	(2,908)	—	(2,908)
Foreign exchange differences on translation of foreign operations non-recycled		—	—	(2,046)	—	(2,046)		(2,046)
Share of the other comprehensive income of equity accounted investees, net of tax		—	—	—	(501)	(501)	—	(501)
Fair value gain/(loss) arising on hedging instruments during the period		—	1,196	—	—	1,196	—	1,196
Total other comprehensive income (C)		—	1,196	(4,954)	(501)	(4,259)	—	(4,259)
Total comprehensive income for the year (D) = (B + C)		—	1,196	(4,954)	173,554	169,796	36,156	205,952
Additions and disposals:								
Changes in non-controlling interests without a change of control	27	—	3,409	—	(14,889)	(11,480)	15,988	4,508
Effects of acquisitions in the form of business combinations	7	—	616	—	—	616	3,390	4,006
Effects of subsidiaries sold		—	(14)	—	226	212	(212)	—
Conditional commitment to acquire non-controlling share		—	(4,800)	—	—	(4,800)	—	(4,800)
Change in present value of put option liability		—	(10,487)	—	—	(10,487)	—	(10,487)
Dividends	26	—	—	—	—	—	(6,295)	(6,295)
Previous years adjustments		—	—	—	—	—	—	—
Total additions and disposals (E)		—	(11,276)	—	(14,663)	(25,939)	12,871	(13,068)
Transfer in equity		—	2,195	—	(2,195)	—	—	—
Total transfers in equity (F)		—	2,195	—	(2,195)	—	—	—
Balance at December 31, 2023 (H) = (A + D + E + F)		78,427	(139,845)	34,136	487,720	460,438	226,478	686,916

Consolidated Statement of Cash Flows

For the year ended December 31, 2024

(€ '000)	Note	For the year ended December 31, 2024	For the year ended December 31, 2023
Cash flows from operating activities			
Profit for the period		633,387	210,211
Adjustments for:			
Amortisation/depreciation of fixed assets	16,17	66,291	60,654
Impairment of inventory		4,757	(696)
Impairment of property, plant and equipment		1,551	(40)
Impairment of financial assets		(8,272)	(1,462)
Gain (-) / loss (+) from the sale of property, plant and equipment, investment property and intangible assets	12,13	44	(13,688)
Gain (-) / loss (+) from the sale of inventory	12,13	11,100	818
Gain (-) / loss (+) from financial instruments		(22,999)	12,336
Gain (-) / loss (+) from the disposal of subsidiaries		(2,225)	(1,766)
Net interest income (-) / expense (+)	14	93,381	68,236
Recognition (+) / release (-) of allowances for trade and other receivables, write-offs		30,896	16,458
Recognition (+) / release (-) of provisions	13	13,190	638
Income tax	15	212,451	68,717
Unrealised foreign exchange rate (gains)/losses, net		(39,926)	2,129
Share of profit (-) / loss (+) of associates and joint ventures	19	300	(647)
Other		(1,594)	107
Operating cash flows before movements in working capital		992,332	422,005
Increase (-) / decrease (+) in trade receivables and other assets*		(655,669)	(218,828)
Increase (-) / decrease (+) in inventory (including income from sale)		(969,047)	(318,332)
Increase (+) / decrease (-) in trade and other payables**		1,573,793	366,906
Cash generated by operations		941,409	251,751
Income taxes paid		(85,353)	(52,622)
Net cash from operating activities		856,056	199,129

(€ '000)	Note	For the year ended December 31, 2024	For the year ended December 31, 2023
Cash flows from investing activities			
Proceeds on disposal of property, plant and equipment, investment property and intangible assets		5,190	4,589
Proceeds on disposal of subsidiaries		6,997	19,002
Repayment of provided loans		122,224	83,095
Interest received		39,804	10,245
Acquisition of property, plant and equipment, investment property and intangible assets	16,17	(116,804)	(74,246)
Acquisition of investments in subsidiaries, net of cash acquired	7	(2,104,399)	(47,714)
Loans provided		(35,615)	(65,429)
Net cash (used in) / from investing activities		(2,082,603)	(70,458)
Cash flows from financing activities			
Proceeds from borrowings		1,405,515	252,331
Proceeds on bond placements		770,746	181,317
Repayments of borrowings		(246,514)	(121,306)
Costs related to bond placements		(58,436)	(2,327)
Payments of bonds		(51,663)	(30,399)
Dividends paid		(15,954)	(6,295)
Payments of obligations under leases		(8,828)	(7,955)
Interest paid		(79,299)	(79,164)
Other equity contribution		214,244	—
Effect of changes in non-controlling interests		(10,750)	4,507
Net cash (used in) / from financing activities		1,919,061	190,709
Net increase/decrease in cash and cash equivalents		692,514	319,380
Cash and cash equivalents at beginning of year		563,865	241,650
Foreign exchange rate gains (+) / losses (-) from the translation of cash and cash equivalents		(7,892)	2,835
Cash and cash equivalents at end of period		1,248,487	563,865

* Increase (-) /decrease (+) in receivables and other assets includes trade and other receivables, prepayments made, deferred expenses and accrued income, and tax receivables, with the exception of the income tax receivable.
** Increase (+) /decrease (-) in trade and other payables includes trade and other payables, financial instruments and financial liabilities, deferred income, and tax payables, with the exception of the income tax payable.

Notes to the Consolidated Financial Statements

1. Description of The Group

CZECHOSLOVAK GROUP a.s. (the “Parent Company” or the “Company” or “CSG”) is a joint stock company formed in compliance with the legal regulations of the Czech Republic on October 13, 2014. Its registered office is located at U Rustonky 714/1, Karlín, 186 00 Prague 8, Czech Republic.

The Company’s consolidated financial statements covering the year ended December 31, 2024, encompass the financial statements of the Parent Company, its subsidiaries, and associates or joint ventures (jointly referred to as the “Group” or the “CSG Group”). The entities included in the Czechoslovak Group are disclosed in Note 36—Group Entities, and primarily include entities operating in the Czech Republic, Slovakia, Italy and USA.

CZECHOSLOVAK GROUP’s strategy involves long-term operations and expansion into segments of traditional Czech and Slovak industries with strong export potential.

The vast majority of these activities are focused on the B2B or B2G segments. Business activities focusing on end consumers are marginal. The Group’s activities are primarily focused on the arms, engineering, automotive, aircraft and rail transport industries.

The Parent Company gradually acquired the subsidiaries as part of joint arrangements and via third parties (refer to Note 7 for details on the acquisitions made in 2024 and 2023).

The Group’s formation and subsequent adjustments to its operational and managerial framework have been implemented to leverage synergies. The Group has also combined and unified its financing structure.

As of December 31, 2024, the Company’s sole shareholder was CSG FIN a.s., which, as the sole shareholder, acted as the Company’s ultimate authority.

December 31, 2024	Shares Ownership percentage		Voting rights
	(€ ‘000)	%	%
CSG FIN a.s., Corporate ID: 141 41 442	78,427	100	100
Total shares	78,427	100	100

As of December 31, 2024, the Group’s ultimate owner was Michal Strnad..

Composition of the Board of Directors as of December 31, 2024:

- **Michal Strnad** (Chairman of the Board of Directors)
- **David Chour** (Vice-Chairman of the Board of Directors)
- **Ladislav Štorek** (Vice-Chairman of the Board of Directors)
- **Petr Formánek** (Member of the Board of Directors)
- **David Štěpán** (Member of the Board of Directors)
- **Zdeněk Jurák** (Member of the Board of Directors)
- **Lukáš Andryšek** (Member of the Board of Directors)

Composition of the Supervisory Board as of December 31, 2024:

- **Michaela Katolická** (Chairman of the Supervisory Board)
- **Aleš Klepek** (Member of the Supervisory Board)
- **Rudolf Bureš** (Member of the Supervisory Board)

2. Statement of Compliance

The consolidated financial statements were authorised for issue by the Board of Directors on April 2, 2025.

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards) adopted by the European Union.

Furthermore, the consolidated financial statements have been drawn up on a going concern basis and using the conventional historical cost basis, except for in the event the measurement of financial assets and liabilities that required the application of the of fair value criterion.

The consolidated financial statements are presented in euro (“EUR”), which has been the presentation currency set by the CSG Group since January 1, 2021. The Company’s functional currency is the Czech crown (“CZK”). Each entity included to the consolidated financial statements determine the functional currency in accordance with the requirements of IAS 21. All amounts included in this document are presented in thousands of euros, unless otherwise indicated. The reason for the presentation currency is that EUR suits the needs of the primary users of the financial statements better than CZK.

The consolidated financial statements are prepared using consistent accounting policies over the whole period covered by the financial statements (i.e. both the current and comparative periods). These accounting policies are in line with the IFRS applicable at the end of the reporting period i.e., December 31, 2024.

The detailed application of consolidation methods is described further in Note 5.

3. Basis of Measurement

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities stated at their fair value: financial instruments at fair value through profit & loss (“FVTPL”) (incl. Those designated upon initial recognition as at FVTPL). Financial assets and liabilities as well as non-financial assets and liabilities measured at historical cost are stated at amortised cost (“AC”) using the effective interest method or historical cost, as appropriate, net of any relevant impairment and cumulative depreciation or cumulative amortisation.

The Group accounts for business combinations using the acquisition method when control is transferred to the Group

(refer to note 7). In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes at a minimum an input and substantive process and whether the acquired set has the ability to produce outputs. The Group has the option to apply a ‘concentration test’ that permits a simplified assessment of whether an acquired set of activities and assets meets the definition of a business. The optional concentration test is met if substantially all fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on bargain purchase is recognized in profit or loss immediately (refer to note 7). Transaction costs are expensed as incurred, expect if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay a contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, other contingent considerations are re-measured at fair value at each reporting date and subsequent changes in the fair value of the contingent considerations are recognized in profit or loss.

4. Adoption of new and Revised IFRS Accounting Standards

A. Change in accounting policy

Recognition of written put options over non-controlling interest

Furthermore, the Group has adopted its policy related to written put options following recent guidance of IFRS. Where the Group writes a put option, which if exercised triggers the purchase of non-controlling interests as part of its business acquisition, the put option is recognized as a financial liability at the acquisition date. Where risks and rewards remain with the non-controlling interests, a corresponding amount is deducted from equity. Any subsequent changes to the carrying amount of the put option liability are also recognized within equity.

Measurement period adjustments

During 2024, the Group has finalized the acquisition accounting of Armi Perazzi S.p.A. that was acquired in December 2023. The comparative balance sheet as of December 31, 2023 has been revised to include the impact to the provisional amounts recognized.

(€ '000)	Corrected Value as of Dec 31, 2023	Originally recognised value as of Dec 31, 2023	Difference
Payroll costs	159,649	131,239	(28,410)
Own assets capitalised	28,410	—	(28,410)

Recognition of own work capitalized

In 2023, the Group changed the recognition of Own Work Capitalized, which was previously reported under “Other Operating Income” and reclassified under “Employee Benefits Cost”.

However, in 2024, the Group decided to revert to the original methodology, once again recognizing Own Assets Capitalized under “Other Operating Income” to better reflect the nature of these transactions in the financial statements.

B. New and amended IFRS Accounting Standards that are effective for the current year

In the current year, the group has applied a number of new and amended IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) and adopted by the EU that are mandatorily effective in the EU for an accounting period that begins on or after January 1, 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-Current

The Group has adopted the amendments to IAS 1 for the first time in 2024. The amendments provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. Amendments to IAS 1 issued by IASB on July 15, 2020 defer the effective date by one year to annual periods beginning on or after January 1, 2023.

Amendments to IFRS 16 Leases – Lease Liability in a Sale and Leaseback

The Group has adopted the amendments to IAS 1 for the first time in 2024. The amendments to IFRS 16 require

a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.

Amendments to IAS 1 Presentation of Financial Statements – Non-current Liabilities with Covenants

The Group has adopted the amendments to IAS 1 for the first time in 2024. The amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements

The Group has adopted the amendments to IAS 1 for the first time in 2024. The amendments add disclosure requirements, and ‘signposts’ within existing disclosure requirements to provide qualitative and quantitative information about supplier finance arrangements.

C. New and revised IFRS Accounting Standards adopted by the EU in issue but not yet effective

At the date of authorisation of these financial statements, the group has not applied the following revised IFRS Accounting Standards that have been issued and adopted by the EU but are not yet effective in the EU:

Amendments to IAS 21	Lack of Exchangeability	Effective from January 1, 2025
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The directors do not expect that the adoption of the amendments to the existing Standards listed above will have a material impact on the consolidated financial statements of the group in future periods, except if indicated below.

D. New and revised IFRS Accounting Standards issued by the IASB but not yet adopted by the EU

The following amendments to the existing IFRS Accounting standards have not been endorsed for use in the EU yet and could not therefore be adopted by the group:

(The effective dates stated below are for IFRS as issued by IASB. EU is expected to approve the amendments with the same effective dates.)

IFRS 18	Presentation and Disclosures in Financial Statements	Effective from January 1, 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosure (Voluntary use for eligible subsidiaries)	Effective from January 1, 2027
Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	Annual Improvements to IFRS Accounting Standards – Volume 11	Effective from January 1, 2026
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	Effective from January 1, 2026
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	Effective from January 1, 2026
Amendments to IFRS 10	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and further amendments	effective date deferred by IASB indefinitely but earlier application permitted

The impact on the Company’s financial statements of new standards, amendments to the standards and interpretations endorsed by EU which are not yet effective and have not been early adopted are being analysed as of the date of the issuance of these financial statements and the final impact is unknown yet.

5. Basis of Preparation of the Consolidated Financial Statements

A. Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the group have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

B. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the parent company and entities controlled by the parent company (its subsidiaries) made up to December 31, each year. Control is achieved when the parent company:

- Has the power over the investee
- Is exposed, or has rights, to variable returns from its involvement with the investee
- Has the ability to use its power to affect its returns

The parent company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the parent company obtains control over the subsidiary and ceases when the parent company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the parent company gains control until the date when the parent company ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the group’s accounting policies

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the group are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the group’s equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests’ proportionate share

of the fair value of the acquiree’s identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value.

After acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests’ share of subsequent changes in equity.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the parent company and to the non-controlling interests.

Changes in the group’s interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the group’s interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the parent company.

When the group loses control of a subsidiary, the gain or loss on disposal recognized in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and non-controlling interests. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable IFRS Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

C. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the group, liabilities incurred by the group to the former owners of the acquiree and the equity interest issued by the group in exchange for control of the

acquiree. Acquisition-related costs are recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-Based Payments at the acquisition date (see below); or
- Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5
- Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer’s previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer’s previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the ‘measurement period’ (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognized in profit or loss.

When a business combination is achieved in stages, the group’s previously held interests (including joint operations) in the acquired entity are remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognized as of that date.

D. Goodwill

Goodwill is initially recognized and measured as set out above.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the group’s cash-generating units (or groups of cash-generating units) expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognized for goodwill is not reversed in a subsequent period.

On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The group’s policy for goodwill arising on the acquisition of an associate is described below

E. Investments in associates and joint ventures

An associate is an entity over which the group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5.

Under the equity method, an investment in an associate or a joint venture is recognized initially in the consolidated statement of financial position at cost and adjusted thereafter to recognise the group’s share of the profit or loss and other comprehensive income of the associate or joint venture. When the group’s share of losses of an associate or a joint venture exceeds the group’s interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the group’s net investment in the associate or joint venture), the group discontinues recognising its share of further losses. Additional losses are recognized only to the extent that the group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the group’s share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the group’s share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognized immediately in profit or loss in the period in which the investment is acquired.

If there is objective evidence that the group’s net investment in an associate or joint venture is impaired, the requirements of IAS 36 Impairment of Assets are applied to determine whether it is necessary to recognise any impairment loss with respect to the group’s investment. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture. When the group retains an interest in the former associate or a joint venture and the retained interest is a financial asset, the group measures the retained interest at fair value at that date and the fair value is regarded as it’s fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the associate or a joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or a joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the associate or joint venture is disposed of.

When the group reduces its ownership interest in an associate or a joint venture but the group continues to use the equity method, the group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the group, profits and losses resulting from the transactions with the associate or joint venture are recognized in the group’s consolidated financial statements only

to the extent of interests in the associate or joint venture that are not related to the group.

The group applies IFRS 9, including the impairment requirements, to long-term interests in an associate or joint venture to which the equity method is not applied and which form part of the net investment in the investee. Furthermore, in applying IFRS 9 to long-term interests, the group does not take into account adjustments to their carrying amount required by IAS 28 Investments in Associates and Joint Ventures (i.e. adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with IAS 28).

F. Revenue recognition

Revenue from contracts with customers

The Group applies a five-step model to determine when and to what extent revenue should be recognized. Revenue is recognized when the Group transfers control of the goods and services to its customers and in the amount of the expected consideration. Following the fulfilment of specific requirements, revenue is reported either over time or at a point in time when control of goods or services is transferred. The Group enters into contracts with customers for different supplies and under different conditions, which is why it proceeded to assess the contracts individually.

Information on the method of accounting of revenues under IFRS 15 for individual types of transactions is provided in Note 8 Revenues. The main areas considered by the Group in applying IFRS 15 are the following:

1) Identification of the contract, identification of the performance obligations

The Group assesses performance obligations for all contracts in detail. The Group’s contracts often involve several performance obligations. If the Group provides customers with a service of significant integration of these performance obligations, it considers these partial performance obligations to be part of one main performance obligation.

2) Significant financing component

For prepayments, the Group recognises interest expense on received prepayments, which are reflected in the reported contract price if these prepayments are considered a significant financing component in accordance with IFRS 15.

The Group used a practical expedient and does not account for the financing component if the expected time between

the delivery and payment at the time of origination of the contractual relationship is less than 12 months.

3) Revenue recognition period

In the case of contracts with customers, where the Group has a legally enforceable right to payment, the Group recognises revenues from these contracts over time. For these contracts, sales and expenses are recognized taking into account the progress of the contractual activity at the balance sheet date using the percentage of completion method. The percentage of completion is usually calculated as the ratio of the costs incurred under the contract to the total estimated costs.

Management believes that this input method is an appropriate indicator of progress towards fully meeting these performance obligations. Only in exceptional cases is the percentage of completion measured by the output method. If it is probable that total costs will exceed total revenues, the loss is recognized immediately in the financial statements.

For contracts where none of the requirements for revenue recognition over time are met, the Group recognises revenue at a point in time when control is transferred. Until the transfer of control, the Group recognises contract costs as work in progress.

Contract assets and contract liabilities

Contract assets are recognized in connection with contracts with customers if, in the case of contract manufacturing, the cumulative sales recognized over time exceed the sum of the advance payments received and progress billings. As of the end of the reporting period, this asset item is tested for impairment, and, if necessary, an impairment is recognized on the basis of expected losses. If the recognized sales are lower than the sum of the advance payments received and progress billings, a contract liability is recognized. A contract liability is also recognized if advance payments are received, and consideration has not yet been provided. Provisions for loss-making contracts are reported under Provisions.

Contract costs

Contracts with customers concluded by the Group may lead to the recognition of incremental costs incurred to obtain, or to perform, the contracts. In this situation, the Group will only recognise the item costs to obtain or perform a contract if the costs are incremental and relate directly to the obtaining and performing of the contract with a customer. The Group uses the possibility of expedient,

i.e. the costs are only capitalised in the statement of financial position if their allocation is expected over a period exceeding 12 months, i.e. it is a non-current asset. When an asset is recognized, its current and non-current portions are distinguished. The costs capitalised are subsequently allocated to expenses concurrently with the progress of complete satisfaction of the performance obligation. The costs capitalised are allocated to profit or loss to the relevant nature of cost, e.g. the costs to obtain a contract in the form of a brokerage fee are subsequently allocated to Services.

G. Leases

The group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates; a country-specific risk adjustment; a credit risk adjustment based on bond yields; and an entity-specific adjustment when the risk profile of the entity that enters into the lease is different to that of the group and the lease does not benefit from a guarantee from the group.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date

- The amount expected to be payable by the lessee under residual value guarantees
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used)
- A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the ‘Property, Plant and Equipment’ policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line “Other expenses” in profit or loss (see note 30).

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement.

H. Foreign currencies

In preparing the financial statements of the Group entities, transactions in currencies other than the entity’s functional currency (foreign currencies) are recognized at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognized in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- Exchange differences on transactions entered into to hedge certain foreign currency risks (see below under financial instruments/hedge accounting); and

- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group’s foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in a foreign exchange translation reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the group’s entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in a foreign exchange translation reserve in respect of that operation attributable to the owners of the parent company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests and are not recognized in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognized in other comprehensive income.

I. Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the group should purchase, construct or otherwise acquire non-current assets (including property, plant and equipment) are recognized as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the group with no future related costs are recognized in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

J. Taxation

The income tax expense represents the sum of current and deferred income tax expense.

1) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

In cases where the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority, uncertain tax liabilities are presented as current tax liabilities and are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the parent company supported by previous experience with similar transactions and their tax impact and in certain cases based on specialist independent tax advice.

2) Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corre-

sponding tax bases used in the computation of taxable profit and is accounted for using the liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the group is able to control the reversal of the temporary difference, and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences, and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

3) Current tax and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognized in

other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

K. Property, plant, and equipment

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group’s accounting policy. Depreciation of these assets, determined on the same basis as other property assets, commences when the assets are ready for their intended use.

Freehold land is not depreciated.

Plant, machinery, fixtures and fittings are stated at cost less accumulated depreciation and accumulated impairment loss.

Depreciation is recognized so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method, on the following bases:

Buildings	1.6–5.0 per cent per annum
Plant and machinery	5.0–33.3 per cent per annum
Fixtures and fittings	5.0–33.3 per cent per annum

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset

is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

L. Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognized on a straight-line basis over their estimated useful lives which are disclosed in note 16. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

M. Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following conditions have been demonstrated:

The technical feasibility of completing the intangible asset so that it will be available for use or sale

- The intention to complete the intangible asset and use or sell it
- The ability to use or sell the intangible asset
- How the intangible asset will generate probable future economic benefits
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- The ability to measure reliably the expenditure attributable to the intangible asset during its development

The amount initially recognized for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally- intangible asset can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

N. Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are recognized initially at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

O. Trademarks

Trademarks are measured initially at purchase cost and are amortised on a straight-line basis over their estimated useful lives. In case of indefinite useful life, trademarks are tested for impairment at least annually or whenever there is any indication that impairment occurred.

P. Impairment of property, plant and equipment and intangible assets

At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication at the end of a reporting period that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current

market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and to the extent that the impairment loss is greater than the related revaluation surplus, the excess impairment loss is recognized in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss to the extent that it eliminates the impairment loss which has been recognized for the asset in prior years. Any increase in excess of this amount is treated as a revaluation increase, excluding goodwill.

Q. Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average cost method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

R. Cash and cash equivalents

In the statement of financial position, cash and bank balances comprise cash (i.e. cash on hand and demand deposits) and cash equivalents. Cash equivalents are current (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather for investment or other purposes.

Bank balances for which use by the group is subject to third party contractual restrictions are included as part of cash

unless the restrictions result in a bank balance no longer meeting the definition of cash. If the contractual restrictions to use the cash extend beyond 12 months after the end of the reporting period, the related amounts are classified as non-current in the statement of financial position.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the group's cash management. Such overdrafts are presented as current borrowings in the statement of financial position.

S. Financial instruments

Financial assets and financial liabilities are recognized in the Group's statement of financial position when the group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

i. Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

If these criteria are not met, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the group may make the following irrevocable election / designation at initial recognition of a financial asset:

- The group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (iii) below)
- The group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (see (iv) below)

ii. Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit impaired.

Interest income is recognized in profit or loss and is included in the "interest income" line item (Note 14).

A financial asset is held for trading if:

- It has been acquired principally for the purpose of selling it in the near term
- On initial recognition it is part of a portfolio of identified financial instruments that the group manages together and has evidence of a recent actual pattern of short-term profit-taking
- It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument)

iii. Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition (see (iii) above)
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria (see (i) and (ii) above) are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called ‘accounting mismatch’) that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The group has not designated any debt instruments as at FVTPL

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent they are not part of a designated hedging relationship (see hedge accounting policy). The net gain or loss recognized in profit

or loss includes any dividend or interest earned on the financial asset and is included in the ‘other gains and losses’ line item (Note 14). Fair value is determined in the manner described in note 32.

iv. Impairment of financial assets

The group recognises a loss allowance for expected credit losses on trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The group always recognises lifetime expected credit losses (ECL) for trade receivables and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

v. Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument’s external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the extent to which the fair value of a financial asset has been less than its amortised cost;

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has

increased significantly since initial recognition when contractual payments are more than 90 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying a significant increase in credit risk before the amount becomes past due.

vi. Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due.

vii. Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- a significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event (see (ii) above);
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower’s financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

- the disappearance of an active market for that financial asset because of financial difficulties.

2) Financial liabilities and equity

i. Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

ii. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

iii. Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the group, are measured in accordance with the specific accounting policies set out below.

3) Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if either:

- It has been acquired principally for the purpose of repurchasing it in the near term
- On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking
- It is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if either:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the group’s documented risk management or investment strategy, and information about the grouping is provided internally on that basis
- It forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL

4) Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, options and interest rate swaps. Further details of derivative financial instruments are disclosed in notes 32.

Derivatives are recognized initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognized as a financial asset whereas a derivative with a negative fair value is recognized as a financial liability. Derivatives are not offset in the financial statements unless the group has both a legally enforceable right and intention to offset. The impact of the master netting agreements on the group’s financial position is disclosed in note 32. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

5) Hedging derivatives

The Group designates certain derivatives as hedging instruments in relation to currency risk and interest rate risk and

classifies them as cash flow hedges. Hedges of foreign currency risk on binding commitments are accounted for as cash flow hedges.

The Group considers derivatives to be hedging derivatives if the hedge accounting model is applied on them and if the following conditions are met:

- There is an economic relationship between the hedged item and the hedging instrument
- The effect of credit risk does not dominate the value changes that result from that economic relationship
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item

Derivatives that do not meet the above conditions for hedging derivatives are classified by the Group as derivatives held for trading (speculative).

When a hedging relationship is established, the relationship between the hedging instrument and the hedged item, risk management objectives and strategies in executing the various hedging transactions are documented. On an ongoing basis, the hedging instrument is assessed for its effectiveness in offsetting changes in the fair value or cash flows of the hedged item that result from changes in the hedged risk.

If the derivative is used to hedge the risk of changes in cash flows arising from assets, liabilities or legally enforceable contractual relationships or forecast transactions, the change in the fair value of the hedging derivative corresponding to the effective portion of the hedge is recognized in other comprehensive income as a Revaluation Reserve. The ineffective portion of the change in the fair value of the derivatives is included in profit or loss.

Financial derivatives are carried at cost at the time of acquisition and subsequently remeasured to fair value at the date of the consolidated financial statements.

The Group uses financial derivatives only to hedge future cash flows. Changes in the fair value of financial derivatives are recognized in other comprehensive income.

The cumulative amount in equity remains in other comprehensive income and is reclassified to profit or loss in the same period(s) during which the hedged item affects profit or loss.

The Group shall discontinue hedge accounting only when the hedging relationship (or part of it) no longer meets the qualifying criteria. For example, the hedging instrument expires or the hedging instrument is sold, terminated or the contract is exercised. Termination of hedge accounting is accounted for prospectively. Any gains or losses recognized in other comprehensive income and accumulated in the cash flow hedge fund at that point in time remain in equity and are reclassified to profit or loss when the expected transaction is realised. If the expected transaction is no longer expected to occur, the gains or losses accumulated in the cash flow hedge fund are immediately reclassified to profit or loss.

T. Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

U. Critical accounting judgements and key sources of estimation uncertainty

In applying the group’s accounting policies, which are described in Note 3, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognized and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if

the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

V. Critical judgements in applying the group’s accounting policies

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the directors have made in the process of applying the group’s accounting policies and that have the most significant effect on the amounts recognized in financial statements.

- Note 8 – Revenue recognition
- Note 29 – Provisions
- Note 20 – Measurement of financial instruments
- Note 8 – Contract assets and liabilities
- Note 37 – Legal disputes

W. Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

X. Impairment testing

Following the assessment of the recoverable amount of goodwill allocated to groups subsidiaries to which goodwill of €2,022 million is allocated, the directors consider the recoverable amount of goodwill to be most sensitive to the achievement of the 2025 – 2029 financial plan. Financial plan comprise forecasts of revenue, employee benefit expense and overheads based on current and anticipated market conditions that have been considered and approved by the board. Whilst the group is able to manage most costs, the revenue projections are inherently uncertain due to the future market conditions. Revenue of the CGU is most sensitive to changes in the sectors demand for sales in defence and aerospace sector.

The sensitivity analysis in respect of the recoverable amount of goodwill is presented in note 16.

6. Fair Value Measurement

A. Non-Derivative Financial Assets

The fair value is based on their quoted market price as of the balance sheet date with no deduction of transaction costs. If no quoted market price is available, the directors estimate the fair value of the given instrument using price models or techniques based on discounted cash flows.

If techniques based on discounted cash flows are applied, the estimated future cash flows are based on best estimates made by the directors, and a market-based rate as of the balance sheet date for an instrument with similar conditions is used as the discount rate. If price models are used, inputs are based on market rates as of the balance sheet date.

The fair value of trade receivables and other receivables, except for contract assets but including receivables from services provided based on a concession, is estimated as the present value of future cash flows discounted using the interest rate as of the balance sheet date.

The fair value of trade receivables, other receivables and investments reported at amortised cost is only determined solely for the disclosure purposes.

B. Non-Derivative Financial Liabilities

The fair value determined in order to be disclosed is based on the present value of future cash flows from principals and interest discounted by a default interest rate as of the balance sheet date. For leases, the default interest rate is

determined as the rate stated by the lessor in the contractual documentation. If this rate is not available, the lessee’s incremental borrowing rate is used.

The incremental rate for the Group is derived from PRIBOR + margin 2.59 % for contracts concluded in CZK and EURIBOR + margin 2.80 % for contract concluded in EUR, entered into in 2024.

Put option liabilities are recognized at the present value of the exercise price of each option. The exercise price of the option is generally based on fair value. The methodology the Group uses to estimate the fair values assumes the greater of net book value or a multiple of earnings, based on historical earnings and other factors. From time to time the Group engages external valuation firms for the valuation firms to assess the value of the put options. The external valuation estimates the fair values using a combination of discounted cash flows and a multiple of earnings and/or revenue. The put option liabilities are discounted at a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability. The estimated fair values of these put options can also fluctuate, and the discounted cash flows as well as the implicit multiple of earnings and/or revenue at which these obligations may ultimately be settled could vary significantly from the Group’s current estimates depending upon market conditions.

C. Derivatives

Financial derivatives are measured at fair value classified under Level 2.

7. Changes in The Group’s Structure

A. The Group’s New Acquisitions

2024

a. Newly established subsidiaries

Company name	Acquisition type	Establishment date	Effective ownership in %
CSG Engineering, a.s.	Established	10/30/2024	84.55
MSM GREECE Ltd.	Established	06/22/2024	80.20
MSM SPV I, s. r. o.	Established	06/17/2024	80.20
MSM SPV II, s. r. o	Established	06/17/2024	80.20
MSM SPV III, s. r. o.	Established	10/01/2024	80.20
MSM SPV IV, s. r. o.	Established	10/01/2024	80.20
MSM SPV V, s. r. o.	Established	10/01/2024	80.20

b. Acquired subsidiaries – IFRS 3 Business Combinations

1) Vista Group / The Kinetic Group

In November 2024, the Group acquired 100% of Vista Outdoor Inc. and its segment, The Kinetic Group, which is based in the United States and consists of the following companies: Vista Outdoor Sales LLC, Vista Commercial Ammunition Company Inc., The Kinetic Group Operations LLC, Remington Licensing Corporation, Federal Cartridge Company, and Ammunition Operations LLC. The Kinetic Group focuses on designing, developing, distributing, and manufacturing ammunition, primers, and components for hunters, recreational shooters, law enforcement, and the military, with a focus on centerfire pistol ammunition for handguns used in training, target shooting, and personal protection, as well as centerfire rifle ammunition for rifles used in hunting, target shooting, training, and personal protection.

As this extensive acquisition occurred before the end of 2024, the Group’s assets and liabilities were not measured at fair value as of the date of preparation of the consolidated financial statements. The assets and liabilities of the

2023

c. Newly established subsidiaries

Company name	Acquisition type	Establishment date	Effective ownership in %
LBP 80 S.r.l.	Established	11/20/2023	80.0
MANDURIA TRADE a.s.	Established	10/03/2023	100.0
STALUNA TRADE a.s.	Established	10/03/2023	100.0
DAKO-CZ EN, a.s.	Established	05/02/2023	100.0
DAKO-CZ INDIA PRIVATE LIMITED	Established	03/27/2023	99.9
MEDHA DAKO-CZ PRIVATE LIMITED	Established	07/17/2023	50.0

d. Acquired subsidiaries – IFRS 3 Business Combinations

1) Armi Perazzi S.p.A.

In December 2023 the Group acquired 80 % of the company Armi Perazzi S.p.A., the manufacturer of high-quality shotguns for sport shooters and elite hunters. Olympic medallists and successful competitive shooters belong among owners of these premium firearms, of which Perazzi produces approximately 1,500 units per year. One of them is the Czech Olympic gold medal winner in trap from the 2008 Beijing Olympics, David Kostelecký.

acquired company are measured at provisional value, based on the accounting records of the acquired company. Consequently, the acquisition accounting process was not completed in 2024, and the remeasurement to fair value will occur within one year from the acquisition date.

2) Vývoj Martin a.s.

In December 2024, the Group acquired 80.2%, and the company became fully consolidated again. The company specializes in the production of specialized military containers, modular and mobile air traffic control towers, as well as the development and production of prototypes, custom-specific solutions, and servicing of military equipment.

3) CS Bross s.r.o.

In September 2024, the Group acquired 100% of CS Bross s.r.o., making it a subsidiary of RADIATIK a.s.

4) Platinum Defence a.s.

In November 2024, the Group acquired an 89% stake in Platinum Defence a.s., making it a subsidiary of CSG Land Systems CZ a.s.

As this extensive acquisition occurred before the end of 2023, the Group’s assets and liabilities were not measured at fair value as of the date of preparation of the consolidated financial statements. The assets and liabilities of the acquired company are measured at provisional value, based on the accounting records of the acquired company. Consequently, the acquisition accounting process was not completed in 2023, and the remeasurement to fair value will occur within one year from the acquisition date, including the measurement of the non-controlling interest.

During 2024, the Group has finalised acquisition accounting process that had not been completed before issuing 2023

consolidated financial statements. Consequently, the Group has retrospectively adjusted values of assets and liabilities of Armi Perazzi S.p.A. provisional used in 2023 consolidated financial statements.

Adjustment to assets and liabilities arising from the closing of acquisition accounting were reflected in the financial statements for 2023 of participating company with retrospective effect as follows:

Armi Perazzi S.p.A.	Corrected Value as of Dec 31, 2023	Originally recognised value as of Dec 31, 2023	Difference
Goodwill	—	22,568	(22,568)
Net assets	33,932	15,540	(18,392)
NCI	—	3,108	(3,108)
Investment	33,932	35,000	(1,068)

2) JWL DAKO-CZ (INDIA) LIMITED RN through DAKO-CZ a.s.

In May 2023 the Group acquired 50 % of the company JWL DAKO-CZ (INDIA) LIMITED RN through DAKO-CZ a.s., a manufacturer of braking systems and components for rolling stock. DAKO-CZ wants to improve its position on the Indian market.

3) Pocket Virtuality

In June 2023 the Group acquired the company Pocket Virtuality which develops distinctive solutions utilizing augmented and virtual reality. These solutions can be employed for purposes such as remote technical assistance, design of industrial systems, residential projects, and exhibitions.

4) ABIENNALE s.r.o

The company ABIENNALE s.r.o acquired in September 2023 is a service organization which provides the services in air transport for the companies in the Group.

B. Impact of Acquisitions – IFRS 3 Business Combinations

a. 2024

(€ '000)	Vista Group / The Kinetic Group	VÝVOJ Martin, a.s.	Cs BROSS, s.r.o.	PLATINUM DEFENCE a.s.	Total
Month of acquisition	November 2024	December 2024	September 2024	February 2024	
Assets					
Intangible assets and Goodwill	55,160	1,659	—	—	56,819
Property, plant and equipment	130,908	6,665	389	—	137,962
Trade and other non-current receivables	1,341	—	—	—	1,341
Inventory	352,153	1,453	—	11,506	365,112
Trade and other current receivables	168,178	4,159	9	—	172,346
Currnet prepayments and accruals	—	3,381	—	—	3,381
Tax assets	—	49	—	—	49
Cash and cash equivalents	69,628	6,543	3	634	76,808
Total acquired identifiable assets	777,368	23,909	401	12,140	813,818
Liabilities					
Non-current loans and borrowings	—	—	4	—	4
Non-current provisions	4,783	—	—	—	4,783
Trade and other non-current payables	33,702	1,580	—	—	35,282
Current loans and borrowings	—	8,334	—	—	8,334
Trade and other current payables	150,183	5,172	3	91	155,499
Current provisions	—	1,089	—	—	1,089
Current contract liabilities	—	2,190	—	12,058	14,248
Tax liabilities	—	125	—	—	125
Total identifiable assumed liabilities	188,668	18,490	7	12,149	219,314
Acquired identifiable assets and assumed liabilities (D)	588,700	5,419	394	(9)	588,700
Payment for the acquired company effective (A)	2,172,518	24,397	1,390	—	2,198,305
Deferred payment effective (G)	—	—	—	—	—
Investment value as of the control acquisition (I)	—	—	—	—	—
Paid (H)	2,172,518	24,397	1,390	—	2,198,305
Acquired non-controlling interests EUR	—	1,073	—	(9)	1,064
Goodwill or bargain purchase (F) = (G + A + I – (D – E))	1,583,818	20,051	996	0	1,604,865
Less: Acquired cash (B)	69,628	6,542	3	634	76,807
Net cash income (+) / expense (-) of the transactions (C) = (B – H)	(2,102,890)	(17,855)	(1,387)	634	(2,121,498)
Aggregate profit or loss					
Revenues	108,760	—	—	—	108,760
Profit (+) / loss (-) from operating activities	23,036	—	—	(15)	23,021
Profit (+) / loss (-) before taxation	23,012	—	—	(12)	23,000
Income tax	(5,217)	—	—	—	(5,217)
Profit or loss for the period	17,795	—	—	(12)	17,783
- of which profit (+) / loss (-) attributable to shareholders	17,795	—	—	(12)	17,783
Other comprehensive income	—	—	—	—	—
Total comprehensive income	17,795	—	—	(12)	17,783
Share of the Group in total comprehensive income	17,795	—	—	(12)	17,783

b. 2023

(€ '000)	Armi Perrazi S.p.A.	JWL DAKO-CZ (INDIA) LIMITED RN	POCKET VIRTUALITY a.s.	ABIENNALE s.r.o.	Total
Month of acquisition	December 2023	May 2023	June 2023	September 2023	
Assets					
Intangible assets and Goodwill	129	—	404	—	533
Property, plant and equipment	10,557	2,141	172	9,616	22,486
Loans and other non-current financial assets	3	256	—	—	259
Trade and other non-current receivables	1,787	—	(2)	—	1,785
Deferred tax asset	49	—	—	—	49
Inventory	9,628	3,022	3	—	12,653
Trade and other current receivables	7	728	—	203	938
Tax assets	—	—	—	86	86
Cash and cash equivalents	1,178	11	31	62	1,282
Total acquired identifiable assets	23,338	6,158	608	9,967	40,071
Liabilities					
Non-current loans and borrowings	850	4,518	—	—	5,368
Non-current financial instruments and liabilities	481	—	58	6,059	6,598
Non-current provisions	10	—	—	—	10
Trade and other non-current payables	240	—	—	—	240
Deferred tax liability	90	—	—	—	90
Current financial instruments and liabilities	134	—	—	—	134
Current loans and borrowings	707	1,319	82	5,255	7,363
Trade and other current payables	2,934	—	64	20	3,018
Deferred income	390	—	—	—	390
Current contract liabilities	663	—	—	—	663
Tax liabilities	1,299	—	—	—	1,299
Total identifiable assumed liabilities	7,798	5,837	204	11,334	25,173
Acquired identifiable assets and assumed liabilities (D)	15,540	321	404	(1,367)	14,898
Payment for the acquired company effective (A)	35,000	470	283	—	35,753
Deferred payment effective (G)	—	—	—	1,084	1,084
Investment value as of the control acquisition (I)	—	—	—	—	—
Paid (H)	35,000	470	283	—	35,753
Acquired non-controlling interests EUR	3,108	160	121	—	3,389
Goodwill or bargain purchase (F) = (G + A + I – (D – E))	22,568	310	—	2,450	25,328
Less: Acquired cash (B)	1,178	11	31	62	1,282
Net cash income (+) / expense (-) of the transactions (C) = (B – H)	(33,822)	(459)	(252)	62	(34,471)
Aggregate profit or loss (restated to 12 months by extrapolation from the period in which the company was part of the consolidation group)					
Revenues	13,937	142	69	2,901	17,049
Profit (+) / loss (-) from operating activities	1,808	(628)	(678)	(1,611)	(1,109)
Profit (+) / loss (-) before taxation	692	(471)	(589)	(1,861)	(2,229)
Income tax	(166)	—	—	—	(166)
Profit or loss for the period	526	(471)	(589)	(1,861)	(2,395)
- of which profit (+) / loss (-) attributable to shareholders	421	(236)	(413)	(1,861)	(2,089)
Other comprehensive income	—	—	—	—	—
Total comprehensive income	526	(471)	(589)	(1,861)	(2,395)
Share of the Group in total comprehensive income	421	(236)	(413)	(1,861)	(2,089)

c. Substantiation of acquisitions

There are several strategic reasons for the purchases, including the following:

- Areas of operation of subsidiaries complete the CSG Group’s portfolio;
- Potential for a synergic effect;
- Subsidiaries have technical excellence and production capacities supporting the Group’s operational growth.

One of the Group’s strategic goals is further expansion of activities in the relevant sectors in the countries where the Group operates. The Group’s current goal is to strengthen its position and become a significant market participant.

2024

(€ '000)	RELAZA SPV a.s.
Month of disposal	February 2024
Assets	
Property, plant and equipment	4,413
Trade and other current receivables	217
Cash and cash equivalents	4
Total assets sold (A)	4,634
Liabilities	
Trade and other current payables	195
Total liabilities sold (B)	195
Assets and liabilities sold (C = A – B)	
	—
Non-controlling interest (D)	—
Goodwill (E)	—
Selling price (F)	6,659
Proceeds from the sale of subsidiaries = (F - C + D - E)	2,225
Cash sold	4
Net cash income from the transaction	6,655

d. Substantiation of the existence of goodwill

In connection with the acquisition of the Vista Outdoor Inc. / The Kinetic Group, the Czechoslovak Group recognized goodwill in the amount of €1,583,818thousand. As mentioned above, in 2025 the assets and liabilities acquired will be measured at fair value and the amount of goodwill recognized will be adjusted.

With respect to the acquisition of VÝVOJ Martin, a.s. the Czechoslovak Group reported goodwill in the amount of €20,051 thousand. As mentioned above, in 2024, the assets and liabilities acquired will be measured at fair value and the amount of goodwill recognized will be adjusted.

e. Disposals of subsidiaries outside the Group

Given the significance of the sales performed this year, fair values of payments for companies sold and the identifiable assets and liabilities sold as of the date of the sale are provided below.

2023

(€ '000)	Česká letecká servisní a.s.	EHC Service, s.r.o.	EUROPEAN AIR SERVICES SLOVAKIA s. r. o.	HELI COMPANY s.r.o.	Slovak Training Academy, s.r.o.	GAMA OCEL, spol. s r.o.	Total
Month of acquisition	December 2023	November 2023	November 2023	November 2023	November 2023	November 2023	
Assets							
Intangible assets and Goodwill	—	—	—	—	3	—	3
Property, plant and equipment	497	—	—	118	16,978	1,507	19,100
Rights of use	—	—	—	—	23	—	23
Deferred tax asset	—	—	—	—	300	—	300
Inventory	1,504	—	—	2,481	23	2,881	6,889
Trade and other current receivables	3,253	—	8	90	234	1,555	5,140
Loans and other non-current financial assets	—	—	—	—	1,692	417	2,109
Current prepayments and accruals	1,583	—	—	23	1,034	12	2,652
Tax assets	212	—	—	190	37	—	439
Cash and cash equivalents	144	—	48	275	113	196	776
Current contract assets	11,244	—	—	—	—	—	11,244
Total assets sold (A)	18,437	—	56	3,177	20,437	6,568	48,675
Liabilities							
Non-current financial instruments	—	—	—	—	24	—	24
Deferred tax liability	30	1	—	—	—	1	32
Current loans and borrowings	—	—	—	—	12,313	570	12,883
Non-current loans and borrowings	—	—	—	—	—	3,439	3,439
Trade and other current payables	2,693	10	100	2,000	1,516	844	7,163
Current provisions	146	—	—	—	—	30	176
Deferred income	—	—	—	—	—	9	9
Tax liabilities	223	—	16	44	17	262	562
Non-current contract liabilities	10,756	—	—	—	—	—	10,756
Current contract liabilities	349	—	—	—	—	—	349
Total liabilities sold (B)	14,196	11	116	2,044	13,870	5,155	35,392
Assets and liabilities sold (C = A – B)	4,241	(11)	(60)	1,133	6,567	1,414	13,284
Non-controlling interest (D)	212	—	—	—	—	—	212
Goodwill (E)	24	48	—	243	—	2,064	2,379
Selling price (F)	4,044	—	4,607	—	4,607	3,904	17,162
Proceeds from the sale of subsidiaries = (F - C + D - E)	(8)	(38)	4,807	(1,417)	(2,018)	440	1,766
Cash disposed	144	—	48	275	113	196	776
Net cash income from the transaction	3,900	—	4,559	(275)	4,494	3,708	16,386

8. Revenues

For the year ended December 31, 2024

(€ '000)	Defence industry	Mechanical engineering	Services for aircraft industry	Other continued activities	Total continued activities
Revenues by geographic location					
Czech Republic	457,497	40,309	16,467	30,948	545,221
Slovakia	126,159	7,326	1,836	392	135,713
Italy	3,824	1,413	3	54,963	60,203
European Union (all other countries in EU)	842,101	17,347	36,337	107,589	1,003,374
United States of America	6,624	—	1,680	260,543	268,847
Nigeria	291	—	—	—	291
India	101	1,912	12,705	5,115	19,833
Indonesia	102,316	—	—	—	102,316
Serbia	5,072	10	6	494	5,582
Ukraine	1,713,290	—	47	1,172	1,714,509
Other	94,288	4,876	2,218	51,343	152,725
Total revenues	3,351,563	73,193	71,299	512,559	4,008,614
Revenues of the key products and services					
Production and repair of military machinery	314,483	—	—	—	314,483
Servicing and repair of military machinery	173,749	—	—	—	173,749
Production of trucks	—	3,138	—	—	3,138
Servicing of vehicles and their accessories	—	435	—	—	435
Production of brake systems	—	13,490	—	—	13,490
Servicing and repair of brake systems	—	37,184	—	—	37,184
Energy supply	—	1	—	—	1
Other engineering production	—	6,167	—	—	6,167
Airplane/helicopter maintenance and repair	—	—	38,516	—	38,516
Aircraft industry services	30,231	—	10,232	—	40,463
Production of radar equipment	—	—	21,915	—	21,915
Transportation services/logistics	6,592	—	—	—	6,592
Small arms ammunitions	4	—	—	171,177	171,181
Sale of goods	2,648,180	—	636	299,096	2,947,912
Other	178,324	12,778	—	42,286	233,388
Total revenues	3,351,563	73,193	71,299	512,559	4,008,614
Revenues by revenue reporting period					
Products and services transferred as of a certain date	3,169,121	73,193	43,425	512,559	3,798,298
Products and services transferred during a period	182,442	—	27,874	—	210,316
Total revenues	3,351,563	73,193	71,299	512,559	4,008,614

For the year ended December 31, 2023

(€ '000)	Defence industry	Mechanical engineering	Services for aircraft industry	Other continued activities	Total continued activities
Revenues by geographic location					
Czech Republic	163,328	35,344	24,813	23,723	247,208
Slovakia	53,086	16,245	1,301	4,460	75,092
Italy	400	1,158	1	45,499	47,058
European Union (all other countries in EU)	398,419	11,589	33,859	69,431	513,298
United States of America	26,149	22	10,650	194,017	230,838
Nigeria	12,355	—	—	—	12,355
India	—	7,548	2,160	43	9,751
Indonesia	57,050	—	—	52	57,102
Serbia	5,404	114	—	1,142	6,660
Ukraine	398,218	30	—	1,184	399,432
Other	62,598	6,734	9,179	57,125	135,636
Total sales	1,177,007	78,784	81,963	396,676	1,734,430
Sales of the key products and services					
Production and repair of military machinery	555,442	—	—	27	555,469
Servicing and repair of military machinery	89,036	—	—	532	89,568
Servicing of vehicles and their accessories	—	533	—	—	533
Production of brake systems	—	44,922	—	—	44,921
Servicing and repair of brake systems	—	17,643	—	—	17,643
Other engineering production	—	4,919	—	—	4,919
Airplane/helicopter maintenance and repair	—	—	2,164	—	2,164
Specialized airplane/helicopter accessories	—	—	6,946	—	6,946
Aircraft industry services	—	—	60,598	—	60,597
Production of radar equipment	—	—	12,038	—	12,038
Transportation services/logistics	3,435	—	—	—	3,435
Small arms ammunitions	—	—	—	368,420	368,420
Sale of goods	487,868	10,508	217	5,729	504,322
Other	41,225	259	—	21,968	63,452
Total sales	1,177,007	78,784	81,963	396,676	1,734,430
Sales by revenue reporting period					
Products and services transferred as of a certain date	884,186	78,784	64,139	381,175	1,408,284
Products and services transferred during a period	292,821	—	15,130	11,902	319,853
Other income	—	—	2,694	3,599	6,293
Total sales	1,177,007	78,784	81,963	396,676	1,734,430

The Group assumes that in the following years it will recognize revenues from already concluded contracts with customers in the amount of approximately €2.3 billion relating to performance obligations that are outstanding as of December 31, 2024. The performance will be implemented according to the current assumptions, in particular in the next three years, in 2025 in the amount of approximately €1 billion, in 2026 – 2027 in the amount of €1.1 billion and in the following years in the amount of €0.2 billion. The stated revenues include revenues from separate contracts for different supplies with individual customers, mainly in the defence industry segment.

A. Contractual Balances

The following tables provide information on receivables, contract assets and contract liabilities from contracts with customers in compliance with IFRS 15:

(€ '000)	December 31, 2024	31. 12. 2023
Contract assets	18,913	15,211
Trade receivables and other receivables	544,899	220,436
Contract liabilities	880,066	840,524

The table below shows significant changes in contractual balances in the period ended December 31, 2024.

Changes in contract assets (€ '000)	2024	2023
Contract asset as of January 1	15,211	30,125
Invoicing of contract assets reported as of January 1	(7,803)	(11,208)
Increase in contract assets based on an ongoing revenue recognition	11,792	7,526
Change in the amount of contract assets due to impairment	(11)	—
Divestment disposals	—	(11,244)
Other changes (such as exchange rate impact)	(276)	12
Contract asset as of December 31	18,913	15,211

Changes in contract liabilities (€ '000)	2024	2023
Contract liabilities as of January 1	840,524	623,840
Revenue arising from contract liabilities recognised as of January 1	1,351,921	(448,242)
Partial invoicing and prepayments received for which no revenue was recognised	(1,334,279)	770,389
Divestment disposals		(11,105)
Other changes (such as exchange rate impact)	21,899	(94,358)
Contract liabilities as of December 31	880,065	840,524

The amount of €840,524 thousand (2023: €623,840 thousand) reported as a contract liability as of January 1, 2024 was reported as part of revenue for the year ended December 31, 2024.

B. Performance Obligations and Revenue Reporting Policies

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers controls of a product or service to a customer.

The table below provides additional information on the nature, method and time usual for the performance of performance obligations arising from contracts with customers, including significant payment terms and income recognition under IFRS 15.

Type of Income	Performance Nature and Time of Performance Obligations	Revenue Reporting Under IFRS 15
Non-current production and service agreements — Sales from construction contracts with customers	The Group generates a significant portion of revenues through the sale of products and services that are subject to long-term contracts, namely in security services, mechanical engineering and aircraft industry services (maintenance and repair of airplanes and airplane equipment, production of radar equipment, etc.). Most engagements in this segment relate to specific production or services according to the requirements of customers who have control over the relevant asset or service or gradually consume benefits resulting from performance as the Group delivers the performance. At the same time, the engagements usually grant the Group the right to receive payments for work completed including an appropriate margin if a customer unilaterally terminates a contract. With respect to the above facts, the Group reports income over the period in line with IFRS 15.	Sales are reported over time with respect to the progress of contractual activities as of the date of the financial statements using the percentage of completion method.
	These projects are mostly financed by non-current or current prepayments that are gradually redeemed. A contract asset or a contract liability are reported depending on the amount of prepayments, in most cases, 5–70% of the total amount of the contract and invoicing. Most contracts usually include multiple performance obligations, such as the delivery of products, training, installation, etc. In accordance with IFRS 15, these contract liabilities are assessed based on the separability or degree of integration, where in case of a high degree of integration, they are considered performances of one main contract liability. Furthermore, in the case of the supply of a series of identical products, these performances are regarded as a single contract liability in line with IFRS 15. The usual payment terms combine the use of prepayments made, guarantees and invoicing according to certain milestones, which take into account the degree of completion of the production, the state of delivery to the destination, assembly and final tests. Project implementation is connected to a standard work quality guarantee, i.e. it is not reported as a separate contractual obligation.	The percentage of completion is predominantly determined using the method of inputs, specifically the proportion of the costs incurred under the contract and the total estimated costs. The Group has to assess and identify separable goods and services and report them as a separate contractual obligation representing a separate performance obligation. If a contract grants a customer a financing benefit, the benefits should be separated from the benefits resulting from the provision of products, goods and services if the financial component is significant and a financial component should be recognized. If the financial component is significant the interest income/interest expense should be separated from sales of assets and should be reported separately in the Statement of Comprehensive Income.
Sale of products — Sales of own products	The Group generates the most significant portion of revenues through the sale of own products, which namely includes income from the defence industry (military vehicles, weapon systems and ammunition) and mechanical engineering (the foundry industry, production of trucks and brake systems). The Group recognises sales as of a certain date as the conditions to report income over time are not met under IFRS 15, i.e. a product becomes under a customer's control after being delivered, customers consume the benefits after contractual obligations are met rather than as part of the production and the Group has no right for compensation of contractual costs including an appropriate margin if a contract is terminated (for reasons other than the Group's failure).	Sales of products are reported at the moment when a customer assumes control over a product. The Group has to assess and identify separable goods and services and report them as a separate performance obligation.
Sales of goods	Sales of goods namely include income from the sale of armaments goods, radar equipment and accessories for airplanes and helicopters. The Group reports the sales at the point in time as the conditions to report income over time under IFRS 15 are not met, i.e. the goods become under a customer's control after being delivered, a customer consumes benefits after a contractual obligation is met and the Group is not entitled to receive any compensation of contractual costs including an appropriate margin if a contract is terminated (for reasons other than the Group's failure). If the Group acts as an agent (intermediary) in the sale of goods or services, then it accounts for the revenue from these contracts only as a commission for mediation (on a net basis).	Sales of goods are reported when a customer assumes control over the goods. The Group has to assess and identify separable goods and services and report them as a separate performance obligation.
Sales of services	Sales of services namely include servicing and repairs of military machinery, airplanes and helicopters and services in the aircraft industry, which are provided for less than 30 days. The Group reports the sales at a point in time even if the conditions to report income over time under IFRS 15 are met.	Sales of services are reported when control over the benefit from the service provided is transferred to a customer. The Group has to assess and identify separable goods and services and report them as a separate performance obligation.

C. Contract Costs

The price in the contracts with customers is mostly determined as a fixed cost for an object or a set of products, goods and services. In case of multiple separate performances within a single contract, the Group identifies separable goods and services to be delivered and subsequently allocates the expected transaction cost to the separate contractual obligations in line with the methodology specified in IFRS 15.

(€ '000)	For the period ended	
	December 31, 2024	December 31, 2023
Cost to obtain	32,263	28,119
Cost to fulfil a contract	28,174	13,066
Total	60,437	41,185
Non-Current	60,437	41,185
Total	60,437	41,185

9. Raw Material and Consumables

(€ '000)	For the period ended	
	December 31, 2024	December 31, 2023
Consumed material	524,314	506,937
Movements in stock of products and work in progress	(145,437)	6,465
Purchase costs of sold goods	1,774,030	326,399
Change in allowance for inventory	4,757	1,047
Total costs	2,157,664	840,848

10. External Costs

(€ '000)	For the period ended	
	December 31, 2024	December 31, 2023
Administrative costs and other external costs	217,343	121,844
Services and supplies relating to production	174,035	62,594
Transport and travel expenses	12,339	33,492
Cost of energy	18,677	16,707
Rental	4,110	2,231
Repairs and maintenance	15,780	8,387
Total external costs	442,284	245,255

11. Employee Benefits Costs

(€ '000)	2024	
	Total staff costs	Of which key management costs
Payroll costs	205,821	15,026
Social security and health insurance	61,551	3,824
Other employee benefits costs	18,840	801
Total employee benefits costs	286,212	19,651
(€ '000)	2023	
	Total employee benefit costs	Of which key management costs
Payroll costs	159,649	10,947
Social security and health insurance	53,653	3,056
Other staff costs	9,083	541
Total employee benefits costs	222,385	14,544

As of December 31, 2024 the Group had 10,137 employees (2023: 5,724 employees) and 215 key managers (2023: 193).

12. Other Operating Income

(€ '000)	2024	2023
Gain from the sale of tangible and intangible assets	—	13,688
Gain from the ceased receivables	937	2,462
Proceeds from insurance claims	1,691	1,609
Own assets capitalized	33,100	(28,410)
Other operating income	25,300	317
Total other operating income	61,028	5,237

13. Other Operating Expenses

(€ '000)	2024	2023
Loss from the sale of material	11,100	818
Change in provisions	13,190	4,180
Taxes and fees	5,779	2,458
Insurance costs	7,478	4,336
Other	33,984	4,111
Charge/release of asset and inventory allowances	1,891	1,286
Impairment losses and gains (including reversals of impairment losses) on financial assets and contract assets	30,896	16,458
Total other operating expenses	104,318	33,647

14. Financial Income and Expenses

(€ '000)	2024	2023
Interest income	21,460	21,799
Foreign exchange gain	139,797	—
Other financial income	4,593	1,355
Financial income	165,850	23,154
Interest expense	111,072	88,675
Foreign exchange loss	147,001	5,061
Interest expense from lease liabilities	3,769	1,360
Other financial expenses	116,494	9,011
Financial expenses	378,336	104,107
Charge/(release) of allowances	8,272	(11,108)
Other financial gain/(loss)	12,255	2,215
Gains /(losses) from remeasurement of derivatives	22,999	(11,766)
Profit/(loss) from other financial instruments	43,526	(20,659)
Net financial income/(expenses)	(168,960)	(101,612)

Other financial gain/loss predominantly includes loss on the sale of financial investments with the Group’s share of less than 20%. The increase of interest expense in 2024 is following the increase of secured bank loans primarily for the Fiocchi group acquisition. Charge / (release) of allowances predominantly includes impairment of financial investments where the Group’s share is less than 20%.

15. Income Tax

A. Income tax reported in profit or loss

(€ '000)	2024	2023
Current tax	230,130	78,874
Deferred tax	(17,679)	(10,157)
Total income tax	212,451	68,717

Deferred tax is calculated using the currently applicable tax rates that are assumed to be effective in the period when the asset will be recovered or the liability will be settled.

The corporate income tax rate for the fiscal year ended December 31, 2024 is 21% in the Czech Republic (2023: 19%), 21% in Slovakia (2023: 21%), 15% in Serbia (2023: 15%), 25% in Spain (2023: 25%), 24 % (2023: 24%) in Italy, 21 % in USA (2023: 21%), 24 %, in Greece, 25 % in India, 19% in Poland.

B. Reconciliation of the Effective Tax Rate

(€ '000)	%	2024	%	2023
Profit before tax on continued operations		845,838		278,928
Tax calculated using the local corporate income tax rate of the Company	22.13%	187,213	19.56%	54,449
Change in the opening balance of deferred tax due to a change in the tax rate		(3,667)		1,856
Tax effect:				
Non-deductible expenses		129,236		22,165
Tax-exempt income		(101,793)		(10,942)
Loss for the current year with no deferred tax receivable identified		4,788		4,020
Tax bonuses		(35)		2
Declaration of the tax effect of non-allowable tax losses of prior periods		(124)		(1,805)
Changes in estimates relating to prior periods		(3,167)		(1,028)
Income tax reported in the statement of comprehensive income	25.12%	212,451	24.68%	68,717

The average rate of the Group companies weighted by profit before tax was applied for the reconciliation of the effective tax.

The group has applied the temporary exception issued by the IASB in May 2023 from the accounting requirements for deferred taxes in IAS 12. Accordingly, the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

Based on the conducted analysis, the Group has met the conditions for the safe harbors and was therefore not required to recognize a provision for top-up tax as of the

balance sheet date. The Group continuously monitors legislative developments and the methodology for applying the top-up tax and will take appropriate measures in the event of any changes affecting its tax obligations.

In accordance with accounting regulations and the principles of a true and fair presentation of its financial position, the Group has not recognized a provision for top-up tax in the 2024 financial statements, as, based on the available information, its application is not expected.

16. Intangible Assets and Goodwill

(€ '000)	Goodwill	Concessions, licences, rights and software	Internally generated intangible assets	Intangible assets under construction	Other intangible assets	Total
Net book value						
Balance at January 1, 2023	416,910	182,933	18,465	835	15,249	634,392
Acquisitions through business combinations	1,604,865	52,115	2,344	699	1,661	1,661,684
Additions	—	14,145	1,001	7,296	13,582	36,024
Amortisation for the period	—	(15,375)	(1,490)	—	(2,560)	(19,425)
Allowance	—	—	(593)	(670)	—	(1,263)
Disposals	(22,568)	(1,593)	—	(1,166)	—	(25,327)
Reclassification	—	3,810	(4,277)	2,533	(1,447)	619
Impact of exchange rate changes	22,553	2,828	(79)	(138)	(472)	24,692
Balance as at December 31, 2024	2,021,760	238,863	15,371	9,389	26,013	2,311,396

(€ '000)	Goodwill	Concessions, licences, rights and software	Internally generated intangible assets	Intangible assets under construction	Other intangible assets	Total
Net book value						
Balance as at January 1, 2023	403,813	193,976	16,156	611	16,070	630,626
Acquisitions through business combinations	26,156	24	341	—	110	26,631
Additions	—	9,236	3,337	1,305	832	14,710
Amortisation for the period	—	(15,905)	(890)	—	(1,220)	(18,015)
Disposals	—	(49)	—	—	(112)	(161)
Divestment disposals	(2,441)	(3)	—	—	—	(2,444)
Reclassification	—	1,082	—	(1,038)	(54)	(10)
Impact of exchange rate changes	(10,618)	(5,428)	(479)	(43)	(377)	(16,945)
Balance as at December 31, 2023	416,910	182,933	18,465	835	15,249	634,392

Amortisation of intangible assets is recognised in the line Amortisation/depreciation of fixed assets in the consolidated statement of comprehensive income. Licences predominantly include a licence valid for 25 years for the exclusive production and distribution of PANDURs (infantry fighting vehicles) with the cost of €3 million (2023: €5 million). Identified trademarks include ELDIS Pardubice s.r.o. in the total amount of €7 million and are included in other intangible assets. The Group does not expect to use the trademarks over a certain period of time and as such it applies an indefinite useful life to them. Trademarks with indefinite useful lives are tested for impairment annually, refer to below. Amortization of the newly built main office of CSGM a.s. amounted to €2.6 million.

The most significant additions to concessions, licenses and rights and software in 2024 include internally generated intangible assets is represented by development work on radars in ELDIS Pardubice, s.r.o. of €2 million predominantly licenses for the information system of DAKO-CZ, a.s. of €1.1 million.

As of December 31, 2024, the most significant goodwill amounts to €348,353 thousand for FIOCCHI MUNIZIONI S.P.A. (2023: €348,353 thousand), €25,522 thousand for ELDIS Pardubice, s.r.o. (2023: €25,522 thousand), and €7,500 thousand for Prague Fertility Centre s.r.o. (2023: €7,500 thousand). The remaining goodwill for other companies amounts to €19,254 thousand (2023: €42,036 thousand).

Goodwill is subject to annual impairment testing, see below.

Impairment testing

A. General information

The Group performs annual impairment testing of goodwill, trademarks and other intangible assets with indefinite useful lives.

The Group management decided to apply the value-in-use method to impairment testing.

As management is not aware of any comparable market transactions the calculation of the value in use for trademarks and goodwill is based on estimated projections of discounted cash flows in financial plans approved and prepared by the Group’s management throughout the period until 2025 – 2029. It concerns the goodwill of Fiocchi Munizioni Group, ELDIS Pardubice s.r.o., CS Soft a.s., Prague Fertility Center s.r.o., VÝVOJ Martin, a.s. and Vista Group / The Kinetic Group predominantly.

Significant assumptions used by management in the calculation include the predicted amount of sales, predicted profit or loss before interest, tax, depreciation and amortization (EBITDA).

B. Impairment testing of goodwill and trademarks of individual companies

The recoverable amount for individual cash-generating units was estimated as mentioned above using the discounted cash flow method. As the recoverable amount exceeds the carrying amount of individual cash-generating units, no related impairment of goodwill, trademarks and other intangible assets was recognized.

C. The key assumptions used to calculate the value in use and sensitivity to changes of assumed input

The calculation of the value in use of individual cash-generating units is most sensitive to the following input considered:

- Budget sales and profit before interest and tax
- Discount rate
- Continuing value growth rate

The budget sales and profit before interest and tax: projections of sales and profit before interest and tax are updated on a regular basis and approved by senior management for a five-year period.

Discount rate before tax: a discount rate is the measurement of the current market risk; in cash flow estimates it takes into consideration the time value of money and individual risks of underlying assets that were not included in estimates of future cash flows. The discount rate is based on specific circumstances of the Group and segments in which it oper-

ates. It is derived from its weighted average cost of capital (WACC). WACC considers both liabilities and equity. The value of equity represents the expected return on investments by the Group’s investors while liabilities are derived from the Group’s interest-bearing loans. The calculation includes a specific industry risk using beta factors. The discount rate before tax is calculated using the adjustment of the resulting discount rate after tax for future cash flows.

Growth rate of intrinsic value: The growth rate of intrinsic value is used for the extrapolation of cash flows after a planned period.

The following values were used for 2024:

Discount rate	6.89–12.19% (2023: 7.39–11.61%)
Growth rate of intrinsic value	3.00% (2022: 3.00%; 2021: 3.00%)

D. Trademark and goodwill relating to Fiocchi Munizioni Group

Based on a calculation, the estimated recoverable amount exceeds the carrying amount and as such, as of December 31, 2024, no trademark or goodwill impairment was identified for Fiocchi Munizioni Group, a.s. The calculation was based on budgets for 2025–2029.

Based trademark and goodwill impairment testing of Fiocchi Munizioni Group performed in 2024, two key inputs were identified that would have to change significantly for the carrying amount to exceed the recoverable amount. The following table shows the value by which the input would have to change for the estimated recoverable amount to equal the carrying amount:

Change needed for the carrying amount to equal the recoverable amount		
In %	December 31, 2024	December 31, 2023
Discount rate before tax	2.77 p. p.	10.06 p. p.
Growth rate of intrinsic value	(4.79) p. p.	(32.93) p. p.

E. Trademark and goodwill relating to ELDIS Pardubice, s.r.o.

Based on a calculation, the estimated recoverable amount exceeds the carrying amount and as such as of December 31, 2024, no trademark or goodwill impairment was identified for ELDIS Pardubice, s.r.o. The calculation was based on budgets for 2025–2029.

Based on trademark and goodwill impairment testing of ELDIS Pardubice, s.r.o. performed in 2023, two key inputs were identified that would have to change significantly for the carrying amount to exceed the recoverable amount. The following table shows the value by which the input would have to change for the estimated recoverable amount to equal the carrying amount:

Change needed for the carrying amount to equal the recoverable amount		
In %	December 31, 2024	December 31, 2023
Discount rate before tax	7.53 p. p.	21.72 p. p.
Growth rate of intrinsic value	(16.27) p. p.	N/A

F. Goodwill relating to CS SOFT a.s

Based on a calculation, the estimated recoverable amount exceeds the carrying amount and as such as of December 31, 2024, no goodwill impairment was identified for CS SOFT a.s. The calculation was based on budgets for 2025–2029.

Based on goodwill impairment testing of CS SOFT a.s. performed in 2024, two key inputs were identified that would have to change significantly for the carrying amount to exceed the recoverable amount. The following table shows the value by which the input would have to change for the estimated recoverable amount to equal the carrying amount:

Change needed for the carrying amount to equal the recoverable amount		
In %	December 31, 2024	December 31, 2023
Discount rate before tax	1.90 p. p.	12.96 p. p.
Growth rate of intrinsic value	(3.22) p. p.	(17.75) p. p.

G. Goodwill relating to Prague Fertility Center s.r.o

Based on a calculation, the estimated recoverable amount exceeds the carrying amount and as such as of December 31, 2024, no goodwill impairment was identified for Prague Fertility Center s.r.o. The calculation was based on budgets for 2025–2029.

Based on goodwill impairment testing of Prague Fertility Center s.r.o. performed in 2024, two key inputs were identified that would have to change significantly for the carrying amount to exceed the recoverable amount. The following table shows the value by which the input would have to change for the estimated recoverable amount to equal the carrying amount:

Change needed for the carrying amount to equal the recoverable amount		
In %	December 31, 2024	December 31, 2023
Discount rate before tax	4.91 p. p.	4.49 p. p.
Growth rate of intrinsic value	(8.05) p. p.	(7.24) p. p.

H. Goodwill relating to Vista Group /The Kinetic Group

Based on a calculation, the estimated recoverable amount exceeds the carrying amount and as such as of December 31, 2024, no goodwill impairment was identified for The Kinetic Group. The calculation was based on budgets for 2025–2029.

Based on goodwill impairment testing of The Kinetic Group performed in 2024, two key inputs were identified that would have to change significantly for the carrying amount to exceed the recoverable amount. The following table shows the value by which the input would have to change for the estimated recoverable amount to equal the carrying amount:

Change needed for the carrying amount to equal the recoverable amount		
In %	December 31, 2024	December 31, 2023
Discount rate before tax	3.40 p. p.	N/A
Growth rate of intrinsic value	(5.95) p. p.	N/A

I. Trademark relating to Armi Perazzi Group

Based on a calculation, the estimated recoverable amount exceeds the carrying amount and as such as of December 31, 2024, no trademark impairment was identified for Armi Perazzi Group. The calculation was based on budgets for 2025–2029.

Based on trademark impairment testing of Armi Perazzi Group performed in 2024, two key inputs were identified that would have to change significantly for the carrying amount to exceed the recoverable amount. The following table shows the value by which the input would have to change for the estimated recoverable amount to equal the carrying amount:

Change needed for the carrying amount to equal the recoverable amount		
In %	December 31, 2024	December 31, 2023
Discount rate before tax	14.06 p. p.	N/A
Growth rate of intrinsic value	(82.02) p. p.	N/A

17. Property, Plant and Equipment

(€ '000)	Property and plant	Machinery and equipment	Building and structure equipment	Right-of-use assets – property and plant	Right-of-use assets – machinery and equipment	Tangible assets under construction	Total
Balance as at January 1, 2024	176,019	90,222	7,057	25,142	24,002	50,631	373,073
Acquisitions through business combinations	60,514	59,938	958	4,603	4,352	7,597	137,962
Additions	21,836	45,549	5,000	28,807	40,830	72,388	214,410
Depreciation for the period	(8,397)	(25,091)	(2,578)	(6,016)	(4,784)	—	(46,866)
Allowance	—	(37)	1	—	(34)	(218)	(288)
Disposals	1,391	(2,594)	(33)	(3,769)	171	(20,745)	(25,579)
Divestment disposals	(4,413)	—	—	—	—	—	(4,413)
Reclassification	4,646	7,072	(272)	(455)	(372)	(7,696)	2,923
Impact of exchange rate changes	5,808	500	138	(57)	(4,701)	678	2,366
Balance as at December 31, 2024	257,404	175,559	10,271	48,255	59,464	102,635	653,588

(€ '000)	Property and plant	Machinery and equipment	Building and structure equipment	Right-of-use assets – property and plant	Right-of-use assets – machinery and equipment	Tangible assets under construction	Total
Balance as at January 1, 2023	179,767	101,709	5,547	27,703	18,406	28,531	361,663
Acquisitions through business combinations	7,292	2,225	733	742	10,006	2,205	23,203
Additions	8,252	29,263	2,440	2,008	2,579	31,602	76,144
Depreciation for the period	(7,423)	(22,206)	(1,515)	(4,978)	(6,424)	(93)	(42,639)
Allowance	—	40	—	—	—	—	40
Disposals	(6,078)	(4,621)	23	(38)	(61)	(6,115)	(16,890)
Divestment disposals	(2,847)	(16,624)	(29)	(24)	—	(170)	(19,694)
Reclassification	(100)	2,545	(4)	—	—	(4,516)	(2,075)
Impact of exchange rate changes	(2,844)	(2,109)	(138)	(271)	(504)	(813)	(6,678)
Balance as at December 31, 2023	176,019	90,222	7,057	25,142	24,002	50,631	373,073

The most significant addition to machinery and equipment includes new machines related to the construc-tion of the EXCALIBUR ARMY spol. s r.o. hall, amounting to €8.75 million, as well as machines for ammunition production at ZVS Holding, a.s., amounting to €7.85 million. The most significant additions to tangible assets under construction include the modernization of ammunition equipment at ZVS Holding, a.s., amounting to €21.68 million, and the modernization of equipment at FIOCCHI MUNIZIONI S.P.A., amounting to €6.77 million.

18. Leases

Group as the lessee

A. Right-of-use

(€'000)	Right-of-use assets – property and plant	Right-of-use assets – machinery and equipment	Total
Balance as at January 1, 2024	25,142	24,002	49,144
Acquisitions through business combinations	4,603	4,352	8,955
Additions	28,807	40,830	69,637
Depreciation for the period	(6,016)	(4,784)	(10,800)
Allowance	—	(34)	(34)
Disposals	(3,769)	171	(3,598)
Divestment disposals	—	(4,283)	(4,283)
Reclassification	(455)	(372)	(827)
Impacts of exchange rate changes	(57)	(418)	(475)
Balance as at December 31, 2024	48,255	59,464	107,719

(€'000)	Right-of-use assets – property and plant	Right-of-use assets – machinery and equipment	Total
Balance as at January 1, 2023	27,703	18,406	46,109
Acquisitions through business combinations	742	10,006	10,748
Additions	2,008	2,579	4,587
Depreciation for the period	(4,978)	(6,424)	(11,402)
Disposals	(38)	(61)	(99)
Divestment disposals	(24)	—	(24)
Impacts of exchange rate changes	(271)	(504)	(775)
Balance as at December 31, 2023	25,142	24,002	49,144

The incremental rate for the Group is derived from PRIBOR + margin 2.59% for contracts concluded in CZK and EURIBOR + margin 2.80% for contract concluded in EUR, entered into in 2024.

Pledged assets

As of December 31, 2024, no property, plant, or equipment was pledged as collateral for bank loans (2023: €71,335 thousand). However, as of December 31, 2024, the Group has pledged shares amounting to €863,928 thousand, along with certain intercompany receivables (2023: €52,793 thousand).

The incremental rate for the Group is derived from PRIBOR + margin 4.92% for contracts concluded in CZK and EURIBOR + margin 4.53% for contract concluded in EUR, entered into in 2023.

The Group uses mainly administrative buildings, land, production halls and cars for leasing. The average lease term of real estate is 6 years, the average lease term of cars and machines is 3 years. In relation to certain cars, the Group has the right to purchase leased assets at the end of the lease term.

In 2023, the most significant additions to the right-of-use of aircraft due to acquisition of the company ABIENNALE s.r.o. (see Note 7).

Other additions to the right-of-use machinery and equipment primarily include aircraft leased by RELAZA SPV a.s. in the amount of €6 million.

B. Amounts reported in the statement of comprehensive income

(€ '000)	2024	2023
Right-of-use assets amortisation	(10,800)	(11,402)
Interest expense from lease liabilities	(3,769)	(1,360)
Costs related to current leases	(207)	(257)
Costs related to leases of low-value assets	(190)	(293)
Costs related to variable lease payments not included in lease liabilities	(708)	(406)
Total	(15,674)	(13,718)

The Group does not report any lease contracts with an early termination or extension option which are highly likely to be utilised.

C. Lease liabilities

As of December 31, 2024, the Group reported the following lease liabilities:

(€ '000)	December 31, 2024	December 31, 2023
Non-current lease liabilities	84,905	36,200
Current lease liabilities	14,116	6,323
Total lease liabilities	99,021	42,523

As of December 31, 2024 the lease liability in the amount of €60,981 thousands were classified as operating lease and the lease liability in the amount of €38,040 thousands were classified as financial leases.

In relation to lease liabilities, the Group is not exposed to significant liquidity risk, which is managed by the Treasury department. Lease liabilities are the part of the rows “Other financial instruments” (current and non-current) in the statement of financial position.

19. Investments in Associates and Joint Ventures

The Group has investments in the following associates and joint ventures:

(€ '000)		Direct ownership percentage	Investment carrying amount	Direct ownership percentage	Investment carrying amount
		December 31, 2024	December 31, 2024	December 31, 2023	December 31, 2023
Associates	State	%		%	
ZVS technology, s.r.o.	Slovakia	27.54	1	27.54	2
Target Products 1978 Ltd	New Zealand	20.00	1,475	20.00	1,476
C.F.L. S.a.s.	Italy	14.00	—	14.00	43
Joint ventures					
CSG CENTRAL ASIA a.s.	Czech Republic	30.00	—	30.00	—
FALCON CSG a.s.	Czech Republic	30.00	28	30.00	22
HARVO Reality s.r.o.	Czech Republic	44.55	589	50.00	—
Milconn a.s.	Czech Republic	50.00	711	50.00	493
TATRA group*	Czech Republic	65.00	81,119	65.00	83,417
VÝVOJ Martin, a.s.	Slovakia		—	61.56	18,047
Total			83,923		103,499

* TATRA group includes TATRA TRUCKS a.s., TATRA METALURGIE a.s. and TATRA EXPORT s.r.o.

The Group holds a 65% equity interest in TATRA TRUCKS a.s. (TATRA group). The Articles of Association of TATRA a.s. require the agreement of 75% of shareholders for some essential decisions of the General Meeting, therefore the Group does not control TATRA TRUCKS a.s. independently and considers it a joint venture. The Group has not concluded any agreements with the other shareholder of TATRA TRUCKS a.s. regarding the control of the company.

In December 2024 the Group acquired 80.2% of VÝVOJ Martin, and the company became fully consolidated again.

A. 2024

In 2024 there wasn’t any new acquisition to Associate or JV.

B. 2023

In 2023 there wasn’t any new acquisition to Associate or JV.

The CSG Group’s share in the total comprehensive income of the TATRA group is disclosed in the table below:

Effective ownership percentage	TATRA Group	TATRA Group
	Joint venture	Joint venture
	65.00%	65.00%
(€ '000)	December 31, 2024	December 31, 2023
Summary balance sheet		
Non-current assets	124,969	122,252
Current assets (including cash and cash equivalents)	270,343	279,054
Non-current liabilities	27,143	17,682
Current liabilities	250,456	262,537
Net assets (100%)	117,713	121,087
The Group’s share in the profit (+) / loss (-) of the associate	(1,545)	134
Summary income statement after the acquisition date		
Income	388,882	575,460
Profit (+) / loss (-) from operating activities	6,751	7,913
Profit (+) / loss (-) before tax	(3,848)	1,955
Income tax	1,471	(1,749)
Profit (+) / loss (-) for the year/reporting period	(2,377)	206
— of which profit (+) / loss (-) attributable to owners	(1,541)	134
Other comprehensive income	(1,541)	(499)
Total comprehensive income	—	206
The Group’s share in the total comprehensive income	—	134
Total comprehensive income after considering the impact of IFRS 9	—	—
Group’s share in the total comprehensive income after consi-dering the impact of IFRS 9	—	—
Other changes in equity	—	(821)
— of which dividends paid	(767)	—
— of which derivatives remeasured	—	(487)
The Group’s share in other changes in equity	—	(47)
Adjustment for retained earnings at the intercompany sale of inventory	(196)	(265)
The Group’s share in retained earnings	(128)	(172)
The Group’s adjusted share in the total comprehensive income and other changes in equity	(1,672)	(87)

The Group only reports its share in the loss from associates if the carrying amount of the equity investment in as associ-ate is not lower than zero. The Group does not account for any payables as it is not obliged to fund operations of an investee.

The CSG Group’s share in the total comprehensive income of the TATRA group is disclosed in the table below:

December 31, 2024	CSG CENTRAL ASIA a.s.	FALCON CSG a.s.	Milconn a.s.	HARVO SPV s.r.o.*	VÝVOJ Martin, a.s.
	Joint venture	Joint venture	Joint venture	Joint venture	Joint venture
	30.00%	30.00%	50.00%	44.55%	61.56%
(€ '000)					
Summary balance sheet					
Non-current assets	77	79	—	816	7,065
Current assets (including cash and cash equivalents)	6	—	1,797	772	15,565
Non-current liabilities	—	—	—	—	458
Current liabilities	3	14	361	363	16,729
Net assets (100%)	80	65	1,436	1,225	5,443
The Group’s share in the profit (+) / loss (-) of an associate	—	(1)	234	387	667
Summary income statement					
Income	—	—	6,636	1,554	19,107
Profit (+) / loss (-) from operating activities	(4)	(1)	(95)	(442)	(10,230)
Profit (+) / loss (-) before tax	2	(2)	469	1,103	1,134
Income tax	—	—	—	(232)	(51)
Profit (+) / loss (-) for the year/reporting period	2	(2)	469	871	1,083
— of which profit (+) / loss (-) attributable to owners	—	(1)	234	388	667
Total comprehensive income	1	(2)	469	871	1,083
The Group’s share in total comprehensive income	—	(1)	234	388	667

* VÝVOJ Martin, a.s. in December 2024 became fully consolidated company

December 31, 2023	CSG CENTRAL ASIA a.s.	FALCON CSG a.s.	Milconn a.s.	HARVO SPV s.r.o.*	VÝVOJ Martin, a.s.
	Joint venture	Joint venture	Joint venture	Joint venture	Joint venture
	30.00%	30.00%	50.00%	45.00%	61.56%
(€ '000)					
Summary balance sheet					
Non-current assets	—	81	—	807	7,690
Current assets (including cash and cash equivalents)	81	—	1,216	189	7,286
Non-current liabilities	—	—	—	—	522
Current liabilities	—	12	229	1,043	9,869
Net assets (100%)	81	69	987	(47)	4,585
The Group’s share in the profit (+) / loss (-) of an associate	1	(1)	171	—	315
Summary income statement					
Income	—	—	5,767	1	10,620
Profit (+) / loss (-) from operating activities	(4)	(3)	451	(13)	707
Profit (+) / loss (-) before tax	3	(4)	421	(36)	515
Income tax	—	—	(80)	—	(3)
Profit (+) / loss (-) for the year/reporting period	3	(4)	341	(36)	512
— of which profit (+) / loss (-) attributable to owners	1	(1)	171	—	315
Total comprehensive income	3	(4)	341	(36)	512
The Group’s share in total comprehensive income	1	(1)	171	—	315

20. Financial Instruments

A. Loans and Other Financial Assets

(€ '000)	December 31, 2024	December 31, 2023
Assets at amortised cost		
Granted loans	45,723	166,559
Other financial assets	36,108	82,633
Total assets at amortised cost	81,831	249,192
Assets at fair value		
Derivative instruments	6,983	18,433
Other financial assets	57,866	5,984
Total assets at fair value	64,849	24,417
Non – current	77,206	171,518
Current	69,474	102,091
Total loans and other financial assets	146,680	273,609

Granted loans in 2024 primarily consist of a loan of €17 million provided to a third party, which represents the largest loan in this category, along with other loans, including €5 million.

Granted loans in 2023 primarily consisted of a loan provided to a third party and an individual.

The weighted average interest rate relating to loans other than to lending institutions was 7.09 % in 2024 (2023: 8.62 %).

Trade and other receivables are disclosed in Note 21, Trade and other payables are disclosed in Note 28.

Exposure of the Group to credit and currency risks and impairment losses relating to loans and other financial assets are disclosed in Note 32 – Risk Management Methods and Disclosures.

Other financial assets primarily comprise deposits in bank accounts with limited access (2024: €14 million, 2023: €37 million) and advances on financial assets and other investments (2024: €53 million, 2023: €38 million).

Granted loans primarily represent loans provided to external business partners. These loans are issued under standard commercial terms and conditions.

B. Loans, borrowings and other financial liabilities

(€ '000)	December 31, 2024	December 31, 2023
Overdraft	449,589	76,282
Secured bank loans	1,414,816	587,865
Unsecured bank loans	44,077	53,907
Loans from the shareholder and other related parties	1,216	38,288
Loans from third parties (other loans)	2,798	1,057
Total loans and borrowings at amortised cost	1,912,496	757,399
Liability from put option	148,777	176,451
Derivative instruments	13,017	6,984
Total financial liabilities at fair value	161,794	183,435
Other financial liabilities	40,126	38
Financial liabilities from leases	99,021	42,523
Total loans, borrowings, derivatives and other financial instruments	2,213,437	983,395
Non-current loans and borrowings	1,140,402	456,940
Current loans and borrowings	772,094	300,459
Total loans and borrowings	1,912,496	757,399
Non-current financial instruments	99,802	216,887
Current financial instruments	201,139	9,109
Financial instruments and lease liabilities	300,941	225,996
Non-current loans, borrowings and other financial instruments	1,240,204	673,827
Current loans, borrowings and other financial instruments	973,233	309,568
Total loans, borrowings and other financial instruments	2,213,437	983,395

Financial liabilities from leases are reported in Note 18 Leases.

Liability from put option in 2024 and 2023 mostly represents option to acquire remaining 30% share in Fiocchi Group at fair value.

In 2024, the weighted average interest rate of loans amounted to 8.58% (2023: 6.41%).

C. Terms and Summary of Loan Maturities

The following terms applied to outstanding loans and borrowings as of December 31, 2024:

(€ '000)	Currency	Nominal interest rate*	Balance as at December 31, 2024	Due in 1 year	Due in 1 to 5 years	Due in subsequent years
Bank overdraft	CZK	Fixed	265	265	—	—
Bank overdraft	CZK	Variable	(5)	(5)	—	—
Bank overdraft	EUR	Fixed	1,543	1,521	22	—
Bank overdraft	EUR	Variable	447,290	447,290	—	—
Bank overdraft	EUR	Interest free	495	495	—	—
Collateralised bank loan	CZK	Fixed	179	—	179	—
Collateralised bank loan	CZK	Variable	1,146,234	190	1,146,040	4
Collateralised bank loan	CZK	Interest free	283	—	283	—
Collateralised bank loan	EUR	Fixed	2,087	249	1,838	—
Collateralised bank loan	EUR	Variable	295,651	283,651	12,000	—
Collateralised bank loan	EUR	Interest free	(29,679)	(6,037)	(23,642)	—
Collateralised bank loan	USD	Interest free	65	65	—	—
Loans from related parties	CZK	Variable	732	6	726	—
Loans from related parties	CZK	Interest free	421	421	—	—
Loans from related parties	EUR	Variable	77	—	77	—
Loans from related parties	EUR	Interest free	(14)	(14)	—	—
Other loans	CZK	Fixed	953	465	4	484
Other loans	CZK	Variable	383	244	139	—
Other loans	CZK	Interest free	150	150	—	—
Other loans	EUR	Fixed	1,312	245	513	554
Other loans	EUR	Interest free	—	—	—	—
Uncollateralised bank loans	CZK	Fixed	274	46	228	—
Uncollateralised bank loans	CZK	Variable	709	—	709	—
Uncollateralised bank loans	CZK	Interest free	(421)	(421)	—	—
Uncollateralised bank loans	EUR	Fixed	22,158	21,928	230	—
Uncollateralised bank loans	EUR	Variable	21,357	21,341	16	—
Total			1,912,496	772,094	1,139,361	1,041

* The variable interest rate is derived from the PRIBOR, EURIBOR or LIBOR rate plus a mark-up. All interest rates correspond with arm's length conditions.

Negative amount in EUR and CZK interest free bank loans represents amortised costs of financing.

The following terms applied to outstanding loans and borrowings as of December 31, 2023:

(€ '000)	Currency	Nominal interest rate*	Balance as at December 31, 2023	Due in 1 year	Due in 1 to 5 years	Due in subsequent years
Bank overdraft	CZK	Fixed	310	40	269	—
Bank overdraft	CZK	Variable	61,302	59,351	1,950	—
Bank overdraft	EUR	Fixed	—	—	—	—
Bank overdraft	EUR	Variable	13,656	13,668	(12)	—
Bank overdraft	RSD	Fixed	1,015	999	16	—
Other loans	CZK	Fixed	37	37	—	—
Other loans	CZK	Variable	195	195	—	—
Other loans	EUR	Variable	712	375	337	—
Other loans	GBP	Fixed	78	78	—	—
Other loans	USD	Fixed	35	35	—	—
Loans from related parties	CZK	Fixed	20,801	1,894	18,907	—
Loans from related parties	CZK	Variable	2,058	2,058	—	—
Loans from related parties	EUR	Variable	6,295	355	5,940	—
Loans from related parties	USD	Fixed	9,050	—	9,050	—
Loans from related parties	USD	Variable	84	84	—	—
Collateralised bank loan	CZK	Fixed	14,955	3,700	10,986	270
Collateralised bank loan	CZK	Variable	10,624	4,983	4,913	728
Collateralised bank loan	EUR	Fixed	35,029	11,622	11,114	12,294
Collateralised bank loan	EUR	Variable	524,735	149,622	355,809	19,303
Collateralised bank loan	USD	Fixed	2,522	—	—	2,522
Uncollateralised bank loans	CZK	Variable	30,216	28,229	1,987	—
Uncollateralised bank loans	EUR	Fixed	20,797	20,769	28	—
Uncollateralised bank loans	EUR	Variable	2,894	2,365	529	—
Total			757,399	300,459	421,823	35,117

* The variable interest rate is derived from the PRIBOR, EURIBOR or LIBOR rate plus a mark-up. All interest rates correspond with arm's length conditions.

A majority of the Group's covenants are tied to the financial performance of a specific Group company. Major indicators in the agreed covenants include:

- Equity to total assets;
- Minimum amount of equity; and
- Net debt to EBITDA.

D. Bonds

On July 1, 2021, the Company issued CSG VAR/26 bonds (ISIN CZ0003532681) with a floating interest income in the total nominal value of placement of CZK 2,000 million (approx. €81 million) with maturity in 2026. The bonds were issued as securities in the book-entry form with a nominal value of CZK 10 thousand (€0.4 thousand) per bond. As of December 31, 2023, the Company recognised a payable from these issues in the amount of €79,392 thousand. As of December 31, 2023, the Company recognised a payable from these issues in the amount of €80,890 thousand.

The CSG VAR/24 bonds bear a floating interest rate consisting of 6M PRIBOR + a 3.25% margin per annum (p.a.), with interest falling due biannually as of November 1 and May 1 each year.

On September 17, 2021, the Company issued CSG VAR/26 bonds (ISIN CZ0003534174) with a fixed (step-up) interest income in the estimated total nominal value of placement of €25 million with maturity in 2026. The bonds were issued as securities in the book-entry form with a nominal value of €100 thousand per bond. As of December 31, 2024, the Company recognises a payable from these issues in the amount of €15 million. As of December 31, 2023, the Company recognised a payable from these issues in the amount of €15 million.

The CSG/VAR 26 bonds bear interest at a fixed (step-up) rate, which increases gradually from 3.5% per annum (p.a.), to 4.35% p.a. according to a predetermined procedure specified in the bond prospectus. Interest is payable quarterly on January 17, March 17, June 17 and September 17, of each year.

On December 21, 2022, the Company issued CSG VAR/2027 (ISIN CZ003546780) floating rate bonds with an expected total nominal value of the issue of up to €15 million, maturing in 2027. The bonds were issued as book-entry securities with a nominal value of €100 thousand each. As of December 31, 2024, the Company recognises a payable of €11.1 million for these issues. As of December 31, 2023, the Company recognised a payable of €11.1 million.

CSG/VAR 27 bonds bear interest at a floating rate consisting of 6M EURIBOR + 3.5% per annum (p.a.) margin, with a minimum interest rate of 4.25%. Interest is payable semi-annually on June 21 and December 21, each year.

On July 4, 2023, the Company issued CSG 8.00/2028 bonds (ISIN CZ0003550808) with a fixed interest income in the estimated total nominal value of placement up to CZK 3,000 million (approx. €121 million) and possible increase up to CZK 5,000 million (approx. €202 million). Maturity of the bonds is in 2028. The bonds were issued as securities in the book-entry form with a nominal value of CZK 10 thousand (approx €0.4 thousand) per bond. As of December 31, 2024, the Company recognises a payable from these issues in the amount of €198,402 thousand. As of December 31, 2023, the Company recognises a payable from these issues in the amount of €173,053 thousand.

CSG 8.00/2028 bonds bear fixed interest 8.00% p.a. interest is payable semi-annually on January 4 and July 4 of each year.

On November 21, 2024, the Company issued USD 734,400,400 Senior Secured Floating Rate (CSG USD) notes due 2030 (ISIN USX1761DAJ10) with floating interest calculated as compounded 6M SOFR + 7%. Total nominal value of placement is 734,400,400 USD. Maturity of the bonds is in 2030. Due to higher demand the Company issued on December 19, 2024 additional USD 40,600,000 Senior Secured Floating Rate Notes due 2030. Total value of placement was USD 775,000,000. As of December 31, 2024, the Company recognises a payable from these issues in the amount of €745,825 thousand.

(€ '000)	December 31, 2024	December 31, 2023
Issued bonds	1,049,719	332,508
Outstanding interest	15,297	7,761
Subtotal	1,065,016	340,269
Transaction costs	(59,321)	(2,824)
Total bonds	1,005,695	337,445
Non-current	1,000,830	278,073
Current	4,865	59,372
Total bonds	1,005,695	337,445

Bonds as of December 31, 2024 and 2023 were subject to the following conditions:

(€ '000)	Currency	Nominal interest rate	Due in	Balance as at December 31, 2024	Due in 1 year	Due in 1 to 5 years	Due in subsequent years
CSG VAR/26	CZK	variable	2021–2026	79,392	—	79,392	—
CSG VAR/26	EUR	fixed (step-up)	2021–2026	15,025	25	15,000	—
CSG VAR/27	EUR	variable	2022–2027	11,121	21	11,100	—
CSG 8,00/2028	CZK	fixed	2023–2028	206,177	7,775	198,402	—
CSG USD	USD	variable	2024–2030	753,301	7,476	—	745,825
Total				1,065,016	15,297	303,894	745,825

(€ '000)	Currency	Nominal interest rate	Due in	Balance as at December 31, 2023	Due in 1 year	Due in 1 to 5 years
CSG VAR/24	CZK	variable	2019–2024	53,367	53,367	—
CSG VAR/26	CZK	variable	2021–2026	80,890	—	80,890
CSG VAR/26	EUR	fixed (step-up)	2021–2026	15,024	24	15,000
CSG VAR/27	EUR	variable	2022–2027	11,125	25	11,100
CSG 8.00/2028	CZK	fixed	2023–2028	179,863	6,810	173,053
Total				340,269	60,226	280,043

The sensitivity analysis relating to fair values of financial instruments is disclosed in Note 32 – Risk Management Methods and Disclosures.

21. Trade and Other Receivables
and Other Assets

(€ '000)	December 31, 2024	December 31, 2023
Receivables from retentions	240	—
Trade receivables	425,034	160,799
Receivables from sale of shares and associates	13,495	10,387
Receivables from assignment	63,123	1,805
Other receivables	38,914	38,140
Estimated receivables	3,814	5,002
Accrued income	278	4,303
Trade and other receivables	544,899	220,436
Deferred expenses	49,883	48,429
Prepayments made	689,538	175,403
Prepayments made and deferred expenses and accrued income	739,420	223,832
Trade and other receivables and total other assets	1,284,319	444,268
Non-current	179,200	17,438
Current	1,105,119	426,830
Trade and other receivables and total other assets	1,284,319	444,268

The Group’s exposure to credit and currency risks and impairment losses in relation to trade and other receivables is disclosed in Note 32 – Risk Management Methods.

As of December 31, 2024, trade and other receivables amounted to €0 thousand (2023: €99,661 thousand) and were provided as collateral to bank loans.

Contract Assets

(€ '000)	December 31, 2024	December 31, 2023
Income recognised in the current period	196,949	265,297
Total expenses incurred to date	568,523	402,767
Total recognised profit (minus reported losses) to date*	195,907	141,742
Total income from contracts to date	764,430	544,509
Gradual billing*	859,279	536,135
Total	(94,849)	8,374
Of which:		
— Gross amount due from customers for contractual work	26,400	72,276
— Gross amount payable to customers for contractual work	(121,249)	(63,903)
Total	(94,849)	8,373
Gross amount due from customers for contractual work	26,400	72,276
Prepayments received offset against gross amounts due from customers	(7,554)	(57,077)
Net amount due from customers for contractual work	18,846	15,199
Prepayments received from customers for contractual work	156,130	200,827

22. Deferred Tax Assets and Liabilities

A. Reported Deferred Tax Assets and Liabilities

The following deferred tax assets (liabilities) were reported:

(€ '000)	December 31, 2024			December 31, 2023		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Intangible fixed assets	3,902	(72,136)	(68,234)	141	(48,983)	(48,842)
Property, plant and equipment	6,212	(45,562)	(39,350)	2,284	(19,965)	(17,681)
Investment property	—	(793)	(793)	192	(210)	(18)
Other investments	29,802	(32,874)	(3,072)	176	—	176
Provided loans	19	(258)	(239)	19	—	19
Receivables	18,118	(1,266)	16,852	3,995	(298)	3,697
Other assets	533	(84)	449	33	(336)	(303)
Inventories	36,011	(314)	35,697	4,419	(2,245)	2,174
Provisions	9,656	(36)	9,620	3,326	—	3,326
Loan interest	—	(4,602)	(4,602)	1	(18)	(17)
Payables	17,007	(4,713)	12,294	394	(48)	346
Other payables	8,757	(6,543)	2,214	2,021	—	2,021
Tax losses of prior years	174	—	174	164	—	164
Other temporary diffe-rences	2,529	(16,382)	(13,853)	1,818	(912)	906
Total	132,720	(185,563)	(52,843)	18,983	(73,015)	(54,032)
Tax offsetting	(105,947)	105,947	—	(7,343)	7,343	—
Net deferred tax asset (tax liability)	26,773	(79,616)	(52,843)	11,640	(65,672)	(54,032)

A deferred tax asset arising from unutilised tax losses of prior years is only recognised if it is likely that a future taxable profit will be generated in respect of which it will be possible to utilise unutilised tax losses. The moment when the possibility of utilising tax losses expires is presented in the table below:

(€ '000)	2024	2025	2026	2027	2028	2028 onwords	Total
Total tax losses	385	248	571	387	147	323	2,061
Tax losses – utilized	—	—	53	53	68	—	174
Tax losses – unutilized	385	248	518	334	79	323	1,887

B. Movements in Temporary Differences
During the Year

(€ '000)	Balance as at January 1, 2024	Reported through comprehensive income	Reported through equity	Acquired	Sold	Effect of changes in foreign exchange rates	Balance as at December 31, 2024
Temporary difference in relation to the below items:							
Intangible fixed assets	(48,842)	4,268	(799)	(23,589)	—	728	(68,234)
Property, plant and equipment	(17,681)	(18,259)	8,593	(12,202)	11	188	(39,350)
Investment property	(18)	(589)	(191)	—	—	5	(793)
Other investments	176	(3,095)	(138)	—	—	(15)	(3,072)
Loans provided	19	(592)	334	—	—	—	(239)
Receivables	3,697	4,370	6,329	2,543	—	(87)	16,852
Other assets	(303)	13,809	(21,502)	8,390	—	55	449
Inventories	2,174	17,436	15,652	522	—	(87)	35,697
Provisions	3,326	17	6,338	—	—	(61)	9,620
Loan interest	(17)	15,466	(20,928)	905	—	(28)	(4,602)
Payables	346	(1,753)	6,513	7,095	—	93	12,294
Other liabilities	2,021	(82)	191	122	—	(38)	2,214
Tax losses of prior years	164	(1,004)	1,016	—	—	(2)	174
Other temporary differences	906	(12,313)	(1,516)	(950)	—	20	(13,853)
Total	(54,032)	17,679	(108)	(17,164)	11	771	(52,843)

(€ '000)	Balance as at January 1, 2023	Reported through comprehensive income	Reported through equity	Acquired	Sold	Effect of changes in foreign exchange rates	Balance as at December 31, 2023
Temporary difference in relation to the below items:							
Intangible fixed assets	(52,955)	2,047	1,960	—	—	105	(48,843)
Property, plant and equip-ment	(17,304)	(739)	124	1	(16)	253	(17,681)
Investment property	107	(125)	—	—	—	1	(17)
Other investments	131	49	—	—	—	(4)	176
Loans provided	5	15	—	—	—	(1)	19
Receivables	3,955	140	(657)	—	312	(54)	3,696
Other assets	(234)	(82)	1	—	—	12	(303)
Inventories	414	3,018	(1,070)	(36)	(58)	(93)	2,175
Provisions	2,102	1,321	(45)	—	31	(83)	3,326
Loan interest	—	(17)	—	—	—	—	(17)
Payables	143	202	8	—	—	(7)	346
Other liabilities	(618)	2,716	19	—	—	(96)	2,021
Tax losses of prior years	181	(14)	(3)	—	—	—	164
Other temporary differences	(1,033)	1,628	345	(5)	—	(29)	906
Total	(65,104)	10,157	682	(40)	269	4	(54,032)

23. Inventory

(€ '000)	December 31, 2024	December 31, 2023
Material	543,353	346,836
Finished products	295,807	78,217
Goods	211,065	132,744
Work in progress	170,088	82,749
Prepayments to suppliers	939,828	219,699
Total inventory	2,160,141	860,245

As of December 31, 2024, the allowance for inventory was €8,715 thousand (2023: €8,015 thousand).

As of December 31, 2024, no inventory was provided as collateral to secure bank loans (2023: €187,975 thousand).

24. Tax Receivables

(€ '000)	December 31, 2024	December 31, 2023
Value added tax	18,328	16,973
Other taxes	3,053	2,358
Total tax receivables	21,381	19,331

25. Cash and Cash Equivalents

(€ '000)	December 31, 2024	December 31, 2023
Current accounts with banks	1,160,661	398,276
Term deposits	31,979	105,066
Cash on hand	19,256	839
Other cash equivalents	36,591	59,684
Cash and cash equivalents in the cash flow sta-tement	1,248,487	563,865

26. Equity

A. Share Capital

As of December 31, 2022, authorised, issued and fully paid-in share capital consisted of twenty ordinary registered shares in the book entry form in the nominal value of CZK 100,000,000. As of December 31, 2021, share capital consisted of twenty ordinary registered shares in the book entry form in the nominal value of CZK 100,000,000.

In 2021, the sole shareholder decided to increase the share capital of CZECHOSLOVAK GROUP a.s. The share capital was increased by CZK 1,998,000,000 (€78,353,000) from CZK 2,000,000 (€74,000) to CZK 2,000,000,000 (€78,427,000) from the Company’s own resources, i.e. from other reserves – other capital reserves. The increase in the share capital was carried out by increasing the nominal value of the existing shares held by the sole shareholder of the Company by increasing the nominal value of each share by CZK 99,900,000, i.e. to CZK 100,000,000, for the existing twenty registered book-entry shares with a nominal value of CZK 100,000 per share.

The shareholder is entitled to a payment of dividends and is entitled to vote at the General Meetings of the Company’s shareholders with one vote attributable to a share of CZK 100,000 thousand. In 2024, the Company paid no dividends (2023: €0 thousand).

December 31, 2024	Number of shares	Shares Ownership percentage		Voting rights
	Pieces	(€ '000)	%	%
CSG FIN a.s., Corporate ID: 141 41 442	20	78,427	100	100
Total shares	20	78,427	100	100

Funds reported in equity include the following items:

(€ '000)	December 31, 2024	December 31, 2023
Other capital reserves	65,931	(139,845)
Foreign currency translation reserve	38,150	34,136
Total	104,081	(105,709)

B. Other Capital Reserves

These reserves include contributions outside the share capital provided by the Company’s sole shareholder, which amounted to €202,472 thousand as of December 31, 2024 (2023: €33,262 thousand) and conditional commitment to acquire non-controlling share which amounted to €148,777 thousand as of December 31, 2024 (2023: €176,451 thousand). The conditional commitment to acquire non-controlling interest is disclosed as Put option liability at the same value.

C. Reserve from foreign currency translation

The reserve includes changes in the equity of companies with a functional currency other than the Czech crown due to exchange rate changes over time.

27. Non-Controlling Interests

Summarised financial information in respect of each of the Group’s subsidiaries that has material non-controlling interests (NCI) is set out below.

December 31, 2024

	Fiocchi Munizioni S.p.A.	EXCALIBUR ARMY spol. s r.o.	Fiocchi of America Inc.	VOP Nováky, a.s.	ZVS Holding, a.s.	MSM EXPORT, s.r.o.	NIKA Development a.s.	Armi Perazzi S.p.A.	FABRICA DE MUNICIONES DE GRANADA S.L.	Lyalvale Express Limited	Excalibur International	Other immaterial subsidiaries	Consolidation elimination	Total
(€ '000)	Italy	Czech Republic	USA	Slovak Republic	Slovak Republic	Slovak Republic	Czech Republic	Italy	Spain	United Kingdom	Czech Republic			
Non-controlling interest percentage	30.00%	10.90%	30.00%	19.80%	59.50%	19.80%	10.10%	20.00%	19.80%	33.15%	11.00%	—	—	—
Non-current assets	613,000	47,734	32,498	28,431	55,833	3,912	72,795	29,555	7,582	8,877	60,485	—	—	—
Current assets	143,418	2,247,993	106,732	272,338	200,914	872,875	222	14,088	185,293	13,051	530,128	—	—	—
Non-current liabilities	198,653	67,723	3,274	2,802	12,864	296	—	7,098	6,136	816	9	—	—	—
Current liabilities	168,259	1,786,371	39,267	181,400	216,395	792,627	12	3,982	153,169	4,830	549,953	—	—	—
Net assets	389,506	441,633	96,688	116,567	27,487	83,864	73,004	32,563	33,570	16,282	40,651	—	—	—
Carrying amount of the non-controlling interest	108,073	50,517	26,897	22,523	16,765	16,020	9,399	6,513	6,426	4,542	4,153	35,058	6,421	313,307
Revenue	253,867	2,599,709	168,382	259,849	119,368	645,244	—	15,277	162,812	23,746	437,337	—	—	—
Profit (+) / loss (-)	23,095	440,325	8,477	93,911	11,595	82,506	144	728	22,171	1,498	34,257	—	—	—
Other comprehensive income (OCI)	—	(278)										—	—	—
Total comprehensive income	23,095	440,046	8,477	93,911	11,595	82,506	144	728	22,171	1,498	34,257	—	—	—
Profit (+) / loss (-) attributable to the NCI	6,929	47,995	2,543	17,843	6,899	15,676	15	146	4,213	496	3,768	790	—	107,313
OCI attributable to the NCI	—	(30)	—	—	—	—	—	—	—	—	—	30	—	—
Net increase (+) / decrease (-) in cash and cash equivalents	(24,647)	452,665	(21,774)	(15,450)	28,244	56,292	(0)	579	1,119	1,134	22,136	—	—	—
Dividends paid to the NCI	—	—	—	—	2,483	—	—	—	—	—	981	12,490	—	15,954

Material changes in the non-controlling interest during the year primarily include the following changes to the effective ownership interest:

In the year ended December 31, 2024:

- NIKA Development a.s. from 16.4% to 10.1% (effective interest) as of August 28, 2024;
- MSM Group s.r.o (including all its subsidiaries) from 19.0% to 19.8% (effective interest) as of July 11, 2024;

For effects of changes in non-controlling interests reported through equity, refer to the consolidated statement of changes in equity.

December 31, 2023

	Fiocchi Munizioni S.p.A.	EXCALIBUR ARMY spol. s r.o.	ZVS holding, a.s.	NIKA Development a.s.	VOP Nováky, a.s.	Fiocchi of America Inc.		Lyalvale Express Limited	Baschieri & Pellagri S.p.A.	MSM EXPORT, s.r.o.	Armi Perazzi S.p.A.	Tatra Defence Vehicle a.s.			
(€ '000)	Italy	Czech Republic	Slovak Republic	Czech Republic	Slovak Republic	USA		United Kingdom	Italy	Slovak Republic	Italy	Czech Republic	Other immaterial subsidiaries	Consolidation elimination	Total
Non-controlling interest percentage	30.00%	10.90%	60.00%	16.40%	19.00%	30.00%		33.00%	30.00%	19.00%	20.00%	20.00%	—	—	—
Non-current assets	626,866	36,510	73,403	11,982	33,994	31,553		8,990	14,141	2,512	10,436	22,048	—	—	—
Current assets	126,592	715,730	3,058	144,982	118,872	60,594		6,370	28,328	268,745	10,568	77,300	—	—	—
Non-current liabilities	242,761	16,822	—	3,484	4,644	13,192		861	6,383	15,701	1,721	2,141	—	—	—
Current liabilities	134,241	524,400	26	64,023	39,843	57,343		1,917	25,080	239,737	5,450	84,295	—	—	—
Net assets	376,456	211,018	76,435	89,457	108,379	21,612		12,582	11,006	15,819	13,833	12,912	—	—	—
Carrying amount of the non-controlling interest	100,822	22,333	14,137	16,490	31,570	12,486		4,049	3,206	2,947	2,682	2,484	16,182	(2,910)	226,478
Revenue	204,829	783,189	—	130,924	193,095	80,088		9,270	66,103	221,833	—	134,109	—	—	—
Profit (+) / loss (-)	(5,336)	149,172	213	51,460	17,402	6,045		536	3,243	14,763	—	5,364	—	—	—
Other comprehensive income (OCI)	—	623	—	—	—	—		—	—	—	—	—	—	—	—
Total comprehensive income	(5,336)	149,795	213	51,460	17,402	6,045		536	3,243	14,763	—	5,364	—	—	—
Profit (+) / loss (-) attributable to the NCI	(1,601)	16,259	35	9,777	5,221	3,597		178	973	2,805	—	1,063	(2,150)	—	36,156
OCI attributable to the NCI	—	68	—	—	—	—		—	—	—	—	—	(68)	—	—
Net increase (+) / decrease (-) in cash and cash equivalents	8,082	90,257	1	25,394	353	8,891		—	793	(6,825)	742	(2,592)	—	—	—
Dividends paid to the NCI	—	—	—	—	—	—		—	—	—	—	—	6,295	—	6,295

Material changes in the non-controlling interest during the year primarily include the following changes to the effective ownership interest:

In the year ended December 31, 2023:

- RETIA a.s. from 5.0% to 10.0% (effective interest) as of March 29, 2023;
- CSG Land Systems CZ a.s. from 10.0% to 10.9% (effective interest) as of May 31, 2023;
- CS SOFT a.s. from 22.0% to 7.5% (effective interest) as of October 5, 2023;
- KONVERTIAL SPV a.s. from 0.0% to 45.0% (effective interest) as of July 17, 2023;
- NIKA Development a.s. from 8.03% to 16.37% (effective interest) as of August 22, 2023;
- TRADITION CS a.s. from 2.5% to 7.5% (effective interest) as of October 5, 2023.

For effects of changes in non-controlling interests reported through equity, refer to the consolidated statement of changes in equity.

28. Trade and Other Payables

(€ '000)	December 31, 2024	December 31, 2023
Prepayments received	1,431,917	4,673
Trade payables	342,340	218,365
Other payables	134,681	31,959
Payables to employees	56,169	17,425
Payables arising from outstanding vacation days	9,349	2,611
Government grants	14,334	681
Trade and other payables – subtotal	1,988,790	275,714
Unbilled supplies	105,762	78,696
Accrued expenses	11,696	2,375
Estimated payables – subtotal	117,458	81,071
Trade and other payables – total	2,106,248	356,785
Non-current	149,297	11,026
Current	1,956,951	345,759
Trade and other payables – total	2,106,248	356,785

Prepayments received mostly consist of prepayments from EXCALIBUR ARMY spol. s r.o. in the amount of €1.213 billion.

29. Provisions

(€ '000)	Provision for complaints	Provision for legal claims	Other provisions	Total
Balance as at January 1, 2024	7,452	3,386	2,575	13,413
On acquisition of subsidiary	—	4,854	1,089	5,943
Additions provision in the year	7,881		12,022	19,903
Creation / (release) of provisions through balance sheet	—	—	6	6
Utilisation of provision	(23)	(160)	—	(183)
Release – provisions released in the given year	(2,621)	(3,117)	(792)	(6,530)
Effects of changes in exchange rates	(146)	(49)	(1,251)	(1,446)
Balance as at December 31, 2024	12,543	4,914	13,649	31,106
Non-current	6,895	4,914	983	12,792
Current	5,648	—	12,666	18,314
Total provisions	12,543	4,914	13,649	31,106

(€ '000)	Provision for complaints	Provision for legal claims	Other provisions	Total
Balance as at January 1, 2023	5,532	2,859	4,815	13,206
Acquisitions through business combinations	—	—	10	10
Additions – provisions created in the given year	2,918	1,238	1,277	5,433
Creation (+) and release (-) of provisions through balance sheet	—	(202)	(3,345)	(3,547)
Use – provisions used in the given year	(498)	—	—	(498)
Release – provisions released in the given year	(307)	(430)	(13)	(750)
Sales outside the Group	—	—	(181)	(181)
Effects of changes in exchange rates	(193)	(79)	12	(260)
Balance as at December 31, 2023	7,452	3,386	2,575	13,413
Non-current	5,636	3,386	1,158	10,180
Current	1,816	—	1,417	3,233
Total provisions	7,452	3,386	2,575	13,413

The expected timeframe for the use of non-current warranty provisions is two years, for the other provisions it is 5–10 years. Significant legal disputes are described in the Note 37.

30. Tax Payables

(€ '000)	December 31, 2024	December 31, 2023
Value added tax	4,624	1,439
Social security and health insurance	7,256	5,531
Other taxes	33,170	8,294
Total tax payables	45,050	15,264

31. Financial Guarantees and
Contingent Liabilities

(€ '000)	December 31, 2024	December 31, 2023
Provided guarantees	93,286	69,323
Total financial guarantees	93,286	69,323

The total value of guarantees provided as of December 31, 2024 predominantly included guarantees provided by EXCALIBUR INTERNATIONAL a.s. (€41,527 thousand), FABRICA DE MUNICIONES DE GRANADA S.L. (€38,081 thousand), ELDIS Pardubice s.r.o. (€8,449 thousand), CZECHOSLOVAK GROUP a.s. (€5,071 thousand), DAKO-CZ, a.s. (€149 thousand).

The total value of guarantees provided as of December 31, 2023 predominantly included guarantees provided by

CZECHOSLOVAK GROUP a.s. (€46,314 thousand), MSM GROUP s.r.o. (€37,042 thousand), Prague Fertility Centre s.r.o. (€9,342 thousand), CS SOFT a.s. (€8,842 thousand), EXCALIBUR ARMY spol. S.r.o. (€4,216 thousand), ELDIS Pardubice s.r.o. (€4,023 thousand), VOP Nováky, a.s. (€1,021 thousand), DAKO-CZ, a.s. (€407 thousand).

Bank guarantees issued by the above entities are connected with guarantees to customers for the delivery of products without defects.

32. Risk Management Methods

This Note provides a detailed description of the financial and operating risks to which the Group is exposed and the methods used in managing them. The major financial risks to which the Group is exposed include credit risk, liquidity risk, interest rate risk and currency risk.

The following table contains information about:

- Classes of financial instruments;
- Amortised cost of financial instruments;
- Fair values of financial instruments (with the exception of financial instruments whose net book value approximates their fair value); and
- The hierarchy levels of the fair values of financial assets and financial liabilities for which fair value has been disclosed.

December 31, 2024

(€ '000)	Note	Mandatorily at fair value FVTPL – other	Financial assets at amortised costs	Other financial payables	Total	Level 1	Level 2	Level 3	Total
Financial assets reported at fair value									
Derivatives	20	6,983	—	—	6,983	—	6,983	—	6,983
Other financial assets	20	57,866	—	—	57,866	—	57,866	—	57,866
Total		64,849	—	—	64,849	—	64,849	—	64,849
Financial assets notreported at fair value									
Trade and other receivables	21	—	544,899	—	544,899	—	—	—	—
Prepayments made and accruals and deferrals	21	—	739,420	—	739,420	—	—	—	—
Provided loans	20	—	45,723	—	45,723	—	45,723	—	45,723
Other financial assets	20	—	36,108	—	36,108	—	36,108	—	36,108
Cash and cash equivalents	25	—	1,248,487	—	1,248,487	—	—	—	—
Contract costs		—	60,437	—	60,437	—	—	—	—
Contract assets		—	18,913	—	18,913	—	—	—	—
Total		—	2,693,987	—	2,693,987	—	81,831	—	81,831
Financial liabilities reported at fair va-lue									
Liability from put option	20	148,777	—	—	148,777	—	—	148,777	148,777
Derivatives	20	13,017	—	—	13,017	—	13,017	—	13,017
Total		161,794	—	—	161,794	—	13,017	148,777	161,794
Financial liabilities not reported at fair value									
Overdraft	20	—	—	449,589	449,589	—	449,589	—	449,589
Secured bank loans	20	—	—	1,414,816	1,414,816	—	1,414,816	—	1,414,816
Unsecured bank loans	20	—	—	44,077	44,077	—	44,077	—	44,077
Owner loans and loans from other rela-ted parties	20	—	—	1,216	1,216	—	1,216	—	1,216
Loans from third parties (other loans)	20	—	—	2,798	2,798	—	2,798	—	2,798
Trade and other payables	28	—	—	2,106,248	2,106,248	—	2,106,248	—	2,106,248
Issued bonds including outstanding interest	20	—	—	1,065,016	1,065,016	—	1,065,016	—	1,065,016
Current and non-current contractual payables		—	—	880,066	880,066	—	880,066	—	880,066
Total		—	—	5,963,826	5,963,826	—	5,963,826	—	5,963,826

December 31, 2023									
(€ '000)	Note	Mandatorily at fair value FVTPL – other	Financial assets at amortised costs	Other financial payables	Total	Level 1	Level 2	Level 3	Total
Financial assets reported at fair value									
Derivatives	20	18,433	—	—	18,433	—	18,433	—	18,433
Other financial assets	20	5,984	—	—	5,984	—	5,984	—	5,984
Total		24,417	—	—	24,417	—	24,417	—	24,417
Financial assets notreported at fair value									
Trade and other receivables	21	—	220,436	—	220,436	—	—	—	—
Prepayments made and accruals and deferrals	21	—	223,832	—	223,832	—	—	—	—
Provided loans	20	—	166,559	—	166,559	—	166,559	—	166,559
Other financial assets	20	—	82,633	—	82,633	—	82,633	—	82,633
Cash and cash equivalents	25	—	563,865	—	563,865	—	—	—	—
Contract costs		—	41,185	—	41,185	—	—	—	—
Contract assets		—	15,211	—	15,211	—	—	—	—
Total		—	1,313,721	—	1,313,721	—	249,192	—	249,192
Financial liabilities reported at fair va-lue									
Liability from put option		(176,451)	(176,451)	—	—	—	—	(176,451)	(176,451)
Derivatives	20	(6,984)	—	—	(6,984)	—	(6,984)	—	(6,984)
Total		(183,435)	(176,451)	—	(6,984)	—	(6,984)	(176,451)	(183,435)
Financial liabilities not reported at fair value									
Overdraft	20	—	—	(76,282)	(76,282)	—	(76,282)	—	(76,282)
Secured bank loans	20	—	—	(587,865)	(587,865)	—	(587,865)	—	(587,865)
Unsecured bank loans	20	—	—	(53,907)	(53,907)	—	(53,907)	—	(53,907)
Owner loans and loans from other rela-ted parties	20	—	—	(38,288)	(38,288)	—	(38,288)	—	(38,288)
Loans from third parties (other loans)	20	—	—	(1,057)	(1,057)	—	(1,057)	—	(1,057)
Trade and other payables	28	—	—	(444,268)	(444,268)	—	—	—	—
Issued bonds including outstanding interest	20	—	—	(340,269)	(340,269)	—	(340,269)	—	(340,269)
Current and non-current contractual payables		—	—	(840,524)	(840,524)	—	—	—	—
Total		—	—	(2,382,460)	(2,382,460)	—	(1,097,668)	—	(1,097,668)

A. Credit Risk

a. Credit Risk Exposure

Credit risk is a risk of the Company incurring a financial loss if the customer or counterparty fails to meet its contractual obligations in transactions with financial instruments. The risk primarily arises in respect of the Group’s amounts due from customers and in respect of loans and borrowings. Credit risk is limited in respect of highly liquid assets (cash product on bank accounts) given that counterparties are entities with high credit ratings.

1) Credit Risk Management in Respect of Trade and Other Receivables

The Group reviews the financial positions of its existing customers and regularly assesses their creditworthiness. In respect of new customers requesting goods and services above a certain limit (determined on the basis of the size and nature of the specific business), the customer is firstly subject to an individual analysis of creditworthiness and only then are standard payment and supply terms proposed to it.

The Group assesses the credit quality of customers by reference to their financial position, historical experience and other factors. Individual limits for managing this risk are determined based on internal or external ratings in compliance with the limits stipulated by the Group’s internal guidelines. The Group’s management regularly assesses the level of credit risk and the size of its exposure and, at least on a monthly basis, monitors the balance of overdue trade receivables. The Group also requires that its customers provide it with appropriate forms of guarantees or collateral.

2) Impairment Loss and Write-Off of Receivables

The Group recognises allowances for impairment based on an estimate of future expected losses that may be incurred in respect of trade receivables, other receivables and provided loans. Expected future losses are estimated in compliance with the methodology applied by the Group.

To measure expected credit losses, trade receivables, loans and other receivables were assessed based on the customer’s individual rating and days past due (referred to as the “individual approach”). The Group set the individual assessment of receivables in relation to the rating of the debtor’s country, the reason being that a majority of the Group’s business transactions are concluded with entities directly or closely related to state and public institutions.

Receivables are classified by country of origin of the business from which the receivable is recorded. These countries

were assigned rating based on an assessment by Standard and Poors. Using this rating, receivables are classified into three groups based on the risk of potential failure to recover the receivables:

The first low-risk group includes receivables from entities based in countries with a rating of AAA to A-, which are considered to be stable with a low risk of default. A probability of default of 0.08% has been assigned to this group of receivables. This probability corresponds with a one year probability of default of a corporate client included in the investment grade (refer to Standard and Poors 2022 Annual Global Corporate Default, Table No. 24.)

The highest-risk group includes private businesses from countries with a rating of BBB+ and worse, which has been assigned the highest probability of default at 3.52% as of December 31, 2024 (3.52% as of December 31, 2023). This probability corresponds with a one-year probability of default of a corporate client included in the speculative grade (refer to Standard and Poors 2022 Annual Global Corporate Default, Table No. 24).

The middle-risk group includes public entities from countries with a rating of BBB+ and worse. This group has been assigned the probability of default at 1.8%. This value has been selected as the arithmetic average of the low-risk and high-risk values.

Furthermore, the Group has identified a group of critical receivables which includes receivables to bankrupt or insolvent entities, with a 100% probability of default. In this respect, the Group reports provisions at the level of lifetime loss in respect of all types of receivables (including provided loans).

The Group anticipates loss given default (LGD) at 100%, if no guarantee or collateral was stipulated.

The Group always reports lifetime expected credit loss in respect of trade receivables, contract assets and receivables arising from leases.

The allowance amount measured in line with the above-described rating-based system additionally includes factors specific to the given debtors, if such information is available to the Group.

In respect of other financial instruments, the Group reports lifetime expected credit loss for their duration, provided a significant increase in credit risk has occurred since initial recognition. However, if credit risk has not significantly increased since initial recognition in respect of the financial instrument, the Group will calculate the allowance for the loss arising from this financial instrument in the amount of expected credit losses over 12 months.

3) Write-off of Receivables

The Group assesses default receivables. If the receivable is assessed not to be recoverable by any means and the statute of limitations has expired – i.e. a period greater than 3 years from the due date – the Group’s management will decide to write it off.

b. Impairment losses

The aging analysis and impairment losses in respect of financial assets with the exception of cash and cash equivalents as of the balance sheet date are as follows.

1) Trade and other receivables and contract assets

As at December 31, 2024

(€ '000)	Gross	Allowance	Average credit loss	Credit impaired
Group*				
1	417,695	(16,819)	(3.29)%	No
2	77,528	(10,159)	(12.52)%	No
3	110,887	(15,320)	(13.82)%	No
Total	606,110	(42,298)		

* Low risk (Group 1), Middle risk (Group 2), High risk (Group 3), Critical (Group 4)

(€ '000)	Gross	Allowance	Average credit loss	Credit impaired
Maturity				
Covered portion of financial assets	20,231	—	—	No
Before due date	443,454	(9,360)	(1.75)%	No
1–90 days past due	72,593	(1,954)	(2.69)%	No
91–180 days past due	31,930	(1,132)	(3.55)%	No
181–360 days past due	12,303	(4,253)	(34.57)%	Yes
More than 360 days past due	25,599	(25,599)	(100.00)%	Yes
Total	606,110	(42,298)		

As at December 31, 2023

(€ '000)	Gross	Allowance	Average credit loss	Credit impaired
Group*				
1	172,692	(5,324)	(3.08)%	No
2	49,293	(3,930)	(7.97)%	No
3	43,019	(20,103)	(46.73)%	No
4	—	—	—	
Total	265,004	(29,357)		

* Low risk (Group 1), Middle risk (Group 2), High risk (Group 3), Critical (Group 4)

(€ '000)	Gross	Allowance	Average credit loss	Credit impaired
Maturity				
Covered portion of financial assets	40,167	—	—	No
Before due date	130,874	(36)	(0.03)%	No
1–90 days past due	50,827	(137)	(0.27)%	No
91–180 days past due	8,717	(266)	(3.05)%	No
181–360 days past due	10,362	(4,861)	(46.91)%	Yes
More than 360 days past due	24,057	(24,057)	(100.00)%	Yes
Total	265,004	(29,357)		

2) *Provided loans and other financial assets*

The stated gross amounts and allowances include current and non-current loans and other financial assets, excluding derivatives and bank accounts with limited access.

As at December 31, 2024

(€ '000)	Gross	Allowance	Average credit loss	Credit impaired
Group*				
1	42,187	(17)	(0.03)%	No
2	3,626	(2)	(0.06)%	No
Total	45,813	(19)		

* Low risk (Group 1), Middle risk (Group 2), High risk (Group 3), Critical (Group 4)

(€ '000)	Gross	Allowance	Average credit loss	Credit impaired
Maturity				
Covered portion of financial assets	3,313	—	—	No
Before due date	42,500	(19)	(0.03)%	No
1–90 days past due	—	—	—	No
91–180 days past due	—	—	—	No
181–360 days past due	—	—	—	Yes
More than 360 days past due	—	—	—	Yes
Total	45,813	(19)		

As at December 31, 2023

(€ '000)	Gross	Allowance	Average credit loss	Credit impaired
Group*				
1	205,970	(4,607)	(2.24)%	No
2	13,260	(123)	(0.93)%	No
3	14,645	(10,677)	(72.91)%	No
Total	233,875	(15,407)		

* Low risk (Group 1), Middle risk (Group 2), High risk (Group 3), Critical (Group 4)

(€ '000)	Gross	Allowance	Average credit loss	Credit impaired
Maturity				
Covered portion of financial assets	38,723	—	—	No
Before due date	190,736	(12,284)	(6.44)%	No
1–90 days past due	1,315	(24)	(1.80)%	No
91–180 days past due	1	—	(4.17)%	No
181–360 days past due	2	(1)	(48.78)%	No
More than 360 days past due	3,098	(3,098)	(100.00)%	Yes
Total	233,875	(15,407)		

The movements reported in allowances against financial assets are as follows:

(€ '000)	Allowance as of	
	2024	2023
Balance as at January 1, 2024	44,766	25,878
Impairment losses reported during the period	23,678	29,289
Cancellation of the impairment loss reported during the period	(15,116)	(5,605)
Acquisitions through business combinations	3,033	55
Sale of equity investment with loss of control	—	(2,152)
Impact of changes in FX rates	(1,044)	(2,699)
Balance as at December 31, 2024	55,317	44,766

As of the balance sheet date, the maximum exposure to credit risk is classified by counterparty and geographical location as presented in the tables below.

3) *Credit Risk by Counterparty*

As at December 31, 2024

(€ '000)	Legal entities (non-financial institutions)	State, government	Financial institutions	Individuals	Other	Total
Assets						
Loans and other fi-nancial assets	122,993	—	17,163	6,503	21	146,680
Trade and other re-ceivables	438,303	81,286	11,615	12,318	1,377	544,899
Contract assets	18,913	—	—	—	—	18,913
Tax receivables	665	23,591	3,590	—	936	28,782
Cash and cash equiva-lents	44,423	547	1,136,187	65,839	1,491	1,248,487
Total	625,297	105,424	1,168,555	84,660	3,825	1,987,761

As at December 31, 2023

(€ '000)	Legal entities (non-financial institutions)	State, government	Financial institutions	Individuals	Other	Total
Assets						
Loans and other fi-nancial assets	171,546	2	40,173	61,888	—	273,609
Trade and other re-ceiveables	179,357	13,662	12,935	4,168	10,314	220,436
Contract assets	13,434	1,777	—	—	—	15,211
Tax receivables	1,365	24,441	983	—	—	26,789
Cash and cash equiva-lents	—	4,955	558,910	—	—	563,865
Total	365,702	44,837	613,001	66,056	10,314	1,099,910

4) Credit Risk by Territory

As at December 31, 2024

(€ '000)	Czech Republic	Slovakia	Other*	Total
Assets				
Loans and other financial assets	109,272	289	37,119	146,680
Trade receivables and other assets	132,738	38,192	373,969	544,899
Contract assets	2,480	2,500	13,933	18,913
Tax receivables	5,885	11,971	10,926	28,782
Cash and cash equivalents	935,645	158,278	154,564	1,248,487
Total	1,186,020	211,230	590,511	1,987,761

* The category of “Other” primarily includes receivables from other European Union countries, such as Hungary, Bulgaria, and Italy, and from other than European Union countries, such as Ukraine, USA, UAE, Pakistan, and Vietnam

As at December 31, 2023

(€ '000)	Czech Republic	Slovakia	Other*	Total
Assets				
Loans and other financial assets	233,871	3,131	36,607	273,609
Trade receivables and other assets	56,894	19,434	144,108	220,436
Contract assets	1,339	—	13,872	15,211
Tax receivables	8,804	8,613	9,372	26,789
Cash and cash equivalents	303,226	72,864	187,775	563,865
Total	604,134	104,042	391,734	1,099,910

* The category of “Other” primarily includes receivables from other European Union countries, such as Hungary, Bulgaria, and Italy, and from other than European Union countries, such as Ukraine, USA, UAE, Pakistan, and Vietnam

B. Liquidity Risk

Liquidity risk is a risk of the Group running into difficulties in meeting its commitments in relation to financial liabilities that are settled through cash or other financial assets. Individual Group entities use different methods to manage liquidity risk.

The Group’s management focuses on the methods used by financial institutions, i.e. diversifying the sources of funds.

Thanks to the diversification, the Group is more flexible and its dependency, if any, on a single source of funding, is limited. Liquidity risk is primarily assessed by monitoring the changes in the structure of funding and by comparing the changes with the Group’s liquidity risk management strategy.

The below-stated table presents a breakdown of the Group’s contractual cash flows classified by their due dates,

specifically by the period remaining from the balance sheet date until the contractual maturity date. In situations when options and payment schedules make earlier repayment possible, the Group applies maximum caution in assessing

the due dates. Therefore, the due dates of liabilities are presented at the earliest possible dates. Liabilities without contractually stipulated due dates are classified under the “unspecified due date” category.

As at December 31, 2024

(€ '000)	Carrying amount	Contractual cash flows	Fewer than 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	Unspecified due date
Liabilities							
Loans and borrowings	1,912,496	2,437,399	416,069	464,967	1,522,574	9,067	24,722
Bonds	1,005,695	1,634,239	34,332	87,194	689,534	823,179	—
Trade and other payables	2,106,248	2,106,248	382,889	215,519	134,906	373	1,372,561
Lease liabilities	99,021	99,021	3,458	10,659	56,622	28,282	—
Put Option	148,777	148,777	143,517	—	5,260	—	—
Total	5,272,237	6,425,684	980,265	778,339	2,408,896	860,901	1,397,283

As at December 31, 2023

(€ '000)	Carrying amount	Contractual cash flows	Fewer than 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	Unspecified due date
Liabilities							
Loans and borrowings	806,944	887,367	62,020	232,479	495,476	46,096	51,297
Bonds	337,445	428,462	7,178	80,440	340,844	—	—
Trade and other payables	251,005	251,005	173,902	54,737	9,020	—	13,345
Lease liabilities	42,523	42,548	1,733	4,615	22,554	13,646	—
Put Option	176,451	176,451	—	—	176,451	—	—
Total	1,614,368	1,785,833	244,833	372,271	1,044,345	59,742	64,642

The value of loans under “unspecified due date” represents loans that have no set contractual maturity, but they are payable upon the creditor’s request.

The contractual cash flows are higher than the carrying amount due to the inclusion of unrecognised future interest.

The Group does not expect that the cash flows included in the analysis of due dates would fall due earlier or in much larger volumes.

Among others, financial liabilities were also used to fund non-current assets and inventories.

C. Interest Rate Risk

During its activities, the Group is exposed to the risk of interest rate fluctuations, the reason being that the interest-bearing assets (including investments) and interest-bearing liabilities have various due dates or interest rate

refixing dates. The period during which a specific financial instrument has a fixed interest rate shows to what extent the financial instrument is exposed to interest rate risk.

The Group manages interest rate risk through interest rate swaps. As of December 31, 2024, CZECHOSLOVAK GROUP a.s. had interest rate swaps in place for the CZK bonds to hedge the floating 6M Pribor interest rates at fixed rates from 1.90 % to 5.39 % in the total volume of CZK 2,100,000 thousand (€83,382 thousand) during the period from 2025 to 2026. For a credit facility in EUR, the company hedged floating 1M-6M Euribor interest rates at fixed rates from 1.23% to 5.39% in the total volume of €82,268 thousand during the period from 2025 to 2028. Additionally, the company had concluded two currency interest rate swaps CZK/ EUR. The first one in the volume of CZK 467,480 thousand / €19,050 thousand with a fixed rate of 16.65% for the CZK portion and 6M Euribor + 11% for the EUR portion and the second one in the volume of CZK 1,683,500 thousands / €70,000 with a fixed rate of 8% for the CZK portion and with a fixed rate 7.18% for the EUR portion.

The Group manages interest rate risk through interest rate swaps. As of December 31, 2023, CZECHOSLOVAK GROUP a.s. had interest rate swaps in place for the CZK bonds to hedge the floating 6M Pribor interest rates at fixed rates from 1.22 % to 5.39 % in the total volume of CZK 2,900,000 thousand (€120,257 thousand) during the period from 2024 to 2026. For a credit facility in EUR, the company hedged floating 1M-6M Euribor interest rates at fixed rates from 0.49% to 3.74% in the total volume of €120,290 thousand during the period from 2024 to 2028. Additionally, the company had concluded two currency interest rate swaps CZK/EUR. The first one in the volume of CZK 467,480 thousand / €19,050 thousand with a fixed rate of 16.65% for the CZK portion and 6M Euribor + 11% for the EUR portion and the second one in the volume of CZK 1,683,500 thousands / €70,000 with a fixed rate of 8% for the CZK portion and with a fixed rate 7.18% for the EUR portion.

As of December 31, 2023, JOB AIR Technic a.s. had concluded interest rate swaps at fixed rates ranging from 1.21% to 3.25% to hedge the floating interest rates of loans amounting to €2,987,218 and USD 685,662.

As of December 31, 2023, DAKO-CZ a.s. had concluded interest rate swaps at fixed rates ranging from 1.4% to 1.55% to hedge the floating interest rates of loans amounting to €30,240,000.

The table presented below presents information on the level of the Group’s interest rate risk either based on the contractual maturity periods of the Group’s financial instruments or – in respect of financial instruments remeasured at the market interest rate before the due date – based on the date of the next interest rate change. Assets and liabilities that do not have a contractually stipulated maturity period or do not bear interest are classified under the “unspecified due date” category.

Financial information relating to interest-bearing and non-interest-bearing assets and liabilities and their contractual maturity or restatement dates as of December 31, 2024, and December 31, 2023 not including the effects of derivatives are as follows:

As of December 31, 2024		Floating interest rate			Fixed interest rate or unspecified	Total
(€ '000)	Less than 1 year	1 year to 5 years	More than 5 years			
Interest-bearing financial assets						
Loans and other financial assets	69,474	143	47	77,016	146,680	
Total	69,474	143	47	77,016	146,680	
Interest-bearing financial liabilities						
Loans and borrowings	747,377	1,139,364	1,038	24,717	1,912,496	
Bonds	836,317	—	—	169,378	1,005,695	
Put Option	143,517	5,260	—	—	148,777	
Total	1,727,211	1,144,624	1,038	194,095	3,066,968	
Net interest-rate risk balance	(1,657,737)	(1,144,481)	(991)	(117,079)	(2,920,288)	

As of December 31, 2023		Floating interest rate			Fixed interest rate or unspecified	Total
(€ '000)	Less than 1 year	1 year to 5 years	More than 5 years			
Interest-bearing financial assets						
Loans and other financial assets	144,461	44,438	—	84,710	273,609	
Total	144,461	44,438	—	84,710	273,609	
Interest-bearing financial liabilities						
Loans and borrowings	277,273	366,628	32,411	81,087	757,399	
Bonds	144,455	—	—	192,990	337,445	
Put Option	—	176,451	—	—	176,451	
Total	421,728	543,079	32,411	274,077	1,271,295	
Net interest-rate risk balance	(277,267)	(498,641)	(32,411)	(189,367)	(997,686)	

Sensitivity Analysis

The Group performs stress testing using the standardised interest rate shock scenario, during which an immediate decrease/increase in interest rates of 100 basis points is applied to the portfolio interest rate positions in the whole length of the revenue curve.

As of the balance sheet date, the change in interest rates of 100 basis points would increase or decrease profit by the amounts presented in the following table. The analysis assumes that all other variables, namely foreign currency exchange rates, will remain unchanged.

(€ '000)	For the year ended December 31, 2024	For the year ended December 31, 2023
Interest rate decrease of 100 basis points	18,866	6,704
Interest rate increase of 100 basis points	(18,866)	(6,704)

Following the recognition of the above-described derivative, only a portion of €752,934 thousand (2023: €27,165 thousand) of the financial liabilities from issued bonds is effectively exposed to the floating interest rate risk.

Bonds

(€ '000)	For the year ended December 31, 2024	For the year ended December 31, 2023
Interest rate decrease of 100 basis points	7,529	272
Interest rate increase of 100 basis points	(7,529)	(272)

The fair value of CSG’s bonds (net price without accrued interest) as of December 31, 2024 is €73,689 thousand for the VAR/26 issue, €13,461 thousand for the FIX/26 issue issued in EUR, €9,589 thousand for the VAR/27 issue issued in EUR, 173,922 thousand for the CSG 8,00/28 issued in CZK and €706,829 thousand for the CSG USD issue issued in USD.

The fair value of CSG’s bonds (net price without accrued interest) as of December 31, 2023 is €53,078 thousand for the VAR/24 issue, €80,853 thousand for the VAR/26 issue, €14,285 thousand for the VAR/26 issue issued in EUR, €10,923 thousand for the VAR/27 issue issued in EUR and 179,086 thousand for the CSG 8,00/28 issued in CZK.

D. Currency Risk

The Group’s financial positions and cash flows are affected by fluctuations in the effective foreign exchange rate.

The entities in the Group are exposed to currency risk in relation to sales, purchases and loans denominated in currencies other than the relevant functional currencies applied by the Group. This primarily includes EUR and USD in respect of Czech entities and CZK and USD in respect of Slovak entities. For more information about the countries where the entities primarily operate, refer to Note 36.

The Company manages currency risk by concluding derivative transactions to hedge future cash flows (however, this does not constitute hedge accounting) and also covers currency risk management for the CSG Group.

The table below presents a summary of currency derivatives in nominal values for years 2024–2027 recorded by the Group as of December 31, 2024 (the values are presented in EUR thousand as equivalents):

As of December 31, 2024

(€ '000)	2025			2026			2027			2028		
	EUR	USD	Total	EUR	USD	Total	EUR	USD	Total	EUR	USD	Total
Currency derivatives for purchase												
FX forward	12,022	—	12,022	—	—	—	—	—	—	—	—	—
Total currency derivatives for purchase	12,022	—	12,022	—	—	—	—	—	—	—	—	—
Currency derivatives for sale												
FX forward	171,034	6,075	177,109	111,509	4,783	116,292	52,270	—	52,270	18,981	—	18,981
FX Option	—	—	—	—	—	—	—	—	—	—	—	—
FX Swap	26,640	—	26,640	6,041	—	6,041	4,073	—	4,073	—	—	—
Total currency derivatives for sale	197,674	6,075	203,749	117,550	4,783	122,333	56,343	—	56,343	18,981	—	18,981

As of December 31, 2023

(€ '000)	2024			2025			2026			2027		
	EUR	USD	Total	EUR	USD	Total	EUR	USD	Total	EUR	USD	Total
Currency derivatives for purchase												
FX forward	13,558	—	13,558	—	—	—	—	—	—	—	—	—
Total currency derivatives for purchase	13,558	—	13,558	—	—	—	—	—	—	—	—	—
Currency derivatives for sale												
FX forward	162,119	6,767	168,886	97,038	6,188	103,226	26,403	4,872	31,275	12,591	—	12,591
FX Option	—	—	—	—	—	—	—	—	—	—	—	—
FX Swap	1,386	—	1,386	—	—	—	—	—	—	—	—	—
Total currency derivatives for sale	163,505	6,767	170,272	97,038	6,188	103,226	26,403	4,872	31,275	12,591	—	12,591

The fair value of the open positions disclosed above amounts to €64,849 thousand in the financial assets line and €13,017 thousand in the financial liabilities line, see Note 32.

The following tables present the structure of assets and liabilities as of December 31, 2024 (December 31, 2023) by currency (translated to EUR thousand) at the level of the Group:

As of December 31, 2024

(€ '000)	CZK	EUR	HUF	USD	Other	Total
Assets						
Loans and other financial assets	23,932	86,680	—	27,035	9,033	146,680
Trade and other receivables	55,959	241,904	—	242,704	4,332	544,899
Contract assets	12,974	5,881	—	—	58	18,913
Cash and cash equivalents	170,799	942,216	—	130,888	4,584	1,248,487
Total assets	263,664	1,276,681	—	400,627	18,007	1,958,979
Liabilities						
Loans, borrowings and other financial instruments	63,006	1,849,430	—	66	(6)	1,912,496
Bonds	283,291	26,141	—	696,263	—	1,005,695
Trade and other payables	192,250	1,616,756	—	293,300	3,942	2,106,248
Liability from put option	—	148,777	—	—	—	148,777
Total liabilities	538,547	3,641,104	—	989,629	3,936	5,173,216
Net currency risk balance	(274,883)	(2,364,423)	—	(589,002)	14,071	(3,214,237)

As of December 31, 2023

(€ '000)	CZK	EUR	HUF	USD	Other	Total
Assets						
Loans and other financial assets	154,761	96,336	—	7,124	15,388	273,609
Trade and other receivables	42,425	136,670	—	37,586	3,755	220,436
Contract assets	1,339	13,135	—	726	11	15,211
Cash and cash equivalents	53,018	436,983	—	71,643	2,221	563,865
Total assets	251,543	683,124	—	117,079	21,375	1,073,121
Liabilities						
Loans, borrowings and other financial instruments	40,275	750,502	—	10,857	5,310	806,944
Bonds	337,445	—	—	—	—	337,445
Trade and other payables	65,914	247,759	—	40,664	2,448	356,785
Put Option	—	176,451	—	—	—	176,451
Total liabilities	443,634	1,174,712	—	51,521	7,758	1,677,625
Net currency risk balance	(192,091)	(491,588)	—	65,558	13,614	(604,504)

The following tables present the exposure to currency risk as of December 31, 2024 (December 31, 2023) without the recognition of financial derivatives:

As of December 31, 2024

(€ '000)	CZK	EUR	HUF	USD	Other	Total
Assets						
Loans and other financial assets	23,932	86,680	—	27,035	9,033	146,680
Trade and other receivables	55,959	238,925	—	242,704	4,332	541,920
Contract assets	12,974	5,881	—	—	58	18,913
Cash and cash equivalents	218	781,302	—	62,218	365	844,103
Total assets	93,083	1,112,788	—	331,957	13,788	1,551,616
Liabilities						
Loans, borrowings and other financial instruments	—	1,606,777	—	—	—	1,606,777
Trade and other payables	—	26,141	—	696,263	—	722,404
Put Option	—	148,777	—	—	—	148,777
Total liabilities	—	1,781,695	—	696,263	—	2,477,958
Net currency risk balance	93,083	(668,907)	—	(364,306)	13,788	(926,342)

As of December 31, 2023

(€ '000)	CZK	EUR	HUF	USD	Other	Total
Assets						
Loans and other financial assets	—	92,587	—	7,124	15,388	115,099
Trade and other receivables	170	88,694	—	23,599	3,755	116,218
Contract assets	—	13,135	—	726	11	13,872
Cash and cash equivalents	—	323,195	—	33,778	2,221	359,194
Total assets	170	517,611	—	65,227	21,375	604,383
Liabilities						
Loans, borrowings and other financial instruments	—	436,906	—	9,754	5,310	451,970
Trade and other payables	66	112,957	—	22,109	2,448	137,580
Put Option	—	176,451	—	—	—	176,451
Total liabilities	66	726,314	—	31,863	7,758	766,001
Net currency risk balance	104	(208,703)	—	33,364	13,617	(161,618)

The following material exchange rates were applied during the year:

CZK	December 31, 2024		December 31, 2023	
	Average rate	Spot exchange rate as of the balance sheet date	Average rate	Spot exchange rate as of the balance sheet date
1 EUR	25.119	25.185	24.007	24.725
1 USD	23.208	24.237	22.210	22.376

Sensitivity Analysis

The strengthening of the Czech crown as of the balance sheet date (as presented below) compared to

EUR and USD would result in an increase/decrease of equity as presented in the table below. The analysis is based on the departures from foreign currency exchange rates which the Group considered to be sufficiently likely at of the balance sheet date. The sensitivity analysis anticipates that all other variables, namely interest rates, will remain unchanged.

Effect on profit or loss in EUR thousand	December 31, 2024	December 31, 2023
EUR (10% strengthening)	190 461	129
USD (10% strengthening)	52 525	(135)

The weakening of the Czech crown as of the balance sheet date compared to the above-listed currencies would have the same effect (albeit with the opposite sign), provided that all the other variables remained the same.

E. Operating Risk

Operating risk is a risk of losses arising from embezzlement, unlawful activities, errors, negligence, inefficiency or system failure. The risk of this type arises during all of the Group’s activities and all of the corporate entities are exposed to it. Operating risk also includes legal risk.

The Group’s objective is to manage operating risk so that balance is preserved between preventing financial losses and damage to the Group’s good name on the one hand, and the total effectiveness of the costs incurred on the other hand. In addition, risk management procedures should not hinder initiative and creativity.

The primary responsibility for the implementation of control mechanisms to cope with operating risks is borne by management of each subsidiary. The Group’s management is responsible for managing operating risks, whereby it may set the direction of procedures and measures resulting in the mitigation of operating risks and the adoption of decisions about:

- The acknowledgement of individual existing risks;
- The commencement of processes that will result in the mitigation of possible effects; or
- A decrease in the extent of risky activities or their full discontinuation.

F. Capital Management

The Group’s objective in managing capital is to have a sufficient amount of funds to finance additional acquisitions and settlement of financial liabilities.

The Company is subject to external capital requirements arising from bond placement terms. Furthermore, the Company and its subsidiaries are subject to requirements arising from contracts with banks.

As of the balance sheet date, the Group reported the following ratio of net debt to adjusted capital:

(€ ‘000)	December 31, 2024	December 31, 2023
Total liabilities	6,535,403	2,665,411
Decrease for cash and cash equivalents	(1,248,487)	(563,865)
Adjusted net debt	5,286,916	2,101,546
Total equity attributable to the holders of the Company	1,180,578	460,438
Adjusted capital	1,180,578	460,438
Ratio of debt to adjusted capital	4.48	4.56

33. Changes in Liabilities Arising from Financing Activities

The table below details changes in the group’s liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the group’s consolidated cash flow statement as cash flows from financing activities.

(€ '000)	January 1, 2024	Financing cash flows
Bank loans (note 20)	612,293	76,170
Loans from related parties (note 20)	28,507	5,592
Loans from third parties (Note 20)	11,948	(10,281)
Lease liabilities (note 18)	38,268	(9,316)
Bonds (Note 20)	190,219	130,332
Interest rate swaps fair value hedging, cash flow hedging or economically hedging financing liabilities	533	—
Total liabilities from financing activities	881,768	192,496

34. Operating Segments

The Group identifies operating segments at the level of divisions which represents the main pillars of the Group’s business. Divisions comprise of individual member companies. Each Division has its own management, which coordinates the development, production, and business activities of the member companies which allows them to implement complex projects and create synergies.

Information reported to the group’s Board of Directors which is also the Chief Operating Decision Maker (“CODM”) for the purposes of resource allocation and assessment of segment performance is focused on revenue, Operating EBITDA, EBITDA, profit after tax, and additions to tangible and intangible assets of each division.

The Group’s reportable segments under IFRS 8 therefore are as follows:

A. CSG Aerospace

The following entities operate in this segment: Atrak a.s., JOB AIR Technic a.s., ELDIS Pardubice, s.r.o., and RETIA a.s. These entities principally focus on the development and production of radar systems, development of air traffic control systems and maintenance and repairs of aircraft and aircraft equipment.

B. CSG Defence

Group entities whose principal business activity involves trade and manufacturing activities, or providing services in the area of military material, military equipment and systems belong to the CSG Defence segment. A major portion of sales is realised with external customers outside the CSG Group, namely in the European Union, Ukraine, Asia and Africa. This segment is dominated by Excalibur Army s.r.o., Czech leader on the military material market offering a wide range of military vehicles, weapon systems and ammunition for which it provides comprehensive services – spare parts, ammunition, repairs and modernisation. Some vehicles are manufactured internally directly by Excalibur Army s.r.o. and so is a wide array of spare parts. EXCALIBUR INTERNATIONAL a.s. is a separate entity which does not belong directly under CSG Defence division. However, by nature of its main business, the Group decided to include it under the defense segment for the reporting purposes. The company’s activity is mainly trading with defense material, aviation technology and special material including related logistics and aftersale services. TATRA DEFENCE VEHICLE focuses mainly on the development, production, overhaul and modernisation of mainly armoured and special vehicles for domestic and foreign customers. The Slovak entity MSM Martin a.s. predominantly focuses on the repairs of ground military equipment and modernisation of military and special vehicles including the sale of spare parts. Furthermore, the

Non-cash changes							December 31, 2024
Equity component of convertible notes	Acquisition of subsidiary (note 5)	Disposal of subsidiary (note 5)	Fair value adjustments	New leases	Other changes		
—	12,731	(16,322)	—	—	33,182		718,054
—	—	—	—	—	4,189		38,288
—	—	—	—	—	(610)		1,057
—	6,598	(24)	—	3,110	3,887		42,523
—	—	—	—	—	16,894		337,445
—	—	—	—	—	6,451		6,984
—	19,329	(16,346)	—	3,110	63,994		1,144,351

company specialises in the production of ammunition; its services cover the entire ammunition life cycle including technical life extensions. The Company also develops and produces radio-navigation electronics. The Slovak entities ZVS deal with the production of ammunition and development, production and sale of guns. The Spanish company FABRICA DE MUNICIONES DE GRANADA S.L. predominantly manufactures ammunition.

C. CSG Mobility

Major players in the CSG MOBILITY segment principally include TRUCK SERVICE GROUP s.r.o., NIKA DEVELOPMENT a.s., and TATRA MANUFACTURE a.s. The company TRUCK SERVICE GROUP s.r.o. is mainly dedicated to the purchase, overhaul and financing of TATRA vehicles.

DAKO-CZ, a.s. dominates as a manufacturer of pneumatic, electromechanical, and hydraulic braking systems and components for rail vehicles with a 205-year tradition. Additionally, the subsidiaries of the aforementioned manufacturer also play a significant role. Companies in this segment realise most of their sales outside the CSG Group.

D. CSG Ammo+

In this segment, we have newly acquired Vista/The Kinetic Group, which has become the largest company in the ammunition division. Vista/The Kinetic Group is the world's

leading ammunition manufacturer, based in the USA, where its largest market is also located. It engineers and manufactures the most accurate, powerful, and reliable ammunition in the world. Other significant part of Ammo+ division is Fiocchi Group, which is the world’s third largest small-calibre ammunition manufacturer. The Italian family-owned company, originally founded in 1876, has production facilities not only in its country of origin, but also in the UK and the USA. The representative of the group is Fiocchi Munizioni S.p.A., followed by its subsidiaries Fiocchi of America Inc and Fiocchi UK Limited.

E. Other

The operating segment includes entities having an economic specialisation different from that of entities included in the operating segments disclosed above. The income generated by those entities is principally attributable to the rental of real estate and sales of consumables. Since 2021, this segment was expanded to include Prague Fertility Centre, a clinic for assisted reproduction.

The above-specified operating segments have their individual management at the level of individual entities; their accounting policies are identical. The Company accounts for the income and transactions between segments as if they represented income and transaction with third parties, i.e. at the level of arm’s length prices.

The following tables summarise the information on operating segments for the period from January 1, 2024, to December 31, 2024, and as of December 31, 2023, for the period from January 1, 2023, to December 31, 2023, and as of December 31, 2023:

2024

For the year ended December 31, 2024

(€ '000)	CSG Aerospace	CSG Defence	CSG Ammo+	CSG Mobility	Other	Elimination of Intra- -Segmental relations	Consolidated data
Revenues	288,661	3,301,218	482,191	77,823	102,329	(243,608)	4,008,614
Raw material and consumables	(157,953)	(1,831,594)	(237,387)	(33,518)	(7,196)	109,984	(2,157,664)
External costs	(29,386)	(402,740)	(61,261)	(13,485)	(54,660)	119,248	(442,284)
Employee benefits expense	(47,179)	(92,290)	(100,436)	(21,070)	(25,239)	2	(286,212)
Depreciation and amortisation expense	(8,536)	(14,704)	(29,904)	(4,116)	(9,078)	47	(66,291)
Other operating income	9,486	34,220	11,573	4,175	1,977	(403)	61,028
Other operating expense	(5,202)	(64,955)	(14,717)	(2,026)	(16,322)	(1,096)	(104,318)
Profit / (loss) from operating activities	49,891	929,155	50,059	7,783	(8,189)	(15,826)	1,012,873
Financial income	6,111	81,145	2,543	10,612	110,683	(45,244)	165,850
Financial expense	(6,363)	(103,586)	(107,024)	(15,584)	(190,226)	44,447	(378,336)
Profit / (loss) from other financial instruments	(2,458)	900	(335)	(424)	105,486	(59,643)	43,526
Profit / (loss) from financing activities	(2,710)	(21,541)	(104,816)	(5,396)	25,943	(60,440)	(168,960)
Share of profit / (loss) of associates and joint ventures, net	—	1,055	(44)	(1,545)	234	—	(300)
Profit / (loss) from the sale of equity interests	—	—	—	—	2,225	—	2,225
Profit / (loss) before tax	47,181	908,669	(54,801)	842	20,213	(76,266)	845,838
Income tax	(2,192)	(201,826)	(7,902)	(2,287)	1,756	—	(212,451)
Net profit / (loss) from continuing operations	44,989	706,843	(62,703)	(1,445)	21,969	(76,266)	633,387

The most significant intra-segmental revenue eliminations include transactions between the CSG Defence and CSG Aerospace divisions amounting to €89 million, as well as between the CSG Aerospace and CSG Defence divisions totaling €70 million. Additionally, eliminations between the Other and CSG Defence divisions account for €52 million.

The most significant intra-segmental cost of sale and external cost eliminations include transactions between the CSG Aerospace and CSG Defence divisions amounting to €117 million, as well as between the CSG Defence and Other divisions totaling €53 million. Additionally, eliminations between the CSG Defence and CSG Aerospace divisions account for €28 million.

Calculation of EBITDA

For the year ended December 31, 2024

(€ '000)	CSG Aerospace	CSG Defence	CSG Ammo+	CSG Mobility	Other	Elimination of Intra- -Segmental relations	Consolidated data
Net profit / (loss) from continuing operations	44,989	706,843	(62,703)	(1,445)	21,969	(76,266)	633,387
Interest income	2,740	20,522	991	4,958	26,424	(34,175)	21,460
Interest expense	(2,518)	(20,414)	(41,058)	(8,636)	(72,646)	34,200	(111,072)
Interest expense from lease liabilities	(181)	(396)	(153)	(197)	(2,842)	—	(3,769)
Net interest profit / (loss)	41	(288)	(40,220)	(3,875)	(49,063)	25	(93,380)
Income tax	(2,192)	(201,826)	(7,902)	(2,287)	1,756	—	(212,451)
EBIT	47,140	908,957	(14,581)	4,719	73,879	(76,291)	943,823
Depreciation and amortisation expense	(8,536)	(14,704)	(29,904)	(4,116)	(9,078)	47	(66,291)
EBITDA	55,676	923,661	15,323	8,834	82,958	(76,338)	1,010,114

Calculation of OPERATING EBITDA

For the year ended December 31, 2024

(€ '000)	CSG Aerospace	CSG Defence	CSG Ammo+	CSG Mobility	Other	Elimination of Intra- -Segmental relations	Consolidated data
Net profit / (loss) from continuing operations	44,989	706,843	(62,703)	(1,445)	21,969	(76,266)	633,387
Income tax	(2,192)	(201,826)	(7,902)	(2,287)	1,756	—	(212,451)
Profit / (loss) before tax	47,181	908,669	(54,801)	842	20,213	(76,266)	845,838
Share of profit / (loss) of associates and joint ventures, net	—	1,055	(44)	(1,545)	234	—	(300)
Profit / (loss) from the sale of equity interests	—	—	—	—	2,225	—	2,225
Profit / (loss) from financing activities	(2,710)	(21,541)	(104,816)	(5,396)	25,943	(60,440)	(168,960)
Financial income	6,111	81,145	2,543	10,612	110,683	(45,244)	165,850
Financial expense	(6,363)	(103,586)	(107,024)	(15,584)	(190,226)	44,447	(378,336)
Profit / (loss) from other financial instruments	(2,458)	900	(335)	(424)	105,486	(59,643)	43,526
Profit / (loss) from operating activities	49,891	929,155	50,059	7,783	(8,189)	(15,826)	1,012,873
Depreciation and amortisation expense	(8,536)	(14,704)	(29,904)	(4,116)	(9,078)	47	(66,291)
OPERATING EBITDA	58,427	943,859	79,963	11,899	889	(15,873)	1,079,164

2023

For the year ended December 31, 2023

(€ '000)	CSG Aerospace	CSG Defence	CSG Mobility	CSG Ammo+	Other	Elimination of Intra- -Segmental relations	Consolidated data
Revenues	256,007	1,167,185	67,363	375,570	39,615	(171,310)	1,734,430
Raw material and consumables	(165,469)	(596,385)	(22,316)	(194,299)	(10,355)	147,976	(840,848)
External costs	(33,302)	(151,337)	(11,452)	(43,927)	(26,512)	21,275	(245,255)
Employee benefits expense	(41,245)	(50,612)	(17,118)	(70,305)	(14,698)	4	(193,974)
Depreciation and amortisation expense	(12,048)	(13,315)	(3,964)	(25,790)	(5,537)	—	(60,654)
Other operating income	4,921	(3,319)	1,956	2,745	11,239	534	18,076
Other operating expense	(3,974)	(23,664)	(4,622)	(6,280)	4,568	325	(33,647)
Profit / (loss) from operating activities	4,890	328,553	9,847	37,714	(1,680)	(1,196)	378,128
Financial income	3,015	16,124	6,384	(131)	22,029	(24,267)	23,154
Financial expense	(7,701)	(31,978)	(12,357)	(31,287)	(45,644)	24,860	(104,107)
Profit / (loss) from other financial instruments	(1,397)	1,082	(784)	(547)	(19,024)	11	(20,659)
Profit / (loss) from financing activities	(6,083)	(14,771)	(6,757)	(31,965)	(42,640)	604	(101,612)
Share of profit / (loss) of associates and joint ventures, net	—	—	(415)	249	484	—	648
Profit / (loss) from the sale of equity interests	1,326	441	—	—	(1)	—	1,766
Profit / (loss) before tax	133	314,223	3,505	5,998	(43,837)	(593)	278,430
Income tax	274	(62,497)	(1,528)	(3,878)	(1,088)	—	(68,717)
Net profit / (loss) from continuing operations	406	251,726	1,976	2,121	(44,923)	(593)	210,713

Calculation of EBITDA

For the year ended December 31, 2023

(€ '000)	CSG Aerospace	CSG Defence	CSG Mobility	CSG Ammo+	Other	Elimination of Intra- -Segmental relations	Consolidated data
Net profit / (loss) from continuing operations	406	251,726	1,976	2,121	(44,923)	(593)	210,713
Interest income	1,751	11,369	6,687	610	18,775	(17,393)	21,799
Interest expense	(5,762)	(16,538)	(9,472)	(28,389)	(46,562)	18,048	(88,675)
Interest expense from lease liabilities	(179)	(455)	(9)	(144)	(573)	—	(1,360)
Net interest profit / (loss)	(4,190)	(5,623)	(2,794)	(27,922)	(28,362)	655	(68,236)
Income tax	274	(62,497)	(1,528)	(3,878)	(1,088)	—	(68,717)
EBIT	4,322	319,846	5,797	33,920	(15,473)	(1,247)	347,165
Depreciation and amortisation expense	(12,048)	(13,315)	(3,964)	(25,790)	(5,537)	—	(60,654)
EBITDA	16,370	333,161	9,760	59,711	(9,936)	(1,247)	407,819

Calculation of OPERATING EBITDA

For the year ended December 31, 2023

(€ '000)	CSG Aerospace	CSG Defence	CSG Mobility	CSG Ammo+	Other	Elimination of Intra- -Segmental relations	Consolidated data
Net profit / (loss) from continuing operations	406	251,726	1,976	2,121	(44,922)	(593)	210,212
Income tax	274	(62,497)	(1,528)	(3,878)	(1,088)	—	(68,717)
Profit / (loss) before tax	132	314,223	3,505	5,999	(43,834)	(593)	278,929
Share of profit / (loss) of associates and joint ventures, net	—	—	415	249	486	—	648
Profit / (loss) from the sale of equity interests	1,326	441	—	—	(1)	—	1,766
Profit / (loss) from financing activities	(6,083)	(14,771)	(6,757)	(31,965)	(42,640)	604	(101,612)
Financial income	3,015	16,124	6,384	(131)	22,029	(24,267)	23,154
Financial expense	(7,701)	(31,978)	(12,357)	(31,287)	(45,644)	24,860	(104,107)
Profit / (loss) from other financial instruments	(1,397)	1,082	(784)	(547)	(19,024)	11	(20,659)
Profit / (loss) from operating activities	4,890	328,553	9,847	37,714	(1,680)	(1,196)	378,128
Depreciation and amortisation expense	(12,050)	(13,315)	(3,964)	(25,790)	(5,537)	—	(60,654)
OPERATING EBITDA	16,937	341,869	13,811	63,504	3,859	(1,196)	438,782

Total assets and liabilities by segments

For the year ended December 31, 2024

(€ '000)	CSG Aerospace	CSG Defence	CSG Ammo+	CSG Mobility	Other	Elimination of Intra- -Segmental relations	Consolidated data
Total assets per segment	377,630	4,202,820	3,249,745	207,766	3,531,780	(3,540,453)	8,029,288
Entities accounted for using the equity method	—	590	1,475	81,119	739	—	83,923
Additions of intangible and tangible assets	—	590	1,475	81,119	739	—	83,923
Total liabilities per segment	(242,222)	(3,115,935)	(2,206,861)	(96,731)	(3,146,302)	2,272,648	(6,535,403)

For the year ended December 31, 2023

(€ '000)	CSG Aerospace	CSG Defence	CSG Mobility	CSG Ammo+	Other	Elimination of Intra- -Segmental relations	Consolidated data
Total assets per segment	300,199	1,718,584	261,691	877,323	590,478	(395,946)	3,352,329
Entities accounted for using the equity method	—	18,049	—	1,519	83,931	—	103,499
Additions of intangible and tangible assets	10,923	44,171	9,802	22,625	3,333	—	90,854
Total liabilities per segment	(238,339)	(1,257,896)	(140,073)	(698,022)	(726,891)	395,808	(2,665,413)

Information by country

For the year ended December 31, 2024

(€ '000)	Czech Republic	India	Italy	Slovakia	USA	Serbia	Spain	United Kingdom	Total operating segments	Consoli- dated data
Property, plant and equipment	258,985	2,616	95,233	114,214	160,388	9,232	6,943	5,977	653,588	653,588
Intangible assets	50,071	—	521,715	10,130	1,732,683	48	260	2,900	2,317,807	2,317,807
Investment property	2,525	—	3,323	—	—	—	—	—	5,848	5,848
Total	311,581	2,616	620,271	124,344	1,893,071	9,280	7,203	8,877	2,977,243	2,977,243

For the year ended December 31, 2023

(€ '000)	Czech Republic	India	Italy	Slovakia	USA	Serbia	Spain	United Kingdom	Total operating segments	Consoli- dated data
Property, plant and equipment	176,637	2,064	87,586	56,787	30,858	7,771	5,570	5,800	373,073	373,073
Intangible assets	48,412	—	156,081	8,184	1,440	50	367	2,948	217,482	217,482
Investment property	2,572	—	—	—	—	—	—	—	2,572	2,572
Total	227,623	2,064	243,667	64,971	32,297	7,821	5,937	8,747	593,128	593,128

Information on income from external customers, their break-down by product group and geographical breakdown is included in Note 8 Revenues.

Major customers

The Group's analysis of the customer base identified three major customers in 2024 Their total income amounted to €1,308,338 thousand, accounting for 18.86% of the Group's

aggregate turnover. This income was wholly generated in the CSG Defence segment. In 2023, five major customers accounted for 30.52% of the Group's aggregate sales.

35. Related Parties

Definition of related parties

The Group's relations with related parties include relations with shareholders and other parties as disclosed in the table below.

A. Summary of balances with related parties as of December 31, 2024 and December 31, 2023:

	Receivables and other financial assets	Payables and other financial liabilities	Receivables and other financial assets	Payables and other financial liabilities
(€ '000)	2024	2024	2023	2023
Shareholders	—	45,115	61,324	35,547
Related parties and related individuals	4,272	732	50,545	4,363
Joint ventures	31,500	16,992	23,655	21,918
Associates	267	584	253	—
Total	36,039	63,423	135,777	61,828

B. Summary of transactions with related parties for the years ended December 31, 2024 and December 31, 2023:

	Income	Expense	Income	Expense
(€ '000)	2024	2024	2023	2023
Shareholders	4,882	5,062	11,591	8,309
Related parties and related individuals	1,304	582	12,212	2,255
Joint ventures	31,867	68,673	23,058	47,154
Associates	412	1,298	23	—
Total	38,465	75,615	46,884	57,718

Transactions with shareholders and the Group's key management consist of relations arising from received and provided loans. Transactions with related parties and related individuals as well as with associates and joint ventures principally include business relations and relations arising from received and provided loans.

Remuneration of the key Group's management is disclosed in the Note 11, Administrative, Management and Supervisory Bodies of CSG. All transactions have been realised under arm's length conditions.

36. Group Entities

Entity	Country of registration	December 31, 2024			December 31, 2023		
		Effective ownership percentage	Ownership interest**	Consoli-dation method*	Effective ownership percentage	Ownership interest**	Consoli-dation method*
CZECHOSLOVAK GROUP a.s.	Czech Republic	100.00%	parent company	—	100.00%	parent company	—
14. OKTOBAR d.o.o. Kruševac	Serbia	100.00%	direct	full	100,00 %	direct	full
ABIENNALE s.r.o.	Czech Republic	100.00%	direct	full	100.00%	direct	full
Ammunition Operations LLC	USA	100.00%	indirect	full			
ANGERONA TRADE a.s.	Czech Republic	100.00%	direct	full	100.00%	direct	full
Armi Perazzi S.p.A.	Italy	80.00%	direct	full	80.00%	direct	full
ARMY TRADE a.s.	Czech Republic	100.00%	direct	full	100.00%	direct	full
AsterIVF s.r.o.	Czech Republic	59.88%	direct	full	59.88%	direct	full
ATLAN GROUP, spol. s r.o.	Slovakia	80.20%	direct	full	81.00%	direct	full
ATRAK a.s.	Czech Republic	92.50%	direct	full	92.50%	direct	full
AVIA AVIATION a.s.	Czech Republic	50.00%	direct	not consolidated	50.00%	direct	not consolidated
AVIA Motors s.r.o.	Czech Republic	100.00%	direct	full	100.00%	direct	full
AVIEN, spol. s r.o.	Czech Republic	100.00%	direct	full	100.00%	direct	full
C.F.L. S.a.s.	Italy	14.00%	direct	equity	14.00%	direct	equity
CLEVELOPMENT SPV a.s.	Czech Republic	100.00%	direct	full	100.00%	direct	full
Cs BROSS, s.r.o.	Czech Republic	100.00%	direct	full			
CS SOFT a.s.	Czech Republic	92.50%	direct	full	92.50%	direct	full
CSG a.s.	Czech Republic	100.00%	direct	full	100.00%	direct	full
CSG AEROSPACE a.s.	Czech Republic	100.00%	direct	full	100.00%	direct	full
CSG Ammo+ a.s.	Czech Republic	100.00%	direct	full	100.00%	direct	full
CSG CENTRAL ASIA a.s.	Czech Republic	30.00%	direct	equity	30.00%	direct	equity
CSG DEAL a.s.	Czech Republic	100.00%	direct	full	100.00%	direct	full
CSG DEFENCE a.s.	Czech Republic	100.00%	direct	full	100.00%	direct	full
CSG Elevate I Inc.	USA	100.00%	direct	full		direct	not consolidated
CSG Elevate II Inc.	USA	100.00%	direct	full		direct	not consolidated
CSG Engineering, a.s.	Czech Republic	84.55%	indirect	full			
CSG EXPORT a.s.	Czech Republic	100.00%	direct	full	100.00%	direct	full
CSG FIN a.s.	Czech Republic	100.00%	direct	not consolidated	100.00%	direct	not consolidated
CSG HEALTH CARE a.s.	Czech Republic	60.00%	direct	full	60.00%	direct	full
CSG Horizons a.s.	Czech Republic	100.00%	direct	full	100.00%	direct	full
CSG INDUSTRY a.s.	Czech Republic	100.00%	direct	full	100.00%	direct	full
CSG Land System SK a.s.	Slovakia	89.00%	direct	full	89.10%	direct	full
CSG Land Systems CZ a.s.	Czech Republic	89.00%	direct	full	89.10%	direct	full

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Entity	Country of registration	December 31, 2024			December 31, 2023		
		Effective ownership percentage	Ownership interest**	Consoli-dation method*	Effective ownership percentage	Ownership interest**	Consoli-dation method*
CSG MOBILITY a.s.	Czech Republic	100.00%	direct	full	100.00%	direct	full
CSG RECOVERY s.r.o.	Czech Republic	100.00%	direct	full	100.00%	direct	full
CSGM a.s.	Czech Republic	100.00%	direct	full	100.00%	direct	full
CZECH CAMOUFLAGE SYSTEMS a.s.	Czech Republic	71.20%	direct	full	71.28%	direct	full
CZECH DEFENCE SYSTEMS a.s.	Czech Republic	89.00%	direct	full	89.10%	direct	full
CZECHOSLOVAK EXPORT a.s.	Czech Republic	90.00%	direct	full	90.00%	direct	full
CZECHOSLOVAK GROUP POLSKA SP. Z O.O.	Poland	90.00%	direct	full			
CZECHOSLOVAKIA TRADE a.s.	Slovakia	80.20%	direct	full	100.00%	direct	full
DAKO-CZ EN, a.s.	Czech Republic	100.00%	direct	full	95.00%	direct	full
DAKO-CZ INDIA PRIVATE LIMITED	India	100.00%	direct	full	100.00%	direct	full
DAKO-CZ RE, s.r.o.	Czech Republic	100.00%	direct	full	100.00%	direct	full
DAKO-CZ, a.s.	Czech Republic	100.00%	direct	full	100.00%	direct	full
DEFENCE SYSTEMS a.s.	Czech Republic	100.00%	direct	full	100.00%	direct	full
DEFENCE TRADE SLOVAKIA, s.r.o.	Slovakia	89.00%	direct	full	86.33%	direct	full
Development Přelouč s.r.o.	Czech Republic	89.00%	direct	full	89.10%	direct	full
ELDIS Pardubice India Plt	India	100.00%	direct	not consolidated	100.00%	direct	not consolidated
ELDIS Pardubice, s.r.o.	Czech Republic	100.00%	direct	full	100.00%	direct	full
ELTON hodinářská, a.s.	Czech Republic	73.16%	direct	full	73.16%	direct	full
ENGINEERING SPV a.s.	Czech Republic	100.00%	direct	full	100.00%	direct	full
ENVERCOTE a.s.	Czech Republic	60.00%	direct	full	60.00%	direct	full
EUROPEAN AIR SERVICES s.r.o.	Czech Republic	89.00%	direct	full	100.00%	direct	full
EXCALIBUR ARMY HELLAS LTD	Cyprus	45.00%	direct	not consolidated	45.00%	direct	not consolidated
EXCALIBUR ARMY spol. s r.o.	Czech Republic	89.00%	direct	full	89.10%	direct	full
EXCALIBUR DEFENCE SYSTEMS PRIVATE LIMITED	Cyprus	44.10%	direct	not consolidated	44.10%	direct	not consolidated
EXCALIBUR INTERNATIONAL a.s.	Czech Republic	89.00%	direct	full	89.00%	direct	full
EXCALIBUR USA a.s.	Czech Republic	100.00%	direct	full	51.00%	direct	not consolidated
FABRICA DE MUNICIONES DE GRANADA S.L.	Spain	80.20%	direct	full	81.00%	direct	full
FALCON CSG a.s.	Czech Republic	30.00%	direct	equity	30.00%	direct	equity
Federal Cartridge Company	USA	100.00%	indirect	full			
FIOCCHI MUNIZIONI S.P.A.	Italy	70.00%	direct	full	70.00%	direct	full
Fiocchi of America Inc.	USA	70.00%	direct	full	70.00%	direct	full
FIOCCHI UNITED KINGDOM LIMITED	United Kingdom	52.50%	direct	full	52.50%	direct	full
GAUSSIN S.A.	France	23,15%	direct	not consolidated	20.42%	direct	not consolidated

Entity	Country of registration	December 31, 2024			December 31, 2023		
		Effective ownership percentage	Ownership interest**	Consoli-dation method*	Effective ownership percentage	Ownership interest**	Consoli-dation method*
GERLENAIR a.s.	Czech Republic	100.00%	direct	full	100.00%	direct	full
HARVO Reality s.r.o.	Czech Republic	44.55%	direct	equity	44.55%	direct	equity
HTH land a.s.	Czech Republic	100.00%	direct	full	100.00%	direct	full
INTEGRA CAPITAL a.s.	Czech Republic	100.00%	direct	full	100.00%	direct	full
JOB AIR Technic a.s.	Czech Republic	100.00%	direct	full	100.00%	direct	full
JWL DAKO-CZ (INDIA) LIMITED RN	India	50.00%	direct	full	50.00%	direct	full
KARBOX Holding s.r.o.	Czech Republic	100.00%	direct	full	100.00%	direct	full
KARBOX s.r.o.	Czech Republic	100.00%	direct	full	100.00%	direct	full
KARMONIKA AERO a.s.	Czech Republic	100.00%	direct	full	100.00%	direct	full
KONVERTIAL SPV a.s.	Czech Republic	100.00%	direct	full	55.00%	direct	full
Kopřivnice Energy s.r.o.	Czech Republic	27.18%	direct	not consolidated	27.18%	direct	not consolidated
LAIRAN SPV a.s.	Czech Republic	100.00%	direct	full	100.00%	direct	full
LBP 80 S.r.l.	Italy	80.00%	direct	full	80.00%	direct	full
LIAZ TRUCKS a.s.	Czech Republic	100.00%	direct	full	100.00%	direct	full
LOSTR a.s.	Czech Republic	100.00%	direct	full	100.00%	direct	full
Lyalvale Express Limited	Veľká Británie	66.85%	direct	full	70.00%	direct	full
MADE CS a.s.	Czech Republic	100.00%	direct	full	100.00%	direct	full
MANDURIA TRADE a.s.	Czech Republic	100.00%	direct	full	100.00%	direct	full
MATIS z.a.o.	Russia	5.44%	direct	not consolidated	5.44%	direct	not consolidated
MEDHA DAKO-CZ PRIVATE LIMITED	India	49.95%	direct	full	49.95%	direct	full
MEFITIS TRADE a.s.	Czech Republic	100.00%	direct	full	100.00%	direct	full
MERIT SPV a.s.	Czech Republic	92.50%	direct	full	92.50%	direct	full
Milconn, a.s.	Czech Republic	50.00%	direct	full	50.00%	direct	equity
MSM - OPTICAL s.r.o.	Slovakia	80.20%	direct	full	81.00%	direct	not consolidated
MSM EXPORT, s.r.o.	Slovakia	80.20%	direct	full	81.00%	direct	full
MSM GREECE Ltd.	Slovakia	80.20%	direct	full			
MSM GROUP KAZAKHSTAN LLP	Kazakhstan	40.50%	direct	not consolidated	40.50%	direct	not consolidated
MSM Group North America Inc.	USA	80.20%	indirect	not consolidated			
MSM GROUP s.r.o.	Slovakia	80.20%	direct	full	81.00%	direct	full
MSM LAND SYSTEMS s.r.o.	Slovakia	89.00%	direct	full	89.10%	direct	full
MSM Martin, s.r.o.	Slovakia	80.20%	direct	full	81.00%	direct	full
MSM North America Holdings LLC	USA	80.20%	indirect	not consolidated			
MSM Services, s.r.o.	Slovakia	80.20%	direct	full	81.00%	direct	full
MSM SPV I, s. r. o.	Slovakia	80.20%	indirect	full			
MSM SPV II, s. r. o	Slovakia	80.20%	indirect	full			
MSM SPV III, s. r. o.	Slovakia	80.20%	indirect	full			
MSM SPV IV, s. r. o.	Slovakia	80.20%	indirect	full			

Entity	Country of registration	December 31, 2024			December 31, 2023		
		Effective ownership percentage	Ownership interest**	Consoli-dation method*	Effective ownership percentage	Ownership interest**	Consoli-dation method*
MSM SPV V, s. r. o.	Slovakia	80.20%	indirect	full			
NC Bomlitz GmbH	Germany	80.20%	indirect	not consolidated			
NIKA Development a.s.	Czech Republic	89.90%	direct	full	83.63%	direct	full
Perazzi USA, Inc.	USA	80.00%	direct	full	80.00%	direct	full
PLATINUM DEFENCE a.s.	Czech Republic	89.00%	direct	full			
POCKET VIRTUALITY a.s.	Czech Republic	69.99%	direct	full	70.00%	direct	full
PPS VEHICLES, s.r.o.	Slovakia	72.18%	direct	full	72.90%	direct	full
Prague Fertility Centre s.r.o.	Czech Republic	59.88%	direct	full	59.88%	direct	full
Presto Tech Horizons a.s.	Czech Republic	50.00%	indirect	not consolidated			
PROGRESS SPV a.s.	Czech Republic	100.00%	direct	full	100.00%	direct	full
PTH Services s.r.o.	Czech Republic	50.00%	indirect	not consolidated			
RADIATIK a.s.	Czech Republic	100.00%	direct	full	100.00%	direct	full
Real Info d.o.o. Kruševac	Serbia	100.00%	direct	full	100.00%	direct	full
REAL TRADE PRAHA a.s.	Czech Republic	80.99%	direct	full	81.90%	direct	full
REALID SPV a.s.	Czech Republic	100.00%	direct	full	100.00%	direct	full
ReDat Recording, a.s.	Czech Republic	90.00%	direct	full	90.00%	direct	not consolidated
Regionální muzeum v Kopřivnici, o.p.s.	Czech Republic	0.00%	direct	not consolidated		direct	not consolidated
Remington Licensing Corporation	USA	50.00%	indirect	full			
RETIA, a.s.	Czech Republic	90.00%	direct	full	90.00%	direct	full
SBS ZVS, s.r.o.	Slovakia	40.10%	indirect	full	40.50%	indirect	full
SHER Technologies a.s.	Czech Republic	51.00%	direct	full	51.00%	direct	full
Slovak Aviation Factory s.r.o.	Slovakia	80.20%	direct	full	81.00%	direct	full
Slovak industry s.r.o.	Slovakia	80.20%	direct	full	81.00%	direct	full
Sondany s.r.o.	Czech Republic	59.88%	direct	full	59.88%	direct	full
Space T a.s.	Czech Republic	100.00%	direct	full	100.00%	direct	full
STA TECHNOLOGY, s.r.o.	Slovakia	40.10%	direct	full	40.50%	direct	full
STALUNA TRADE a.s.	Czech Republic	100.00%	direct	full	100.00%	direct	full
TABLON SPV a.s.	Czech Republic	100.00%	direct	full	100.00%	direct	full
Target Products 1978 Ltd.	New Zealand	20.00%	direct	equity	20.00%	direct	equity
TATRA a.s.	Czech Republic	100.00%	direct	full	100.00%	direct	full
TATRA AVIATION a.s.	Czech Republic	100.00%	direct	full	100.00%	direct	full
TATRA CLASSIC s.r.o.	Czech Republic	54.36%	direct	not consolidated	54.36%	direct	not consolidated
TATRA DEFENCE PROJECTS s.r.o.	Czech Republic	80.10%	direct	full	80.19%	direct	full
TATRA DEFENCE SLOVAKIA s.r.o.	Slovakia	74.02%	direct	full	74.73%	direct	full
TATRA DEFENCE SYSTEMS s.r.o.	Czech Republic	80.10%	direct	full	80.19%	direct	full
TATRA DEFENCE VEHICLE a.s.	Czech Republic	80.10%	direct	full	80.19%	direct	full

Entity	Country of registration	December 31, 2024			December 31, 2023		
		Effective ownership percentage	Ownership interest**	Consolidation method*	Effective ownership percentage	Ownership interest**	Consolidation method*
TATRA EURASIA t.o.o.	Kazakhstan	19.57%	direct	not consolidated	19.57%	direct	not consolidated
TATRA EXPORT s.r.o.	Czech Republic	54.36%	direct	equity	54.36%	direct	equity
TATRA MACHINERY s.r.o.	Czech Republic	54.36%	direct	not consolidated	54.36%	direct	not consolidated
TATRA MANUFACTURE a.s.	Czech Republic	100.00%	direct	full	100.00%	direct	full
TATRA METALURGIE a.s.	Czech Republic	54.36%	direct	equity	54.36%	direct	equity
TATRA Slovensko spol. s .r.o.	Slovakia	54.36%	direct	not consolidated	54.36%	direct	not consolidated
TATRA TRUCK GULF COMMERCIAL BRO-KERS L.L.C.	United Arab Emirates	26.64%	direct	not consolidated	26.64%	direct	not consolidated
TATRA TRUCK INDIA PRIVATE LIMITED	India	48.92%	direct	not consolidated	48.92%	direct	not consolidated
TATRA TRUCKS a.s.	Czech Republic	54.36%	direct	equity	54.36%	direct	equity
TATRA VOSTOK, OOO	Russia	54.36%	direct	not consolidated	54.36%	direct	not consolidated
TATRABRAS LTDA	Brasil	54.36%	direct	not consolidated	54.36%	direct	not consolidated
TECHNOLOGY CS a.s.	Czech Republic	100.00%	direct	full	100.00%	direct	full
TECHPARK Hradubická a.s.	Czech Republic	100.00%	direct	full	100.00%	direct	full
The Kinetic Group Operations LLC	USA	100.00%	indirect	full			
TRADITION CS a.s.	Czech Republic	92.50%	direct	full	92.50%	direct	full
TRUCK MACHINERY GROUP a.s.	Czech Republic	100.00%	direct	full	100.00%	direct	full
TRUCK SERVICE GROUP s.r.o.	Czech Republic	100.00%	direct	full	100.00%	direct	full
UpVision Defence s.r.o.	Czech Republic	71.23%	direct	full	71.23%	direct	full
UpVision s.r.o.	Czech Republic	71.23%	direct	full	71.23%	direct	full
VENILIA TRADE a.s.	Czech Republic	100.00%	direct	full	100.00%	direct	full
Virte, a. s.	Slovakia	80.20%	direct	full	81.00%	direct	full
Vista Commercial Ammunition Company Inc.	USA	100.00%	indirect	full			
Vista Outdoor Inc.	USA	100.00%	indirect	full			
Vista Outdoor Sales LLC	USA	100.00%	indirect	full			
VMT Trade s.r.o.	Slovakia	40.50%	direct	not consolidated	40.50%	direct	not consolidated
VOP Nováky, a.s.	Slovakia	80.20%	direct	full	81.00%	direct	full
VORNEA SPV s.r.o.	Czech Republic	100.00%	direct	full	100.00%	direct	full
VÝVOJ Martin, a.s.	Slovakia	80.20%	direct	full	61.56%	direct	equity
ZVS holding, a.s.	Slovakia	40.10%	indirect	full	40.50%	indirect	full
ZVS IMPEX, akciová spoločnosť	Slovakia	80.20%	direct	full	81.00%	direct	full
ZVS technology, s.r.o.	Slovakia	27.54%	direct	not consolidated	27.54%	direct	not consolidated

* Entities that are not consolidated – these entities are immaterial in the Group's consolidated financial statements; both on the individual and aggregate bases.
** Indirect ownership percentage means an ownership percentage controlled by way of the management rather than by shares. Other types of ownership percentages are referred to as direct.

The list in the table above is structured based on the ownership of entities at different levels in the Group.

37. Legal Disputes

Provisions for legal disputes are disclosed in the Note 29.

MSM Martin s.r.o. (Slovakia)

In 2020, a criminal investigation was initiated in Slovakia against MSM Martin, s.r.o. and Mr. Marián Goga (a former shareholder and executive director of MSM Martin). Both MSM Martin and Mr. Goga were charged with alleged criminal offenses of bribery and money laundering in connection with a public procurement process organized by the Slovak Administration of State Material Reserves related to the purchase of recovery vehicles, tanks, and mobile bridges. In December 2020, the charges against MSM Martin and Mr. Goga were dropped. However, in March 2021, the decision was reversed, and the criminal charges were reinstated by a higher prosecutorial authority. MSM Martin and Mr. Goga continue to actively cooperate with Slovak criminal authorities, and the proceedings (under ref. no. PPZ-99/NKA-BA3-2020, originally PPZ-233/NKA-BA3-2020) remain ongoing. The investigation in this case was completed with the final disclosure of the investigation file on December 6, 2024, after which the file was transmitted to the prosecutor, who will decide whether to file an indictment or close the proceedings.

38. Subsequent Events

In the period between December 31, 2024 and the date of preparation of the consolidated annual report, the following changes to the CSG Group structure occurred:

Changes in the Company’s Management

As of January 13, 2025, Lukáš Andryšek was removed from the Member of the Board of Directors.

As of February 24, 2025, David Štěpán was removed from the Member of the Board of Directors.

Acquisition of Minority Stake in Fiocchi Munizioni SPA

The Group signed an agreement to acquire a 30% minority stake in Fiocchi Munizioni SPA. The transaction's closing is subject to regulatory approvals.

Separate Financial Statements

Separate Financial Statements prepared under International Financial Reporting Standards (IFRS) as Adopted by the EU for the year ended December 31, 2024

Separate Financial Statements for the year ended December 31, 2024

Name of the Company: **CZECHOSLOVAK GROUP a.s.**
Registered Office: **U Rustonky 714/1, Karlín, 186 00 Prague 8, Czech Republic**
Legal Status: **Joint Stock Company**
Corporate ID: **034 72 302**

Components of the Financial Statements:

Statement of Comprehensive Income
Statement of Financial Position
Statement of Changes in Equity
Statement of Cash Flows
Notes to Financial Statements

These financial statements were prepared on April 2, 2025.


David Chour
Vice-Chairman of the Board of Directors
since September 1, 2020


Zdeněk Jurák
Member of the Board of Directors
since January 1, 2024

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Statement of Profit or Loss and Other Comprehensive Income

For the year ended December 31, 2024

(€ '000)	Note	For the year ended December 31, 2024	For the year ended December 31, 2023
Revenues	5	30	48
Raw material and consumables		—	—
External costs	7	(7,538)	(12,379)
Other operating income	8	22	250
Other operating expense	9	(1,741)	(3,313)
Profit / (loss) from operating activities		(9,227)	(15,394)
Financial income	10	149,977	37,739
Financial expense	10	(136,195)	(63,642)
Profit from other financial instruments	11	(1,981)	7,111
Profit / (loss) from financing activities		11,801	(18,792)
Profit / (loss) before tax		2,574	(34,186)
Income tax	12	(668)	(101)
Net profit / (loss) from continuing operations		1,906	(34,287)
Other comprehensive income		—	—
Remeasurement of derivatives		(964)	(3,031)
Revaluation in other comprehensive income		36	(89)
Foreign currency translation differences from presentation currency		(2,893)	(3,834)
Other comprehensive income, net		(3,821)	(6,954)
Total comprehensive income (loss)		(1,915)	(41,241)

The Notes to Financial Statements form an inseparable part of these financial statements.

Statement of Financial Position

As of December 31, 2024

(€ '000)	Note	December 31, 2024	December 31, 2023
Assets			
Non – current assets			
Investments in subsidiaries	12	1,251,803	378,361
Investments in associates	12	64	65
Loans and other financial assets	14	166,691	169,961
Trade and other receivables	16	—	812
Deferred tax asset	24	441	71
Total non-current assets		1,418,999	549,270
Current assets			
Inventory	17	—	—
Trade and other receivables	16	93,956	38,065
Loans and other financial assets	14	1,707,885	129,799
Tax receivables arising from the current income tax payable	18	916	1,237
Cash and cash equivalents	19	110,448	96,540
Total current assets		1,913,205	265,641
Total assets		3,332,204	814,911
Equity			
Share capital	20	78,427	78,427
Other reserves	20	200,200	30,955
Gains or losses from the remeasurment of de-rivatives	20	411	1,375
Retained earnings, current period profit/loss		34,355	32,449
Translation reserve		12,091	14,984
Total equity		325,484	158,190
Liabilities			
Non-current liabilities			
Loans and borrowings	21	1,128,000	105,022
Financial instruments and financial payables	15	9,796	4,288
Provisions	23	—	3,166
Bonds	21c	1,000,830	278,073
Total non-current liabilities		2,138,626	390,549
Current liability			
Loans and borrowings	20	725,461	134,534
Financial instruments and financial payables	15	1,051	2,779
Trade and other payables	22	136,717	69,487
Tax payables arising from the current income tax payable		—	—
Bonds	21c	4,865	59,372
Total current liabilities		868,094	266,172
Total liabilities		3,006,720	656,721
Total equity and liabilities		3,332,204	814,911

The Notes to Financial Statements form an inseparable part of these financial statements.

Statement of Changes in Equity

For the year ended December 31, 2024

(€ '000)	Note	Attributable to the shareholders of the Company					Total
		Share capital	Other reserves	Gains or losses from the revaluation of derivatives	Retained earnings	Foreign exchange translation reserve	
Balance at January 1, 2024	20	78,427	31,044	4,406	66,736	18,818	199,431
Total comprehensive income for the year:							
Profit for the year		—	—	—	(34,287)	—	(34,287)
Other comprehensive income:							
Revaluation – other comprehensive income		—	(89)		—	—	(89)
Revaluation of derivatives		—	—	(3,031)	—	—	(3,031)
Foreign exchange differences on change in presentation currency		—	—	—	—	(3,834)	(3,834)
Total comprehensive income for the year		—	(89)	(3,031)	(34,287)	(3,834)	(41,241)
Transactions with shareholders and MI	20	—	—	—	—	—	—
Total transactions with shareholders		—	(89)	(3,031)	(34,287)	(3,834)	(41,241)
Balance at December 31, 2023	20	78,427	30,955	1,375	32,449	14,984	158,190
Total comprehensive income for the year							
Profit for the year		—	—	—	1,906	—	1,906
Other comprehensive income:							
Revaluation – other comprehensive income		—	36	—	—	—	36
Revaluation of derivatives	20	—	—	(964)	—	—	(964)
Foreign exchange differences on change in presentation currency		—	—	—	—	(2,893)	(2,893)
Total comprehensive income for the year		—	36	(964)	1,906	(2,893)	(1,915)
Transactions with shareholders and MI	20	—	169,209	—	—	—	169,209
Total transactions with shareholders			169,245	(964)	1,906	(2,893)	167,294
Balance at December 31, 2024		78,427	200,200	411	34,355	12,091	325,484

The Notes to Financial Statements form an inseparable part of these financial statements.

Statement of Cash Flows

For the year ended December 31, 2024

(€ '000)	Note	For the year ended December 31, 2024	For the year ended December 31, 2023
Cash flows from operating activities			
Profit for the period		1,906	(34,287)
Adjustments for:			
Profit (-) / loss (+) from the sale of investments	11	1,981	(7,111)
Net interest income (-) / expense (+)	10	44,501	29,914
Recognition (+) / release (-) of allowances and provisions	9	162	(2,462)
Recognition (+) / release (-) of allowances for investments in entities	13	21,657	10,205
Dividend income	10	(70,119)	(12,258)
Income tax	12	668	101
Exchange rate gains (-) / losses (+)		(9,936)	(412)
Other		25	(25)
Release of costs of bond issues and financing		2,242	704
Increase (-) / decrease (+) of receivables and payables from derivative financial instruments		9,610	13,327
Operating cash flows before movements in working capital		2,697	(2,304)
Increase (-) / decrease (+) in trade receivables and other assets		(55,832)	(30,295)
Increase (-) / decrease (+) in inventory (including income from sale)		—	—
Increase (+) / decrease (-) in trade and other payables		23,492	59,612
Cash generated by operations		(29,643)	27,013
Income taxes paid		(609)	(2,298)
Net cash from operating activities		(30,252)	27,715
Cash flows from investing activities			
Acquisition of investments in subsidiaries		(912,813)	(40,824)
Acquisition of investments in associates		—	—
Income from the sale of investments		6,552	13,426
Dividends received		67,016	11,935
Provided loans		(1,977,576)	(359,230)
Repayment of provided loans		417,074	346,066
Interest received		30,991	6,636
Other investments		(21,435)	(32,212)
Net cash (used in) / from investing activities		(2,390,191)	(54,203)
Cash flows from financing activities			
Proceeds from borrowings		4,250,996	905,433
Repayments of borrowings		(2,605,550)	(941,434)
Proceeds from bond placements		770,746	197,979
Costs related to bond placements and financing		(88,698)	(2,327)
Repayment of bonds		(51,663)	(30,399)
Interest paid		(55,724)	(35,611)
Other contribution to equity		214,244	—
Net cash (used in) / from financing activities		2,434,351	93,641
Net increase / decrease in cash and cash equivalents		13,908	64,153
Cash and cash equivalents at beginning of year		96,540	32,387
Cash and cash equivalents at end of period		110,448	96,540

The Notes to Financial Statements form an inseparable part of these financial statements.

Notes to Financial Statements

1. Description of the Company

CZECHOSLOVAK GROUP a.s. (the “Company” or “CSG”) is a joint stock company formed in compliance with the legal regulations of the Czech Republic on October 13, 2014. Its registered office is located at U Rustonky 714/1, Karlín, 186 00 Prague 8, Czech Republic. The Company changed its name from EXCALIBUR GROUP a.s. to CZECHOSLOVAK GROUP a.s. and the change was adopted and recorded in the Czech Register of Companies on January 14, 2016.

As of January 1, 2015, CZECHOSLOVAK GROUP a.s. merged with EXCALIBUR ARMY CZ a.s. and EXCALIBUR INDUSTRY a.s., the successor company being CZECHOSLOVAK GROUP a.s.

As of January 1, 2016, CZECHOSLOVAK GROUP a.s. merged with LOGEKO a.s., the successor company being CZECHO-SLOVAK GROUP a.s.

As a result of a cross-border merger by amalgamation, the net assets of Czechoslovak Group B.V., as the dissolving company, were transferred to CZECHOSLOVAK GROUP a.s., as the successor company. The effective date of the cross-border merger by amalgamation is January 1, 2020. This fact was recorded in the Register of Companies on August 31, 2020.

As of December 31, 2024, the Company’s sole shareholder was CSG FIN a.s., which, as the sole shareholder, acted as the Company’s ultimate authority.

The financial statements of the Company were prepared for the years ended December 31, 2024 and December 31, 2023. These financial statements are unconsolidated separate financial statements.

The Company’s principal activities include production, trade and services not listed in Appendices 1–3 to the Trade Licencing Act, in the scope of the following areas:

- Mediation of trade and services;
- Wholesale and retail;
- Providing of software, information technology consulting, data processing, hosting and related activities and web portals;
- Purchase, sale, management and maintenance of real estate;
- Rental and lending of movable property;
- Advisory and consulting services, preparation of expert studies and reports;
- Advertising, marketing, media representation;
- Administrative management services and services of an organisational and economic nature;
- Providing of technical services.

As of December 31, 2024, the Company’s sole shareholder was as follows:

December 31, 2024	Shares Ownership percentage		Voting rights
	(€ '000)	%	%
CSG FIN a.s., Corporate ID: 141 41 442	78,427	100	100
Total shares	78,427	100	100

Composition of the Board of Directors as of December 31, 2024:

- **Michal Strnad** (Chairman of the Board of Directors)
- **David Chour** (Vice-Chairman of the Board of Directors)
- **Ladislav Štorek** (Vice-Chairman of the Board of Directors)
- **Petr Formánek** (Member of the Board of Directors)
- **David Štěpán** (Member of the Board of Directors)
- **Zdeněk Jurák** (Member of the Board of Directors)
- **Lukáš Andryšek** (Member of the Board of Directors)

Composition of the Supervisory Board as of December 31, 2024:

- **Michaela Katolická** (Chairman of the Supervisory Board)
- **Rudolf Bureš** (Member of the Supervisory Board)
- **Aleš Klepek** (Member of the Supervisory Board)

2. Basis of Preparation of the Financial Statements

A. Statement of Compliance

The financial statements were authorised for issue by the Board of Directors on April 2, 2025.

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards) adopted by the European Union.

Furthermore, the financial statements have been drawn up on a going concern basis and using the conventional historical cost basis, except for in the event the measurement of financial assets and liabilities that required the application of the of fair value criterion.

The financial statements are presented in euro (“EUR”), which has been the presentation currency set by the CSG Group since January 1, 2021. The Company’s functional currency is the Czech crown (“CZK”). All amounts included in this document are presented in thousands of euros, unless otherwise indicated. The reason for the presentation currency is that EUR suits the needs of the primary users of the financial statements better than CZK.

The financial statements are prepared using consistent accounting policies over the whole period covered by the financial statements (i.e. both the current and comparative periods). These accounting policies are in line with the IFRS applicable at the end of the reporting period i.e., December 31, 2024.

B. Measurement Method

These financial statements were prepared under the going concern assumption.

These financial statements were prepared under the historical cost (amortised cost) convention, with the exception of the following material statement of financialposition items, which are carried at fair value:

- Derivative financial instruments.
- Other securities and investments

C. Functional and Presentation Currencies

The statements are presented in euro (“EUR”). The functional currency of the Company is the Czech crown (“CZK”). All financial information presented in EUR is rounded to the nearest thousand, unless stated otherwise.

D. Use of Estimates and Judgement

Information on the estimates and critical judgement used in applying accounting policies that have the most significant effect on the balances reported in the financial statements are disclosed in the following Notes:

- Note 4 (a), (b), (c) – Measurement of financial instruments
- Note 31 – Legal disputes

E. Adoption of new and revised IFRS accounting standards and change in accounting policy

The presentation currency of EUR has been adopted to suit the needs of the primary users of the financial statements.

F. New and amended IFRS Accounting Standards that are effective for the current year

In the current year, the group has applied a number of new and amended IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) and adopted by the EU that are mandatorily effective in the EU for an accounting period that begins on or after January 1, 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-Current

The Group has adopted the amendments to IAS 1 for the first time in 2024. The amendments provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. Amendments to IAS 1 issued by IASB on July 15, 2020 defer the effective date by one year to annual periods beginning on or after January 1, 2023.

Amendments to IFRS 16 Leases – Lease Liability in a Sale and Leaseback

The Group has adopted the amendments to IAS 1 for the first time in 2024. The amendments to IFRS 16 require a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.

Amendments to IAS 1 Presentation of Financial Statements – Non-current Liabilities with Covenants

The Group has adopted the amendments to IAS 1 for the first time in 2024. The amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.

G. New and revised IFRS Accounting Standards adopted by the EU in issue but not yet effective

At the date of authorisation of these financial statements, the Company has not applied the following revised IFRS Accounting Standards that have been issued and adopted by the EU but are not yet effective in the EU:

Amendments to IAS 21	Lack of Exchangeability	Effective from January 1, 2025
The directors do not expect that the adoption of the amendments to the existing Standards listed above will have		

a material impact on the consolidated financial statements of the group in future periods, except if indicated below.

H. New and revised IFRS Accounting Standards issued by the IASB but not yet adopted by the EU

The following amendments to the existing IFRS Accounting standards have not been endorsed for use in the EU yet and could not therefore be adopted by the group:

(The effective dates stated below are for IFRS as issued by IASB. EU is expected to approve the amendments with the same effective dates.)

IFRS 18	Presentation and Disclosures in Financial Statements	Effective from January 1, 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosure (Voluntary use for eligible subsidiaries)	Effective from January 1, 2027
Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	Annual Improvements to IFRS Accounting Standards – Volume 11	Effective from January 1, 2026
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	Effective from January 1, 2026
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	Effective from January 1, 2026
Amendments to IFRS 10	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and further amendments	effective date deferred by IASB indefinitely but earlier application permitted

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements

The Group has adopted the amendments to IAS 1 for the first time in 2024. The amendments add disclosure requirements, and ‘signposts’ within existing disclosure requirements to provide qualitative and quantitative information about supplier finance arrangements.

The impact on the Company’s financial statements of new standards, amendments to the standards and interpretations endorsed by EU which are not yet effective and have not been early adopted are being analysed as of the date of the issuance of these financial statements and the final impact is unknown yet.

3. Significant Accounting Policies

Significant accounting policies are analogous to those of the consolidated financial statements presented in Note 5 to the Consolidated Financial Statements for the year ended December 31, 2024.

4. Fair Value Measurement

A. Non-Derivative Financial Assets

The fair value is based on their quoted market price as of the balance sheet date with no deduction of transaction costs. If no quoted market price is available, the directors estimate the fair value of the given instrument using price models or techniques based on discounted cash flows.

If techniques based on discounted cash flows are applied, the estimated future cash flows are based on best estimates made by the directors, and a market-based rate as of the balance sheet date for an instrument with similar conditions is used as the discount rate. If price models are used, inputs are based on market rates as of the balance sheet date.

The fair value of trade receivables and other receivables, except for contract assets but including receivables from services provided based on a concession, is estimated as the present value of future cash flows discounted using the interest rate as of the balance sheet date.

The fair value of trade receivables, other receivables and investments reported at amortised cost is only determined solely for the disclosure purposes.

B. Non-Derivative Financial Liabilities

The fair value determined in order to be disclosed is based on the present value of future cash flows from principals and interest discounted by a default interest rate as of the balance sheet date. For finance leases, the market interest rate is determined using similar lease contracts.

C. Derivatives

Financial derivatives are measured at fair value classified under Level 2, the measurement is based on market valuation

5. Revenues, Purchases and Consumables

The Company recognised revenue related to the sale of software licenses in 2024 in the amount of €30 thousand (2023: €48 thousand)

In 2024, the Company did not recognise any costs related to purchases and consumables.

In 2023, the Company did not recognise any costs related to purchases and consumables.

6. Employee Benefits Costs

In 2024 and in 2023, the Company did not recognise any employee benefits costs

7. External Costs

(€ '000)	For the period ended	
	December 31, 2024	December 31, 2023
Costs of outsourcing and other external costs	6,780	11,574
Rental	60	95
Advisory fees	632	661
Other external costs	66	49
Total external costs	7,538	12,379

In 2024, costs for subcontractors and other external costs consist predominantly of costs for services from CSGM a.s. in the amount of €4,418 thousand.

In 2023, costs for subcontractors and other external costs consist predominantly of costs for services from CSGM a.s. in the amount of €11,106 thousand.

8. Other Operating Income

In 2024, other operating income amounted to €22 thousand.

In 2023, other operating income amounted to €250 thousand.

9. Other Operating Expenses

(€ '000)	2024	2023
Insurance payments	156	140
Recognition / (release) of allowances	118	(3,583)
Recognition/ (release) of provisions	(3,117)	1,178
Write-off of a receivable	—	3,240
Other	4,584	2,338
Total other operating expenses	1,741	3,313

In 2024,The Other” item predominantly includes the costs related to settlement of legal disputes in amount of €3,627 thousand. In contrary there was a release of provisions in amount of €3,117 thousand.

In 2023, the “Other” item predominantly includes the costs related to write-off of lost investments in amount of €1,963 thousand.

In 2023, the company released allowances to receivables that were written – off.

The recognition of allowances is described in greater detail in Note 29a) Risk Management and Disclosure Methods – Credit Risk.

The recognition of provisions is described in greater detail in Note 23 Provisions.

10. Financial Income And Expenses

(€ '000)	2024	2023
Interest income	26,165	16,969
Profit from derivative transactions	30,292	—
Dividend income	70,119	12,258
Other financial income	23,401	8,512
Financial income	149,977	37,739
Interest expense – related parties	21,880	20,600
Interest expense – bonds	33,190	21,118
Interest expense – banks	15,339	4,209
Interest expense – other	257	956
Exchange rate losses	8,878	667
Loss from derivative transactions	1,032	4,335
Other financial expenses	55,619	11,757
Financial expenses	136,195	63,642
Net financial income/(expenses)	13,782	(25,903)

Other financial expenses in 2024 predominantly include bank fees connected to financing in amount of €39,388 thousand. (described also in Note 13 – Investment in Entities).

Other financial expenses in 2023 predominantly include costs related to bond placement and increase of allowance– for investment in entities in the amount of €10,205 thousand (described also in Note13– Investment in Entities).

In 2024, the Company generated income from dividends of €70,120 thousand originating from profit shares received

from the subsidiaries, predominantly CSG DEFENCE a.s. (€49,927 thousand), EXCALIBUR INTERNATIONAL a.s. (€8,935 thousand), AVIA Motors s.r.o. (€5,645 thousand), CSGM INDUSTRY a.s. (€2,986 thousand).

In 2023, the Company generated income from dividends of €12,258 thousand originating from profit shares received from the subsidiaries CSG DEFENCE a.s. (€10,414 thousand), GERLENAIR a.s. (€903 thousand), AVIA Motors s.r.o. (€754 thousand), CSG INDUSTRY a.s. (€187 thousand).

11. Profit / Loss From other financial instruments

(€ '000)	2024	2023
Sales of investments	9,048	13,315
Investments sold	(11,029)	(6,204)
Profit / (loss) from the sale of investments	(1,981)	7,111

12. Income Tax

A. Income tax reported in profit or loss

(€ '000)	2024	2023
Current tax	(1,040)	(85)
Deferred tax	372	(16)
Total income tax	(668)	(101)

Deferred tax is calculated using the currently applicable tax rates that are assumed to be effective in the period when the asset will be recovered or the liability will be

settled. Under Czech legislation, the corporate income tax rate is 21% for the fiscal year ended December 31, 2024 (2023: 19%).

B. Reconciliation of the Effective Tax Rate

(€ '000)	%	2024	%	2023
Profit / (loss) before tax on continued operations		2,574		(34,186)
Tax calculated using the corporate income tax rate	21%	(540)	19%	6,495
Tax effect:				
Non-deductible expenses		(18,865)		(11,341)
Tax-exempt income		18,812		4,913
Losses for which no deferred tax asset was recognised in the current period		—		(89)
Changes in estimates relating to prior periods		(75)		(79)
Income tax reported in the statement of compre-hensive income		(668)		(101)

Sales of investments, including dividend income, are reduced in the reconciliation of the effective tax rate by the costs of investments sold and the balance is reflected in the ‘Tax-exempt income’ line.

The group has applied the temporary exception issued by the IASB in May 2023 from the accounting requirements for deferred taxes in IAS 12. Accordingly, the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

13. Investments In Entities

A. Investments in Subsidiaries

Name of Company	Country of Incorporation	December 31, 2024	December 31, 2023
14. OKTOBAR d.o.o. Kruševac	Serbia	100,00%	100,00%
ABIENNALE s.r.o.	Czech Republic	100,00%	100,00%
CSG Horizons a.s. ¹⁾	Czech Republic	100,00%	100,00%
AVIA Motors s.r.o	Czech Republic	100,00%	100,00%
AVIEN, spol. s.r.o	Czech Republic	100,00%	100,00%
CLEVELOPMENT	Czech Republic	100,00%	100,00%
CSG a.s.	Czech Republic	100,00%	100,00%
CSG AEROSPACE a.s.	Czech Republic	100,00%	100,00%
CSG AMMO+ a.s. ²⁾	Czech Republic	100,00%	100,00%
CSG DEAL a.s.	Czech Republic	100,00%	100,00%
CSG DEFENCE a.s.	Czech Republic	100,00%	100,00%
CSG EXPORT a.s.	Czech Republic	100,00%	100,00%
CSG INDUSTRY a.s.	Czech Republic	100,00%	100,00%
CSG MOBILITY a.s.	Czech Republic	100,00%	100,00%
CSGM a.s.	Czech Republic	100,00%	100,00%
CZECHOSLOVAK GROUP POLSKA SP.Z.o.o	Poland	100,00%	—
ENGINEERING SPV a.s.	Czech Republic	100,00%	100,00%
ENVERCOTE a.s.	Czech Republic	60,00%	60,00%
EXCALIBUR INTERNATIONAL a.s.	Czech Republic	89,00%	89,00%
EXCALIBUR USA a.s.	Czech Republic	100,00%	51,00%
GERLENAIR a.s.	Czech Republic	100,00%	100,00%
HTH land a.s.	Czech Republic	100,00%	100,00%
INTEGRA CAPITAL a.s.	Czech Republic	100,00%	100,00%
KARBOX Holding s.r.o.	Czech Republic	100,00%	100,00%
KARMONIKA AERO a.s.	Czech Republic	100,00%	100,00%
KONVERTIAL SPV a.s.	Czech Republic	100,00%	55,00%
LBP 80 S.r.l.	Italy	80,00%	80,00%
LIAZ TRUCKS a.s.	Czech Republic	100,00%	100,00%
LOSTR a.s	Czech Republic	100,00%	100,00%
MADE CS a.s.	Czech Republic	100,00%	100,00%
MANDURIA TRADE a.s.	Czech Republic	100,00%	100,00%
MEFITIS TRADE a.s.	Czech Republic	100,00%	100,00%
NIKA Development a.s.	Czech Republic	89,94%	83,63%
PROGRESS SPV a.s.	Czech Republic	100,00%	100,00%
RADIATIK a.s.	Czech Republic	100,00%	100,00%
REALID SPV a.s.	Czech Republic	100,00%	100,00%
RELAZA SPV a.s.	Czech Republic	—	100,00%
STALUNA TRADE a.s.	Czech Republic	100,00%	100,00%
TABLON SPV a.s.	Czech Republic	100,00%	100,00%
TATRA a.s.	Czech Republic	100,00%	100,00%
TATRA AVIATION a.s.	Czech Republic	100,00%	100,00%
TATRA MANUFACTURE a.s.	Czech Republic	100,00%	100,00%
TECHPARK Hradubická a.s.	Czech Republic	100,00%	100,00%
TRUCK SERVICE GROUP s.r.o.	Czech Republic	100,00%	100,00%
VENILIA TRADE a.s.	Czech Republic	100,00%	100,00%
VORNEA SPV s.r.o.	Czech Republic	100,00%	100,00%

¹⁾ In 2024, AVIA Electric a.s. was renamed to CSG Horizons a.s.
²⁾ In 2023, RUMPETA a.s. was renamed to CSG Ammo+ a.s.

The costs of investments (without the effect of impairment) and accompanying information on selected investments are presented in the tables below.

As of December 31, 2024

(€ '000)	Total profit(+) loss(-) for 2024	Equity as of December 31, 2024	Cost
CSG Ammo+ a.s.	(8)	1,100,114	1,099,597
NIKA DEVELOPMENT a.s.	144	73,004	71,347
TABLON SPV a.s.	(6,245)	13,382	30,335
CSG MOBILITY a.s.	459	65,438	23,775
INTEGRA CAPITAL a.s.	1,500	5,987	10,033
LBP 80 S.R.L.	(9,469)	6,110	9,859
ABIENNALE s.r.o.	(11)	2,729	6,004
14.OKTOBAR d.o.o. Kruševac	9,887	13,388	5,555
CSG AEROSPACE a.s.	14,917	61,601	5,451
KARMONIKA AERO a.s.	(670)	(791)	4,606
AVIA Motors s.r.o.	335	4,696	4,359
Other	—	—	16,303
Total			1,287,224

As of December 31, 2023

(€ '000)	Total profit(+) loss(-) for 2023	Equity as of December 31, 2023	Cost
CSG Ammo+ a.s.	(4)	225,971	225,437
NIKA DEVELOPMENT a.s.	213	74,216	62,347
CSG MOBILITY a.s.	(246)	66,190	24,217
TABLON SPV a.s.	(11,248)	642	11,567
INTEGRA CAPITAL a.s.	(483)	4,574	10,220
LBP 80 S.R.L.	(479)	15,554	9,734
EXCALIBUR INTERNATIONAL a.s.	(1,535)	16,822	7,765
ABIENNALE s.r.o.	(901)	2,790	6,116
14.OKTOBAR d.o.o. Kruševac	3,996	3,781	5,569
CSG AEROSPACE a.s.	(18,553)	47,593	5,552
KARMONIKA AERO a.s.	(2,443)	(126)	4,692
RELAZA SPV a.s.	(3,581)	(315)	4,449
AVIA Motors s.r.o.	5,887	10,169	4,440
Other	—	—	10,335
Total			392,440

In line with the accounting policies disclosed in Note 5, the Company recognised an allowance for non-current financial assets of €35,421 thousand as of December 31, 2024; for the investment in TABLON SPV a.s. of €30,335 thousand, INTEGRA CAPITAL a.s. of €4,368 thousand, for the investment in LOSTR a.s. of €675 thousand and for the investment in TECHPARK Hradubická a.s. of €43 thousand (December 31, 2023: TABLON SPV a.s. of €8,898, INTEGRA CAPITAL a.s. of €4,449 thousand, LOSTR a.s. of €688 thousand, TECHPARK Hradubická a.s. of €44 thousand).

The Company did not recognise an allowance for other financial investments either owing to the anticipated profits in the coming years or for the reason that the market cost of the asset is greater than its valuation in the accounting records.

B. Sale of Companies

In 2024 the company sold share in company RELAZA SPV a.s.

In 2023 the company sold only minor shares in its subsidiaries.

C. New Companies

In 2024, the following companies were established or acquired:

Name of the Company	Country of Incorporation	Share as of December 31, 2024	Shares as of December 31, 2023
EXCALIBUR USA a.s.	Czech Republic	100%	51%
CZECHOSLOVAK GROUP POLSKA SP.Z.oo	Poland	100%	—

In 2023, the following companies were established or acquired:

Name of the Company	Country of Incorporation	Share as of December 31, 2023	Shares as of December 31, 2022
ABIENNALE s.r.o.	Czech Republic	100%	—
LBP 80 S.r.l.	Italy	80%	—
MANDURIA TRADE a.s.	Czech Republic	100%	—
MEFITIS TRADE a.s.	Czech Republic	100%	—
STALUNA TRADE a.s.	Czech Republic	100%	—
VENILIA TRADE a.s.	Czech Republic	100%	—

D. Investments in Joint Ventures and Associates

Name of the Company	Country of Incorporation	Share as of December 31, 2024	Shares as of December 31, 2023
FALCON CSG a.s.	Czech Republic	30%	30%
Milconn, a.s.	Czech Republic	50%	50%

14. Loans and Other Financial Assets

Name of the Company	December 31, 2024	December 31, 2023
Assets at amortised cost		
Granted loans	1,804,421	246,342
Other financial assets	1,049	31,969
Receivables from the payment of dividends	3,441	313
Total assets at amortised cost	1,808,911	278,624
Assets at fair value		
Financial derivatives	8,238	15,152
Other securities and investments	57,427	5,984
Total assets at fair value	65,665	21,136
Total loans and other financial assets	1,874,576	299,760
Non-current	166,691	169,961
Current	1,707,885	129,799
Total loans and other financial assets	1,874,576	299,760

Granted loans primarily represent loans provided to external business partners. These loans are issued under standard commercial terms and conditions.

Other securities and investments in 2024 predominantly consist of the two largest investments, with a total value of €53,540 thousand (2023: €5,984 thousand), representing the majority of this category.

Other financial assets in 2023 predominantly consist of advances on non-current financial assets in the amount of €31,895 thousand.

Allowances for loans and other financial assets are disclosed in Note 29(A)(b).

15. Derivatives

As of December 31, 2024 and December 31, 2023, the Company recorded receivables and payables arising from derivative contracts entered into at fair value, broken down as follows:

(€ '000)	December 31, 2024	December 31, 2023
Assets at fair value		
Current derivatives	6,356	7,496
Non-current derivatives	1,882	7,656
Derivatives – total assets	8,238	15,152
Liabilities at fair value		
Current derivatives	1,051	2,779
Non-current derivatives	9,796	4,288
Derivatives – total liabilities	10,847	7,067
Total derivatives	(2,609)	8,085
Revaluated through profit or loss	(2,724)	(4,142)
Revaluated through other comprehensive income	115	12,227
Total derivatives	(2,609)	8,085

The above amounts are reported under Current or Non-current financial instruments and financial liabilities. Derivatives recognised in profit or loss are speculative in nature. Derivatives recognised in other comprehensive income are hedging derivatives.

The Company records the following derivative types and open position amounts as of December 31, 2024:

Speculative derivatives:

- FX forwards on the sale of Euro for CZK in the total volume of €46,250 thousand in 2025, €59,700 thousand in 2026, €52,000 thousand in 2027 and €18,750 thousand in 2028;
- FX swaps on the sale of Euro for CZK in the total volume of €25,000 thousand in 2025, €6,000 thousand in 2026, €4,000 thousand in 2027;
- FX swaps on the purchase of EUR for USD in the total volume of €12,000 thousand in 2025;
- Interest rate swaps for hedging the floating interest rate 1M-6M EURIBOR at a fixed rate between 1.23–5.39% for an EUR credit facility in the total amount of €82,268 thousand for the period between 2025 and 2028;

- CZK/EUR cross-currency interest rate swap in the amount of CZK 467,480 thousand / €19,050 thousand with a fixed exchange rate for the CZK part at 16.65% and 6M EURIBOR + 11% for the EUR part;
- CZK/EUR cross-currency interest rate swap in the amount of CZK 1,683,500 thousand / €70,000 thousand at a fixed exchange rate 8% for the CZK part and fixed interest rate 7.18% for the EUR part.

Hedging derivatives:

- FX forwards on the sale of Euro against CZK in the total volume of €41,000 thousand in 2025;
- Interest rate swaps for hedging the floating interest rate 6M PRIBOR at a fixed rate between 1.90–5.39% for a CZK bonds in the total amount of CZK 2,100,000 thousand (aprox. €83 million) for the period between 2025 and 2026.

The Company records the following derivative types and open position amounts as of December 31, 2023:

Speculative derivatives:

- FX forwards for the purchase of Euro against CZK in the total volume of €13,500 thousand in 2024;

- FX forwards on the sale of Euro for CZK in the total volume of €16,500 thousand in 2024, €23,500 thousand in 2025, €20,500 thousand in 2026 and €12,500 thousand in 2027;
- FX forwards on the sale of USD against Euro in the total volume of USD 900 thousand in 2024;
- Interest rate swaps for hedging the floating interest rate 1M-6M EURIBOR at a fixed rate between 0.49–3.74% for an EUR credit facility in the total amount of €120,290 thousand for the period between 2024 and 2028;
- CZK/EUR cross-currency interest rate swap in the amount of CZK 467,480 thousand / €19,050 thousand with a fixed exchange rate for the CZK part at 16.65% and 6M EURIBOR + 11% for the EUR part;
- CZK/EUR cross-currency interest rate swap in the amount of CZK 1,683,500 thousand / €70,000 thousand at a fixed exchange rate 8% for the CZK part and fixed interest rate 7.18% for the EUR part.

Hedging derivatives:

- FX forwards on the sale of Euro against CZK in the total volume of €81,500 thousand in 2024;
- FX forwards on the sale of Euro against CZK in the total volume of €41,000 thousand in 2025;

16. Trade and Other Receivables

(€ '000)	December 31, 2024	December 31, 2023
Trade receivables	59,492	4,911
Other receivables	34,429	27,178
Estimated receivables	—	44
Trade and other receivables	93,921	32,133
Deferred expenses	13	75
Prepayments made	22	6,669
Prepayments made and deferred expenses and accrued income	35	6,744
Trade and other receivables and total other assets	93,956	38,877
Non-current	—	812
Current	93,956	38,065
Trade and other receivables and total other assets	93,956	38,877

As of December 31, 2024, the balance of trade receivables predominantly includes a receivable arising from re-invoicing of project costs connected to acquisition in amount of €52,966 thousand.

- Interest rate swaps for hedging the floating interest rate 6M PRIBOR at a fixed rate between 1.90–5.39% for a CZK bonds in the total amount of CZK 2,900,000 thousand (aprox. €117 million) for the period between 2024 and 2026.

In 2022, the Company began reporting selected derivatives as hedging instruments in relation to interest rate risk for hedging cash flows. During 2023 were added hedging instruments in relation to currency risk for hedging cash flows. In accordance with the accounting policy set out in Note 3, the loss arising from

the remeasurement of these derivatives is recognised in the line Other comprehensive income in the amount of €(964) thousand in 2024 (2023: loss €(3,031) thousand).

The impact on profit or loss from speculative derivative transactions for 2024 is a gain of €29,260 thousand (2023: loss €(4,335) thousand), presented in the line Financial income/ Financial expense (Note 10).

The impact on the total comprehensive income from derivative transactions in 2024 is a gain of €28,296 thousand (2023: loss €(7,366) thousand).

As of December 31, 2024, the balance of other receivables predominantly includes a receivable arising from assignment from Fiocchi of America in amount of €13,248 thousand; a receivable from STRNAD HOLDING LTD from

assigned receivables in amount of €7,760 thousand, EXCALIBUR INTERNATIONAL a.s from assigned receivables in amount of €6,737 thousand.

As of December 31, 2023, the balance of other receivables predominantly includes a receivable arising from re-invoicing of project costs connected to planned acquisition; a receivable from STRNAD HOLDING LTD from assigned receivables in amount of €12,313 thousand.

The Company’s exposure to credit and currency risks and impairment losses in relation to trade and other receivables is disclosed in Note 29 – Risk Management and Disclosure Methods.

Allowances for receivables and other assets are presented in Note 29(A)(b).

17. Inventory

As of December 31, 2024 and December 31, 2023, the Company recorded no inventory balance.

18. Tax Receivables and Payables

As of December 31, 2024, the Company recorded tax receivables in the amount of €916 thousand that represent income tax receivable.

As of December 31, 2023, the Company recorded tax receivables in the amount of €1,237 thousand that represent income tax receivable.

19. Cash and Cash Equivalents

(€ ‘000)	December 31, 2024	December 31, 2023
Current accounts with banks	105,399	71,084
Other cash equivalents	5,049	25,456
Cash and cash equivalents in the cash flow statement	110,448	96,540

In 2019, the Company stopped using cash and all monetary transactions are cashless.

20. Equity

A. Share Capital

As of December 31, 2024 and as of December 31, 2023, authorised, issued and fully paid-in share capital consisted of twenty ordinary registered shares in the book entry form in the nominal value of CZK 100,000,000 (aprox. €3,9 million).

The shareholder is entitled to a payment of dividends and is entitled to vote at the General Meetings of the Company’s shareholders with one vote attributable to a share of CZK 100,000,000. (aprox. €3,9 million).

In 2024 and 2023, the Company paid no dividends.

December 31, 2024	Shares Ownership percentage		Voting rights
	(€ ‘000)	%	%
CSG FIN a.s., Corporate ID: 141 41 442	78,427	100	100
Total shares	78,427	100	100

B. Other Reserves

(€ ‘000)	December 31, 2024	December 31, 2023
Other capital reserves	197,552	28,343
Other indivisible reserves	2,648	2,612
Other reserves Total	200,200	30,955
Gains or losses from the revaluation of derivatives	411	1,375
Revaluation of derivatives fund total	411	1,375

In 2024 the Company received other capital contribution from parent company CSG FIN a.s. in amount €169,210 thousand.

A major portion of Other indivisible reserves represents an effect on the Company’s interest-rate advantage arising from the use of a non-interest-bearing ownership loan, which is recognised through equity. The Company considers the ownership loan received from the owner acting from the actual position of an owner to constitute an instrument that brings a visible advantage to the Company in the form of exemption from interest. The fair value of a non-interest-bearing ownership loan is highly likely to differ from the nominal value during its initial recognition. The Company recognises the difference between the fair value of an ownership loan during its initial recognition and its nominal value through equity, the reason being that the substance of non-interest bearing loans includes advanta-

geous terms specifically in the form of zero interest representing the owner’s non-reciprocal capital contribution. As of December 31, 2024, these non-reciprocal capital contributions totalled €2,648 thousand (December 31, 2023: €2,612 thousand).

Gains or Losses from the Remeasurement of Derivates

In connection with the introduction of hedge accounting for selected financial derivatives, differences arising from the remeasurement of these hedging instruments were recognised in equity in the line Gains or Losses from the Remeasurement of Derivatives. Recorded balance in Equity as of December 31, 2024 was in the amount of €411 thousand (2023: €1,375 thousand). The total impact to Other comprehensive income in 2024 amounted to €964 thousand (2023: €3,031 thousand).

21. Loans and Borrowings – Received

(€ ‘000)	December 31, 2024	December 31, 2023
Owner loans and loans from related parties	330,129	196,657
Loans from third parties (other loans)	1,523,332	42,899
Total	1,853,461	239,556
Non-current	1,128,000	105,022
Current	725,461	134,534
Total	1,853,461	239,556

In 2024, the weighted average interest rate of loans amounted to 6,60% (2023: 9.19%).

A. Terms and Summary of Loan Maturities

The following terms applied to outstanding loans and borrowings as of December 31, 2024:

(€ '000)	Currency	Nominal interest rate	Due in	Balance at December 31, 2024	Due in 1 year	Due in 1 to 5 years	Due in more than 5 years
Loans from related parties	CZK	Interest free	2025	378	378	—	—
Loans from related parties	CZK	Variable	2025–2027	6,086	98	5,988	—
Loans from related parties	EUR	Interest free	2025	37	37	—	—
Loans from related parties	EUR	Variable	2025–2027	320,997	320,738	259	—
Loans from related parties	USD	Interest free	2025	155	155	—	—
Loans from related parties	USD	Variable	2025	2,476	2,476	—	—
Loans from third parties	CZK	Fixed	2025	400	400	—	—
Loans from third parties	CZK	Interest free	2025	147	147	—	—
Loans from third parties	CZK	Variable	2025	45	45	—	—
Loans from third parties	CZK	Variable	2025–2029	1,552,418	407,023	1,145,395	—
Loans from third parties	EUR	Interest free	2025–2029	(29,678)	(6,036)	(23,642)	—
Total				1,853,461	725,461	1,128,000	—

Negative amount in EUR interest free loans from third parties represents amortised costs of financing.

The following terms applied to outstanding loans and borrowings as of December 31, 2023:

(€ '000)	Currency	Nominal interest rate	Due in	Balance at December 31, 2023	Due in 1 year	Due in 1 to 5 years	Due in more than 5 years
Loans from related parties	CZK	fixed	2024–2028	26,859	7,952	18,907	—
Loans from related parties	CZK	interest free	2024	1,269	1,269	—	—
Loans from related parties	CZK	variable	2024	24,584	24,584	—	—
Loans from related parties	EUR	interest free	2024	1,069	1,069	—	—
Loans from related parties	EUR	variable	2024–2027	122,890	79,765	43,125	—
Loans from related parties	USD	fixed	2026	9,050	—	9,050	—
Loans from related parties	USD	interest free	2024	419	419	—	—
Loans from related parties	USD	variable	2024	10,516	10,516	—	—
Loans from third parties	CZK	fixed	2024	453	453	—	—
Loans from third parties	CZK	interest free	2024	150	150	—	—
Loans from third parties	CZK	variable	2024	44	44	—	—
Loans from third parties	EUR	variable	2024–2028	42,253	8,313	33,940	—
Total				239,556	134,534	105,022	—

B. Other financial instruments

Liabilities from financial derivatives are presented in Note 15 – Derivatives.

C. Bonds

On July 1, 2021, the Company issued CSG VAR/26 bonds (ISIN CZ0003532681) with a floating interest income in the total nominal value of placement of CZK 2,000 million (approx. €81 million) with maturity in 2026. The bonds were issued as securities in the book-entry form with a nominal value of CZK 10 thousand (€0.4 thousand) per bond. As of December 31, 2024, the Company recognised a payable from these issues in the amount of €79,392 thousand. As of December 31, 2023, the Company recognised a payable from these issues in the amount of €80,890 thousand.

The CSG VAR/26 bonds bear a floating interest rate consisting of 6M PRIBOR + a 3.25% margin per annum (p.a.), with interest falling due biannually as of January 1 and July 1 each year.

On September 17, 2021, the Company issued CSG VAR/26 bonds (ISIN CZ0003534174) with a fixed (step-up) interest income in the estimated total nominal value of placement of €25 million with maturity in 2026. The bonds were issued as securities in the book-entry form with a nominal value of €100 thousand per bond. As of December 31, 2024, the Company recognises a payable from these issues in the amount of €15 million. As of December 31, 2023, the Company recognised a payable from these issues in the amount of €15 million.

The CSG/VAR 26 bonds bear interest at a fixed (step-up) rate, which increases gradually from 3.5% per annum (p.a.), to 4.35% p.a. according to a predetermined procedure specified in the bond prospectus. Interest is payable quarterly on January 17, March 17, June 17 and September 17 of each year.

On December 21, 2022, the Company issued CSG VAR/2027 (ISIN CZ003546780) floating rate bonds with an expected total nominal value of the issue of up to €15 million, maturing

in 2027. The bonds were issued as book-entry securities with a nominal value of €100 thousand each. As of December 31, 2024, the Company recognises a payable of €11.1 million for these issues. As of December 31, 2023, the Company recognised a payable of €11.1 million.

CSG/VAR 27 bonds bear interest at a floating rate consisting of 6M EURIBOR + 3.5% per annum (p.a.) margin, with a minimum interest rate of 4.25%. Interest is payable semi-annually on June 21 and December 21, each year.

On July 4, 2023, the Company issued CSG 8.00/2028 bonds (ISIN CZ0003550808) with a fixed interest income in the estimated total nominal value of placement up to CZK 3,000 million (approx. €121 million) and possible increase up to CZK 5,000 million (approx. €202 million). Maturity of the bonds is in 2028. The bonds were issued as securities in the book-entry form with a nominal value of CZK 10 thousand (approx. €0.4 thousand) per bond. As of December 31, 2024, the Company recognises a payable from these issues in the amount of €198,402 thousand. As of December 31, 2023, the Company recognises a payable from these issues in the amount of €173,053 thousand.

CSG 8.00/2028 bonds bear fixed interest 8.00% p.a. interest is payable semi-annually on January 4 and July 4, of each year.

On November 21, 2024, the Company issued USD 734,400,400 Senior Secured Floating Rate (CSG USD) notes due 2030 (ISIN USX1761DAJ10) with floating interest calculated as compounded 6M SOFR + 7%. Total nominal value of placement is 734,400,400 USD. Maturity of the bonds is in 2030. Due to higher demand the Company issued on December 19,2024 additional USD 40,600,000 Senior Secured Floating Rate Notes due 2030. Total value of placement was USD 775,000,000. As of December 31, 2024, the Company recognises a payable from these issues in the amount of €745,825 thousand.

(€ '000)	December 31, 2024	December 31, 2023
Issued bonds	1,049,719	332,508
Outstanding interest	15,297	7,761
Subtotal	1,065,016	340,269
Transaction costs	(59,321)	(2,824)
Total bonds	1,005,695	337,445
Non-current	1,000,830	278,073
Current	4,865	59,372
Total bonds	1,005,695	337,445

Bonds as of December 31, 2024 and 2023 were subject to the following conditions:

(€ '000)	Currency	Nominal interest rate	Due in	Balance at December 31, 2024	Due in 1 year	Due in 1 to 5 years	Due in more than 5 years
CSG VAR/26	CZK	variable	2021–2026	79,392	—	79,392	—
CSG VAR/26	EUR	fixed (step-up)	2021–2026	15,025	25	15,000	—
CSG VAR/27	EUR	variable	2022–2027	11,121	21	11,100	—
CSG 8,00/2028	CZK	fixed	2023–2028	206,177	7,775	198,402	—
CSG USD	USD	Variable	2024–2030	753,301	7,476	—	745,825
Total				1,065,016	15,297	303,894	745,825

(€ '000)	Currency	Nominal interest rate	Due in	Balance at December 31, 2024	Due in 1 year	Due in 1 to 5 years
CSG VAR/24	CZK	variable	2019–2024	53,367	53,367	—
CSG VAR/26	CZK	variable	2021–2026	80,890	—	80,890
CSG VAR/26	EUR	fixed (step-up)	2021–2026	15,024	24	15,000
CSG VAR/27	EUR	variable	2022–2027	11,125	25	11,100
CSG 8,00/2028	CZK	fixed	2023–2028	179,863	6,810	173,053
Total				340,269	60,226	280,043

The sensitivity analysis relating to fair values of financial instruments is disclosed in Note29– Risk Management Methods and Disclosures.

22. Trade and Other Payables

(€ '000)	December 31, 2024	December 31, 2023
Trade payables	11,566	2,440
Other payables	123,664	56,130
Trade and other payables – subtotal	135,230	58,570
Unbilled supplies	1,487	10,917
Estimated payables – subtotal	1,487	10,917
Trade and other payables – total	136,717	69,487
Non-current	—	—
Current	136,717	69,487
Trade and other payables – total	136,717	69,487

As of December 31, 2024, other payables predominantly include a payable to CSG DEFENCE a.s. in amount of €59,559 thousand due to received advance payment for dividends and payable to CSG FIN a.s. in amount of €45,035 thousand due to other equity contribution that shall be returned.

As of December 31, 2024, trade payables predominantly include a payable for services from J.P.Morgan SE of €11,315 thousand.

As of December 31, 2023, other payables predominantly include a payable to CSG DEFENCE a.s. in amount of

€48,534 thousand due to received advance payment for dividends.

As of December 31, 2023, trade payables predominantly include a payable for services from CSGM a.s. in the amount of €1,224 thousand and Deloitte&Touche LLP in the amount of €993 thousand

The balance of unbilled supplies consists predominantly of accrual for service fee from CSGM a.s. in the amount of €10,856 thousand.

23. Provisions

(€ '000)	Provision for loss-making contracts	Total
Balance as at January 1, 2024	3,166	3,166
Additions – provisions created in current period	—	—
Additions and (release) of provisions through balance sheet	—	—
Drawing – provisions drawn down in current period	—	—
Release – provisions released in current period	(3,117)	(3,117)
Effect of changes in Exchange rates	(49)	(49)
Balance as at December 31, 2024	—	—
Non-current	—	—
Current	—	—
Total provisions	—	—

In 2024, a provision for the “SARN” litigation (see Note 31 – Legal Disputes) was released as the legal dispute was settled. In 2023, the provision balance was €3,166 thousand.

24. Deferred Tax Assets and Liabilities

A. Reported Deferred Tax Assets and Liabilities

The following deferred tax assets (liabilities) were reported:

(€ '000)	December 31, 2024	December 31, 2023
Interest-bearing loans	—	—
Other loans and payables	441	71
Total	441	71
Tax offsetting	—	—
Net deferred tax asset (tax liability)	441	71

B. Movements in Temporary Differences During the Year

(€ '000)	Balance as at January 1, 2024	Reported through comprehensive incom	Reported through equity	Effect of changes in foreign exchange rates	Balance as at December 31, 2024
Temporary difference in relation to the below items:					
Allowance against loans and receivables	71	372	—	(2)	441
Non-interest-bearing owner loans	—	—	—	—	—
Interest-bearing loans	—	—	—	—	—
Total	71	372	—	(2)	441

(€ '000)	Balance as at January 1, 2023	Reported through comprehensive incom	Reported through equity	Effect of changes in foreign exchange rates	Balance as at December 31, 2023
Temporary difference in relation to the below items:					
Allowance against loans and receivables	24	49	—	(2)	71
Non-interest-bearing owner loans	—	—	—	—	—
Interest-bearing loans	64	(65)	—	1	—
Total	88	(16)	—	(1)	71

25. Fair Value of Financial Instrument

Fair Value Hierarchy of Financial Instruments Carried at Fair Value

The Company has majority of financial instruments (assets or liabilities) for the years ended December 31, 2024 and 2023 carried at fair value with the exception of bonds and derivatives and Other securities and investments.

Derivatives and bonds are recognised at fair value within Level 2.

Other securities and investments are recognised at fair value within Level 2.

The sensitivity analysis relating to fair values of financial instruments is disclosed in Note 29 – Risk Management and Disclosure Methods.

26. Leases

The Company did not enter into any significant lease contracts whether as a lessee or lessor.

27. Provided Guarantees

(€ '000)	December 31, 2024	December 31, 2023
Provided guarantees	1,345,325	679,991
Total financial guarantees	1,345,325	679,991

In 2024, the Company provided financial guarantees with an aggregate value of €1,364,449 thousand. The value of the guarantees as of December 31, 2024 is €1,345,325 thousand. The provided financial guarantees as of December 31, 2024 predominantly include guarantees for CSG subsidiaries in the amount of €1,338,979 thousand.

In 2023, the Company provided financial guarantees with an aggregate value of €837,299 thousand. The value of the guarantees as of December 31, 2023 is €679,991 thousand. The provided financial guarantees as of December 31, 2023 predominantly include guarantees for CSG subsidiaries in the amount of €639,487 thousand.

28. Pledged Assets

As of December 31, 2024, the following assets were provided as a collateral to secure bank loans:

- Pledge agreement on securities, issuer CSG Defence a.s., 20 pcs/1 piece with a nominal value of CZK 100 thousand.
- Pledge agreement on securities, issuer CSG Mobility a.s., 20 pcs/1 piece with a nominal value of CZK 100 thousand.

As of December 31, 2023, the following assets were provided as a collateral to secure bank loans:

- Agreement on the establishment of a lien on receivables from accounts No. 1230940000/2250 in CZK, 101121434/2250 in EUR and 1011121442/2250 in USD;
- Pledge agreement on securities, issuer NIKA Development a.s., 2,759 pcs/1 piece with a nominal value of CZK 1 thousand.
- Pledge agreement on securities, issuer CSG RAIL a.s. (now CSG MOBILITY a.s.), 20 pcs/1 piece with a nominal value of CZK 100 thousand.

29. Risk Management and Disclosure Methods

This Note provides a detailed description of the financial and operating risks to which the Company is exposed and the methods used in managing them. The major financial risks to which the Company is exposed include credit risk, liquidity risk, interest rate risk and currency risk

Classes and Categories of Financial Instruments and Measurement of their Fair Value

The following table contains information about:

- Classes of financial instruments, their substance and characteristics;
- Amortised cost of financial instruments;
- Fair values of financial instruments (with the exception of financial instruments whose value approximates their fair value);
- The hierarchy levels of the fair values of financial assets and financial liabilities for which fair value has been disclosed.

The hierarchy of Fair Value Levels 1 to 3 is based on the extent to which fair value is observable:

- Level 1 fair value measurements are derived from prices listed (unadjusted) on active markets for identical assets or liabilities;
- Level 2 fair value measurements are derived from inputs other than the listed prices included in Level 1 that are either directly (i.e. as prices) or indirectly (i.e. derived from prices) observable in respect of the asset or liability; and
- Level 3 fair value measurements are derived from measurement techniques including inputs for the asset or liability that is not based on identifiable market information (unobservable inputs).

December 31, 2024										
(€ '000)	Note	Mandatorily at fair value FVTPL – other	FVOCI – equity instruments	Financial assets at amortised costs	Other financial payables	Total	Level 1	Level 2	Level 3	Total
Financial assets at fair value										
Derivatives	15	7,610	627	—	—	8,237	—	8,237	—	8,237
Other securities and investments	14	57,427	—	—	—	57,427	—	57,427	—	57,427
Total		65,037	627	—	—	65,644	—	65,644	—	65,644
Financial assets not reported at fair value										
Trade and other receivables	16	—	—	93,956	—	93,956	—	—	—	—
Provided loans	14	—	—	1,804,421	—	1,804,421	—	1,804,421	—	1,804,421
Other financial assets	14	—	—	4,490	—	4,490	—	4,490	—	4,490
Cash and cash equivalents	18	—	—	110,448	—	110,448	—	—	—	—
Total		—	—	2,013,315	—	2,013,315	—	1,808,911	—	1,808,911
Financial liabilities reported at fair value										
Derivatives	15	10,335	512	—	—	10,847	—	10,847	—	10,847
Financial liabilities not reported at fair value										
Secured bank loans	21	—	—	—	1,522,739	1,522,739	—	1,522,739	—	1,522,739
Loans from related parties	21	—	—	—	330,129	330,129	—	330,129	—	330,129
Loans from third parties	21	—	—	—	593	593	—	593	—	593
Trade and other payables	22	—	—	—	136,717	136,717	—	—	—	—
Non-current bonds	21	—	—	—	1,000,830	1,000,830	—	1,000,830	—	1,000,830
Current bonds	21	—	—	—	4,865	4,865	—	4,865	—	4,865
Total		—	—	—	2,995,873	2,995,873	—	2,859,156	—	2,859,156

December 31, 2023										
(€ '000)	Note	Mandatorily at fair value FVTPL – other	FVOCI – equity instruments	Financial assets at amortised costs	Other financial payables	Total	Level 1	Level 2	Level 3	Total
Financial assets at fair value										
Derivatives	15	1,854	13,298	—	—	15,152	—	15,152	—	15,152
Other securities and investments	14	5,984	—	—	—	5,984	—	5,984	—	5,984
Total		7,838	13,298	—	—	21,136	—	21,136	—	21,136
Financial assets not reported at fair value										
Trade and other receivables	16	—	—	38,877	—	38,877	—	—	—	—
Provided loans	14	—	—	246,342	—	246,342	—	246,342	—	246,342
Other financial assets	14	—	—	31,969	—	31,969	—	31,969	—	31,969
Cash and cash equivalents	18	—	—	96,540	—	96,540	—	—	—	—
Total		—	—	413,728	—	413,728	—	278,311	—	278,311
Financial liabilities reported at fair value										
Derivatives	15	5,995	1,071	—	—	7,066	—	7,066	—	—
Financial liabilities not reported at fair value										
Secured bank loans	21	—	—	—	36,313	36,313	—	36,313	—	36,313
Loans from related parties	21	—	—	—	196,658	196,658	—	196,658	—	196,658
Loans from third parties	21	—	—	—	6,586	6,586	—	6,586	—	6,586
Trade and other payables	22	—	—	—	69,487	69,487	—	—	—	—
Non-current bonds	21	—	—	—	278,073	278,073	—	278,073	—	278,073
Current bonds	21	—	—	—	59,372	59,372	—	59,372	—	59,372
Total		—	—	—	646,489	646,489	—	577,002	—	577,002

A. Credit Risk

a. Credit Risk Exposure

Credit risk is a risk of the Company incurring a financial loss if the customer or counterparty fails to meet its contractual obligations in transactions with financial instruments. The risk primarily arises in respect of the Company’s amounts due from customers and in respect of loans and borrowings. Credit risk is limited in respect of highly liquid assets (cash product on bank accounts) given that counterparties are entities with high credit ratings.

As of the balance sheet date, the maximum credit risk exposure is divided by counterparty as shown in the following tables.

The majority of financial assets as of December 31, 2024 are from counterparties in USA in total amount of €1,334,533 thousand (December 31, 2023: €2,167 thousand). The rest is within European Union with the exception of a loan to a counterparty in Serbia in the amount of €4,478 thousand (December 31, 2023: €4,199 thousand).

1) Credit Risk Management in Respect of Trade and Other Receivables

The Company reviews the financial positions of its existing customers and regularly assesses their creditworthiness. In respect of new customers requesting goods and services above a certain limit (determined on the basis of the size and nature of the specific business), the customer is firstly subject to an individual analysis of creditworthiness and only then are standard payment and supply terms proposed to it.

The Company assesses the credit quality of customers by reference to their financial position, historical experience and other factors. Individual limits for managing this risk are determined based on internal or external ratings in compliance with the limits stipulated by the Company’s internal guidelines. The Company’s management regularly assesses the level of credit risk and the size of its exposure and, at least on a monthly basis, monitors the balance of overdue trade receivables. The Company also requires that its customers provide it with appropriate forms of guarantees or collateral.

2) Impairment Loss and Write-Off of Receivables

The Company recognises allowances for impairment based on an estimate of future expected losses that may be incurred in respect of trade receivables, other receivables and provided loans. Expected future losses are estimated in compliance with the methodology applied by the Company.

To measure expected credit losses, trade receivables, loans and other receivables were assessed based on the customer’s individual rating and days past due (referred to as the “individual approach”). The Company set the individual assessment of receivables in relation to the rating of the debtor’s country, the reason being that a majority of the Company’s business transactions are concluded with entities directly or closely related to state and public institutions.

Receivables are classified by country of origin of the business from which the receivable is recorded. These countries were assigned rating based on an assessment by Standard and Poors. Using this rating, receivables are classified into three groups based on the risk of potential failure to recover the receivables:

The first low-risk group includes receivables from entities based in countries with a rating of AAA to A-, which are considered to be stable with a low risk of default. A probability of default of 0.08% has been assigned to this group of receivables. This probability corresponds with a one year probability of default of a corporate client included in the investment grade (refer to Standard and Poors 2022 Annual Global Corporate Default, Table No. 24.)

The highest-risk group includes private businesses from countries with a rating of BBB+ and worse, which has been assigned the highest probability of default at 3.52% as of December 31, 2024 (3.52% as of December 31, 2023). This probability corresponds with a one-year probability of default of a corporate client included in the speculative grade (refer to Standard and Poors 2022 Annual Global Corporate Default, Table No. 24).

The middle-risk group includes public entities from countries with a rating of BBB+ and worse. This group has been assigned the probability of default at 1.8%. This value has been selected as the arithmetic average of the low-risk and high-risk values.

Furthermore, the Company has identified a group of critical receivables which includes receivables to bankrupt or insolvent entities, with a 100% probability of default. In this respect, the Company reports provisions at the level of lifetime loss in respect of all types of receivables (including provided loans).

The Company anticipates loss given default (LGD) at 100%, if no guarantee or collateral was stipulated.

The Company always reports lifetime expected credit loss in respect of trade receivables, contract assets and receivables arising from leases.

The allowance amount measured in line with the above-described rating-based system additionally includes factors specific to the given debtors, if such information is available to the Company.

In respect of other financial instruments, the Company reports lifetime expected credit loss for their duration, provided a significant increase in credit risk has occurred since initial recognition. However, if credit risk has not significantly increased since initial recognition in respect of the financial instrument, the Company will calculate

the allowance for the loss arising from this financial instrument in the amount of expected credit losses over 12 months.

3) Write-off of Receivables

The Company assesses default receivables. If the receivable is assessed not to be recoverable by any means and the statute of limitations has expired – i.e. a period greater than 3 years from the due date – the Company’s management will decide to write it off.

4) Credit Risk by Counterparty

As at December 31, 2024

(€ '000)	Legal entities (non-financial institutions)	State, government	Financial institutions	Individuals	Other	Total
Assets						
Loans and other financial assets	1,808,911	—	65,665	—	—	1,874,576
Trade and other receivables	93,684	1,345	47	225	—	95,301
Cash and cash equivalents	—	—	110,448	—	—	110,448
Total	1,902,595	1,345	176,160	225	—	2,080,325

As at December 31, 2023

(€ '000)	Legal entities (non-financial institutions)	State, government	Financial institutions	Individuals	Other	Total
Assets						
Loans and other financial assets	224,676	—	15,178	59,907	—	299,761
Trade and other receivables	39,033	—	—	1,082	—	40,115
Cash and cash equivalents	—	—	96,540	—	—	96,540
Total	263,709	—	111,718	60,989	—	436,416

b. Impairment Losses

As of the balance sheet date, the aging analysis of financial assets (excluding cash and cash equivalents derivatives and other securities and investments carried at fair value was as follows:

(€ '000)	December 31, 2024	December 31, 2023
Before due date (net)	1,961,651	324,499
Past due date (net)	—	294
Total	1,961,651	324,793

The allowance for financial assets is used to recognise impairment losses, provided the Company does not conclude that the outstanding amount can no longer be

recovered. In this situation, the amounts are considered to be irrecoverable and are written off directly through financial assets.

The aging analysis and impairment losses on financial assets excluding cash and cash equivalents, derivatives and other securities and investments carried at fair value as of the balance sheet date:

As of December 31, 2024

	Net carrying amount	Before due date	More than 0 days past due date	91–180 days past due date	180–360 days past due date	More than 360 days past due date	Allowance	Risk group 1	Risk group 2
(€ '000)	gross		gross	gross	gross	gross		net	net
Assets									
Loans and other financial assets	1,808,911	1,813,363	—	—	—	—	(4,452)	1,782,160	26,751
Trade and other receivables	93,921	94,490	—	—	—	—	(569)	87,763	6,159
Total	1,902,832	1,907,853	—	—	—	—	(5,021)	1,869,923	32,190

As of December 31, 2023

	Net carrying amount	Before due date	More than 0 days past due date	91–180 days past due date	180–360 days past due date	More than 360 days past due date	Allowance	Risk group 1	Risk group 2
(€ '000)	gross		gross	gross	gross	gross		net	net
Assets									
Loans and other financial assets	284,608	284,882	—	—	—	1,038	(1,312)	274,070	10,538
Trade and other receivables	32,134	31,857	131	129	83	393	(459)	32,053	80
Total	316,742	316,739	131	129	83	1,431	(1,771)	306,123	10,618

In 2024, the rating of business partners in risk group 1 was between AA- and AAA, the rating of business partners in risk group 2 was between BBB and A. There are also receivables that are classified to risk group 4. These receivables carry 100% allowance and its net amount is 0. As of December 31, 2024, gross amount of these receivables was €2,921 thousand.

In 2023, the rating of business partners in risk group 1 was between A and AAA, the rating of business partners in risk group 2 was between BBB and BB+.

The following movements in allowances against financial assets were reported in the reporting period ended December 31, 2024:

(€ '000)	December 31, 2024	December 31, 2023
Balance at January 1	1,771	5,445
Impairment losses reported during the period	4,419	96
Release (recognition) of impairment loss reported during the period	(1,129)	(3,741)
FX difference	(41)	(29)
Total	5,020	1,771

Release of impairment loss reported during period ended December 31, 2024 is connected primarily to loan that was settled through assignment of receivables.

Release of impairment loss reported during period ended December 31, 2023 is connected primarily to write-off of receivables from companies that were in insolvency proceedings in previous period.

B. Liquidity Risk

Liquidity risk is a risk of the Company running into difficulties in meeting its commitments in relation to financial liabilities that are settled through cash or other financial assets. Individual Group entities use different methods to manage liquidity risk.

The Company’s management focuses on the methods used by financial institutions, i.e. diversifying the sources of funds. Thanks to the diversification, the Company is more flexible and its dependency, if any, on a single source of funding, is limited. Liquidity risk is primarily assessed by monitoring the changes in the structure of funding and by comparing the changes with the Company’s liquidity risk management strategy.

The below-stated table presents a breakdown of the Company’s contractual cash flows classified by their due dates, specifically by the period remaining from the balance sheet date until the contractual maturity date. In situations when options and payment schedules make earlier repayment possible, the Company applies maximum caution in assessing the due dates. Therefore, the due dates of liabilities are presented at the earliest possible dates. Liabilities without contractually stipulated due dates are classified under the “unspecified due date” category.

As at December 31, 2024

(€ '000)	Carrying amount	Contractual cash flows	Fewer than 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	Unspecified due date
Liabilities							
Loans and borrowings	1,853,460	2,174,942	747,922	101,732	1,325,288	—	—
Bonds	1,005,695	1,634,239	34,332	87,194	689,534	823,179	—
Financial instruments and financial payables	10,846	10,846	—	9,796	1,050	—	—
Trade and other payables	136,634	136,634	1,487	135,147	—	—	—
Tax payables	429	429	429	—	—	—	—
Total	3,007,064	3,957,090	784,170	333,869	2,015,872	823,179	—

As at December 31, 2023

(€ '000)	Carrying amount	Contractual cash flows	Fewer than 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	Unspecified due date
Liabilities							
Loans and borrowings	239,556	289,436	5,503	151,045	132,888	—	—
Bonds	337,445	436,850	7,024	80,443	349,383	—	—
Financial instruments and financial payables	7,066	7,066	—	2,779	4,287	—	—
Trade and other payables	69,148	69,148	—	69,148	—	—	—
Tax payables	—	—	—	—	—	—	—
Total	653,215	802,500	12,527	303,415	486,558	—	—

The contractual cash flows are higher than the carrying amount due to the inclusion of unrecognised future interest.

The Company does not expect that the cash flows included in the analysis of due dates would fall due earlier or in much larger volumes.

C. Interest Rate Risk

During its activities, the Company is exposed to the risk of interest rate fluctuations, the reason being that the interest-bearing assets (including investments) and interest-bearing liabilities have various due dates or interest rate refixing dates. The period during which a specific financial instrument has a fixed interest rate shows to what extent the financial instrument is exposed to interest rate risk.

The Company manages interest rate risk through interest rate swaps. As of December 31, 2024, CZECHOSLOVAK GROUP a.s. had interest rate swaps in place for the CZK bonds to hedge the floating 6M Pribor interest rates at fixed rates from 1.90% to 5.39% in the total volume of CZK 2,100,000 thousand (€83,382 thousand) during the period from 2025 to 2026. For a credit facility in EUR, the company hedged floating 1M-6M Euribor interest rates at fixed rates from 1.23% to 5.39% in the total volume of €82,268 thousand during the period from 2025 to 2028. Additionally, the company had concluded two currency interest rate swaps CZK/EUR. The first one in the volume of CZK 467,480 thousand / €19,050 thousand with a fixed rate of 16.65% for the CZK portion and 6M Euribor + 11.00% for the EUR portion and the second one in the volume of CZK 1,683,500 thousands / €70,000 with a fixed rate of 8.00% for the CZK portion and with a fixed rate 7.18% for the EUR portion.

Financial information relating to interest-bearing and non-interest-bearing assets and liabilities and their contractual maturity or restatement dates as of December 31, 2024, and December 31, 2023 not including the effects of derivatives are as follows:

As at December 31, 2024

(€ '000)	Floating interest rate			Fixed interest rate or unspecified	Total
	Less than 1 year	1 year to 5 years	More than 5 years		
Interest-bearing financial assets					
Loans and other financial assets	1,713,860	—	—	160,716	1,874,576
Total	1,713,860	—	—	160,716	1,874,576
Interest-bearing financial liabilities					
Bonds	836,317	—	—	169,378	1,005,695
Loans and borrowings – received	1,852,342	—	—	1,118	1,853,460
Total	2,688,659	—	—	170,496	2,859,155
Net interest-rate risk balance	(974,799)	—	—	(9,780)	(984,579)

The Company manages interest rate risk through interest rate swaps. As of December 31, 2023, CZECHOSLOVAK GROUP a.s. had interest rate swaps in place for the CZK bonds to hedge the floating 6M Pribor interest rates at fixed rates from 1.22% to 5.39% in the total volume of CZK 2,900,000 thousand (€120,257 thousand) during the period from 2024 to 2026. For a credit facility in EUR, the company hedged floating 1M-6M Euribor interest rates at fixed rates from 0.49% to 3.74% in the total volume of €120,290 thousand during the period from 2024 to 2028. Additionally, the company had concluded two currency interest rate swaps CZK/EUR. The first one in the volume of CZK 467,480 thousand / €19,050 thousand with a fixed rate of 16.65% for the CZK portion and 6M Euribor + 11.00% for the EUR portion and the second one in the volume of CZK 1,683,500 thousands / €70,000 with a fixed rate of 8.00% for the CZK portion and with a fixed rate 7.18% for the EUR portion.

The table presented below presents information on the level of the Company’s interest rate risk either based on the contractual maturity periods of the Company’s financial instruments or – in respect of financial instruments remeasured at the market interest rate before the due date – based on the date of the next interest rate change. Assets and liabilities that do not have a contractually stipulated maturity period or do not bear interest are classified under the “unspecified due date” category.

As at December 31, 2023

(€ '000)	Floating interest rate			Fixed interest rate or unspecified	Total
	Less than 1 year	1 year to 5 years	More than 5 years		
Interest-bearing financial assets					
Loans and other financial assets	158,866	—	—	140,894	299,760
Total	158,866	—	—	140,894	299,760
Interest-bearing financial liabilities					
Bonds	144,455	—	—	192,990	337,445
Loans and borrowings – received	200,287	—	—	39,269	239,556
Total	344,742	—	—	232,259	577,001
Net interest-rate risk balance	(185,876)	—	—	(91,365)	(277,241)

Sensitivity Analysis

As of December 31, 2024, financial assets with a floating interest rate primarily include loans provided from subsidiaries of the Company and related companies and entities. As of December 31, 2024 and 2023, interest-bearing financial liabilities predominantly include loans from CSG subsidiaries and related companies and bonds. Out of the interest-bearing financial liabilities, especially bonds are subject to a floating interest rate. Following the recognition of the above-described derivative, as of December 31, 2024, a portion of these issued bonds of €752,934 thousand is effectively exposed to the floating interest rate risk (2023: €27,165 thousand).

(€ '000)	For the year ended December 31, 2024	For the year ended December 31, 2023
Interest rate decrease of 100 basis points	7,529	272
Interest rate increase of 100 basis points	(7,529)	(272)

Fair Value of Bonds

The fair value of CSG’s bonds (net price without accrued interest) as of December 31, 2024 is €73,689 thousand for the VAR/26 issue, €13,461 thousand for the FIX/26 issue issued in EUR, €9,589 thousand for the VAR/27 issue issued in EUR, 173,922 thousand for the CSG 8,00/28 issued in CZK and €706,829 thousand for the CSG USD issue issued in USD.

The fair value of CSG’s bonds (net price without accrued interest as of December 31, 2023 is €53,078 thousand for the VAR/24 issue, €80,853 thousand for the VAR/26 issue, €14,285 thousand for the VAR/26 issue issued in EUR, €10,923 thousand for the VAR/27 issue issued in EUR and 179,086 thousand for the CSG 8,00/28 issued in CZK.

D. Currency Risk

The Company’s financial positions and cash flows are affected by fluctuations in the effective foreign exchange rate.

The Company is exposed to currency risk in relation to sales, purchases and loans denominated in currencies other than the Company’s functional currency, primarily in EUR.

As of December 31, 2024 and as of December 31, 2023, the Company was exposed to currency risk in the following scope:

As at December 31, 2024

(€ '000)	CZK	EUR	USD	Other	Total
Assets					
Loans and other financial assets	102,712	355,744	1,350,488	65,632	1,874,576
Trade receivables and other assets	4,086	17,513	73,273	—	94,872
Cash and cash equivalents	17,470	66,970	26,003	5	110,448
Total assets	124,268	440,227	1,449,764	65,637	2,079,896
Liabilities					
Loans and borrowings	7,057	1,843,772	2,631	—	1,853,460
Financial instruments and financial liabilities	—	—	—	10,846	10,846
Bonds	283,291	26,141	696,263	—	1,005,695
Trade and other payables	68,422	55,587	12,625	—	136,634
Tax liabilities	—	—	—	—	—
Total liabilities	358,770	1,925,500	711,519	10,846	3,006,635

As at December 31, 2023

(€ '000)	CZK	EUR	USD	Other	Total
Assets					
Loans and other financial assets	188,960	101,157	1,212	8,431	299,760
Trade receivables and other assets	10,162	17,426	11,289	—	38,877
Cash and cash equivalents	22,736	69,744	4,060	—	96,539
Total assets	221,858	188,327	16,561	8,431	435,177
Liabilities					
Loans and borrowings	53,359	166,238	19,960	—	239,557
Financial instruments and financial liabilities	—	—	—	7,066	7,066
Bonds	311,303	26,142	—	—	337,445
Trade and other payables	65,074	1,248	2,826	—	69,148
Tax liabilities	—	—	—	—	—
Total liabilities	429,736	193,628	22,786	7,066	653,216

The following material exchange rates were applied during the year:

CZK	December 31, 2024		December 31, 2023	
	Average rate	Spot exchange rate as of the balance sheet date	Average rate	Spot exchange rate as of the balance sheet date
1 EUR	25.119	25.185	24.007	24.725
1 USD	23.208	24.237	22.210	22.376

Sensitivity Analysis

The strengthening of the Czech crown as of the balance sheet date (as presented below) compared to EUR and USD would result in an increase/decrease of equity as presented in the table below. The analysis is based on the departures from foreign currency exchange rates which the Company considered to be sufficiently likely at of the balance sheet date. The sensitivity analysis anticipates that all other variables, namely interest rates, will remain unchanged.

Effect on profit or loss in EUR thousand	December 31, 2024	December 31, 2023
EUR (10% strengthening)	(3,751)	(13)
USD (10% strengthening)	1,794	(14)

The weakening of the Czech crown as of the balance sheet date compared to the above-listed currencies would have the same effect (albeit with the opposite sign), provided that all the other variables remained the same.

(E) Operating Risk

Operating risk is a risk of losses arising from embezzlement, unlawful activities, errors, negligence, inefficiency or system failure. The risk of this type arises during all of the Company’s activities and all of the corporate entities are exposed to it. Operating risk also includes legal risk.

The Company’s objective is to manage operating risk so that balance is preserved between preventing financial losses and damage to the Company’s good name on the one hand, and the total effectiveness of the costs incurred on the other hand. In addition, risk management procedures should not hinder initiative and creativity.

The primary responsibility for the implementation of control mechanisms to cope with operating risks is borne by man-

agement of each subsidiary. The Company’s management is responsible for managing operating risks, whereby it may set the direction of procedures and measures resulting in the mitigation of operating risks and the adoption of decisions about:

- The acknowledgement of individual existing risks;
- The commencement of processes that will result in the mitigation of possible effects; or
- A decrease in the extent of risky activities or their full discontinuation.

(F) Commodity Risk

The Company’s activities do not face a significant commodity risk.

(G) Capital Management

The Company’s objective in managing capital is to have a sufficient amount of funds to finance additional acquisitions.

As of the balance sheet date, the Company reported the following ratio of debt to equity:

(€ '000)	December 31, 2024	December 31, 2023
Total liabilities	3,006,720	656,721
Decrease for cash and cash equivalents	(110,448)	(96,540)
Adjusted net debt	2,896,272	560,181
Total equity	325,484	158,190
Ratio of debt to equity	8.90	3.54

30. Related Parties

Definition of related parties

The Company’s relations with related parties include relations with shareholders and other parties as disclosed in the table below.

A. Summary of balances with related parties as of December 31, 2024 and December 31, 2023:

	Receivables and other financial assets	Payables and other financial liabilities	Receivables and other financial assets	Payables and other financial liabilities
(€ '000)	2024	2024	2023	2023
Shareholders	—	45,035	61,316	35,547
Companies with controlling interest	1,856,760	396,656	145,178	230,357
Companies with significant interest	85	83	84	79
Key management of the Company	—	—	—	—
Other related parties	226	5	40,994	704
Total	1,857,071	441,779	247,572	266,687

B. Summary of transactions with related parties for the years ended December 31, 2024 and December 31, 2023:

	Income	Expense	Income	Expense
(€ '000)	2024	2024	2023	2023
Shareholders	4,879	5,062	9,141	5,866
Companies with controlling interest	29,094	22,419	11,324	29,000
Companies with significant interest	88	6	242	34
Key management of the Company	—	—	—	—
Other related parties	1,169	82	3,736	566
Total	35,230	27,569	24,443	35,466

31. Legal Disputes

All legal disputes were settled in 2024. As at the December 31, 2024 the Company was not involved in any legal dispute.

32. Subsequent Events

In the period between December 31, 2024 and the date of preparation of the consolidated annual report, the following changes to the CSG Group structure occurred:

Changes in the Company’s Management

As of January 13, 2025, Lukáš Andryšek was removed from the Member of the Board of Directors.

As of February 24, 2025, David Štěpán was removed from the Member of the Board of Directors.

Independent Auditor’s Report



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„THE REPORT BELOW REPRESENTS THE AUDITOR’S
REPORT THAT RELATES SOLELY AND EXCLUSIVELY
TO THE OFFICIAL ANNUAL FINANCIAL REPORT
PREPARED IN THE XHTML FORMAT.“

INDEPENDENT AUDITOR’S REPORT To the Shareholder of CZECHOSLOVAK GROUP a.s.

Having its registered office at: U Rustonky 714/1, Karlín, 186 00 Praha 8

Audit Report on the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of CZECHOSLOVAK GROUP a.s. and its subsidiaries (hereinafter also the “Group”) prepared on the basis of IFRS Accounting Standards as adopted by the European Union, which comprise the consolidated statement of financial position as of 31 December 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information. In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the group of CZECHOSLOVAK GROUP a.s. as of 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors, Regulation (EU) No. 537/2014 of the European Parliament and the Council, and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application guidelines. Our responsibilities under this law and regulation are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How it was addressed
Accuracy of revenues recognition and revenue recognition date	
The key audit matter is the Group’s revenues (Note 8 to the consolidated financial statements).	In addressing this key audit matter we performed a combination of tests of internal controls and substantive testing.
Revenues are a significant indicator in evaluating the Group’s performance. Because the Group generates revenues from various types of activities, including	

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Key Audit Matter	How it was addressed
revenue from contract with customers recognized over time, on various markets and under various conditions, the accuracy of revenues recognition and the revenue recognition date correctness represent a risk for the audit of the Group. Principally the recognition of revenue from contract with customers recognized over time is based on a high degree of judgement applied by the Group.	• We have obtained understanding of main revenue streams including evaluation of design and implementation of relevant controls. • At certain subsidiaries we performed test of operating effectiveness of relevant controls. • We performed a substantive test of specific revenue transactions on a sample basis. • We tested in detail whether revenue was recognised in the relevant reporting periods and whether revenue was not misstated through reporting in an incorrect period. • On a sample basis, we selected invoices recorded around the year-end and based on supporting documents related to these invoices we assessed if the revenue was recorded in the correct period. • We performed analytical tests of significant revenue accounts and compared the expected amount of revenues on the basis of our calculation with the amount presented in the accounting records. • We tested receivables by sending year-end confirmation letters to selected customers and compared the amounts confirmed by the customers with the balance of receivables reported by the Group. In the case of revenues from contracts with customers and construction contracts, we performed the following audit procedures: • We critically assessed the methodology applied by the Group to determine the stage of completion and subsequently, for the calculation of revenue on the basis of this stage of completion, compliance of the methodology with IFRS 15 <i>Revenue from Contracts with Customers</i>. • We evaluated the estimates made by the Group in respect of total and future expected costs and revenues on construction contracts. • We tested in detail the recognition of revenue on a sample of construction contracts, primarily focused on checking the used input data from contracts with customers and financial plans of construction contracts; in addition, we reviewed the calculation for mathematical correctness. • We cooperated with our internal IFRS 15 experts to assess and test the most significant contracts. • We assessed the adequacy of disclosures made in the notes to the consolidated financial statements with regard to revenues recognised in terms of the stage of completion of construction contracts and judgement applied.
Correctness and completeness of the presentation of financial liabilities (bank loans and bonds issued)	
The correctness and completion of the presentation of financial liabilities (Note 20 to the consolidated financial statements) represent a key audit matter since the Group uses significant external financing in the form of issued	Our audit procedures, included, among others: • We sent bank confirmation letters and based on received responses, we compared the confirmed

Key Audit Matter	How it was addressed
bonds and banking loans for its operating and investment activities. These types of financing carry covenants and other criteria, the evaluation of which by the Group has a material impact on the presentation of financial liabilities in the consolidated financial statements (e.g. on the presentation of long-term and short-term components).	amounts of bank loans with the amounts presented by the Group in the accounting records. • We determined whether the loan balance is appropriately presented as a short-term or long-term payable pursuant to the concluded contract, repayment schedule or bank confirmation letter. • With regard to publicly traded issued bonds, we compared the information reported in public sources of the Prague Stock Exchange with the information disclosed in the consolidated financial statements. With regard to private issued bonds, we compared the information from purchase agreement with the information disclosed in the consolidated financial statements. • We agreed the year-end balance of issued bonds to the Portfolio account statement. • We agreed the information on covenants in respect of received bank loans and issued bonds to supporting documentation (e.g. contract, prospectus). • We tested the mathematical correctness of the calculation of the covenants. • We assessed compliance with the relevant covenants. • We assessed the adequacy of disclosures made in the notes to the consolidated financial statements with regard to issued bonds and external funding in the form of bank loans.
Correctness and completeness of the valuation and presentation of the acquisition of a subsidiary	
The proper valuation and presentation of the acquisition of the controlling interest in Vista Group / The Kinetic Group (Note 7.A.b. and 16.H to the consolidated financial statements) represents an important matter for the Group’s audit. As this extensive acquisition occurred before the end of 2024, the Group’s assets and liabilities were not measured at fair value as of the date of preparation of the consolidated financial statements. The assets and liabilities of the acquired companies are measured at provisional value, based on the accounting records of the acquired companies. Based on the management’s analysis of the estimated recoverable amount, no impairment was identified. Consequently, the acquisition accounting process was not completed in 2024, and the remeasurement to fair value will occur within 12 months from the acquisition date.	Our audit procedures, included, among others: • We gained an understanding of the entire transaction, including the legal analysis of the purchase contract. • We communicated with the component auditor in USA regarding the audit of Vista Group / The Kinetic Group . • We agreed on the purchase price for the supporting documentation. • In collaboration with an internal expert, we assessed the correct application of IFRS 3 Business Combinations and, in particular, the assumption of non-termination of the acquisition accounting. • We assessed the correctness of the calculation and recognition of goodwill. • From the Group’s management, we obtained the business plans of Vista Group / The Kinetic Group for the coming period and assessed the existence of indicators of potential impairment of the provisional goodwill recognised. • We assessed the adequacy of the information provided in the notes to the financial statements regarding this transaction.

Other Information in the Annual Financial report

In compliance with Section 2(b) of the Act on Auditors, the other information comprises the information included in the annual financial report other than the financial statements, the consolidated financial statements and auditor’s report thereon. The Board of Directors is responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. In addition, we assess whether the other information with the exception of the Sustainability Statement has been prepared, in all material respects, in accordance with applicable law or regulation, in particular, whether the other information with the exception of the Sustainability Statement complies with law or regulation in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that:

- The other information describing the facts that are also presented in the consolidated financial statements is, in all material respects, consistent with the consolidated financial statements; and
- The other information with the exception of the Sustainability Statement is prepared in compliance with applicable law or regulation.

In addition, our responsibility is to report, based on the knowledge and understanding of the Company obtained in the audit, on whether the other information contains any material misstatement of fact. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement of fact.

Responsibilities of the Company’s Board of Directors and Supervisory Board for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as adopted by the European Union and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board and the Audit Committee are responsible for overseeing the Group’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the above law or regulation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors, the Supervisory Board and the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, the Supervisory Board and the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Audit Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of CZECHOSLOVAK GROUP a.s. (hereinafter also the “Company”) prepared on the basis of IFRS Accounting Standards as adopted by the European Union, which comprise the statement of financial position as of 31 December 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of CZECHOSLOVAK GROUP a.s. as of 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors, Regulation (EU) No. 537/2014 of the European Parliament and the Council, and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application guidelines. Our responsibilities under this law and regulation are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How it was addressed
Valuation of investments in subsidiaries and associates	
The correct valuation of investments in subsidiaries and associates (Note 13 to the financial statements) represents a key audit matter. The Company reports investments in a number of companies that carry the risk of the value of the investment being greater than its fair value. The correct valuation requires a significant degree of judgement and estimates dependent upon, e.g. future demand or successful implementation of restructuring plans.	Our audit procedures included, among others: • We tested the design and implementation of key internal controls regarding the measurement of the value of interests in subsidiaries using the impairment indicator calculations and DCF models. • We critically assessed the indicators of potential impairment of investments in subsidiaries which may trigger the recognition of loss allowances. For this purpose, we primarily: ○ Compared the valuation of the investment with the amount of equity of the subsidiary at the balance sheet date; ○ Assessed the profitability of investments for the relevant reporting period; ○ Verified the amount of dividends and profit shares paid out. • Where the indicator of potential impairment of investments in subsidiaries was identified, we focused on: ○ Inquiring the company’s management and the reasons that led to the recognition or non-recognition of an allowance; ○ Assessing financial plans prepared by the subsidiaries; and ○ Assessing whether the allowance is recognised appropriately and in a sufficient amount. ○ We assessed the adequacy of disclosures made in the notes to the financial statements with regard to material investments and their financial position and profitability.
Correctness and completion of the presentation of financial liabilities (bank loans and bonds issued)	
The correctness and completion of the presentation of financial liabilities (Notes 21 to the financial statements) represent a key audit matter since the Company uses significant external financing in the form of issued bonds, borrowings and banking loans for its operating and investment activities. These types of financing carry covenants and other criteria, the evaluation of which by the Company has a material impact on the presentation of financial liabilities in the financial statements (e.g. on the presentation of long-term and short-term components).	Our audit procedures, included, among others: • We sent bank confirmation letters and based on received responses, we compared the confirmed amounts of bank loans with the amounts presented by the Company in the accounting records. • We determined whether the loan balance is appropriately presented as a short-term or long-term payable pursuant to the concluded contract, repayment schedule or bank confirmation letter. • With regard to publicly traded issued bonds, we compared the information reported in public sources of the Prague Stock Exchange with the information disclosed in the consolidated financial statements.

Key Audit Matter	How it was addressed
	With regard to private issued bonds, we compared the information from purchase agreement with the information disclosed in the consolidated financial statements. • We agreed the year-end balance of issued bonds to the Portfolio account statement. • We agreed the information on covenants in respect of received bank loans and issued bonds to supporting documentation (e.g. contract, prospectus). • We tested the mathematical correctness of the calculation of the covenants. • We assessed compliance with the relevant covenants. • We assessed the adequacy of disclosures made in the notes to the consolidated financial statements with regard to issued bonds and external funding in the form of bank loans.

Other Information in the Annual Financial Report

In compliance with Section 2(b) of the Act on Auditors, the other information comprises the information included in the annual financial report other than the financial statements, the consolidated financial statements and auditor’s report thereon. The Board of Directors is responsible for the other information.

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. In addition, we assess whether the other information with the exception of the Sustainability Statement has been prepared, in all material respects, in accordance with applicable law or regulation, in particular, whether the other information with the exception of the Sustainability Statement complies with law or regulation in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that:

- The other information describing the facts that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- The other information with the exception of the Sustainability Statement is prepared in compliance with applicable law or regulation.

In addition, our responsibility is to report, based on the knowledge and understanding of the Company obtained in the audit, on whether the other information contains any material misstatement of fact. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement of fact.

Responsibilities of the Company’s Board of Directors and Supervisory Board for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as adopted by the European Union and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board and the Audit Committee are responsible for overseeing the Company’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the above law or regulation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors, the Supervisory Board and the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, the Supervisory Board and the Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In compliance with Article 10(2) of Regulation (EU) No. 537/2014 of the European Parliament and the Council, we provide the following information in our independent auditor’s report, which is required in addition to the requirements of International Standards on Auditing:

Appointment of the Auditor and the Period of Engagement

We were appointed as the auditors of the Company by the General Meeting of Shareholders on 31 August 2023 for the financial periods of the years 2023, 2024, and 2025 and our uninterrupted engagement has lasted for seven years.

Consistence with the Additional Report to the Audit Committee

We confirm that our audit opinion on the financial statements expressed herein is consistent with the additional report to the Audit Committee of the Company, which we issued on 2 April 2025 in accordance with Article 11 of Regulation (EU) No. 537/2014 of the European Parliament and the Council.

Provision of Non-audit Services

We declare that no prohibited non-audit services referred to in Article 5 of Regulation (EU) No. 537/2014 of the European Parliament and the Council were provided.

Report on Compliance with the ESEF Regulation

We have conducted a reasonable assurance engagement on the verification of compliance of the financial statements and the consolidated financial statements included in the annual financial report with the provisions of Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (the “ESEF Regulation”) that apply to the financial statements and the consolidated financial statements.

Responsibilities of the Board of Directors

The Company’s Board of Directors is responsible for the preparation of the financial statements and the consolidated financial statements in compliance with the ESEF Regulation. Inter alia, the Company’s Board of Directors is responsible for:

- The design, implementation and maintenance of the internal controls relevant for the application of the requirements of the ESEF Regulation;
- The preparation of all financial statements included in the annual financial report in the valid XHTML format; and
- The selection and use of XBRL mark-ups in line with the requirements of the ESEF Regulation.

Auditor’s Responsibilities

Our task is to express a conclusion whether the financial statements and the consolidated financial statements included in the annual financial report are, in all material respects, in compliance with the requirements of the ESEF Regulation, based on the audit evidence obtained. Our reasonable assurance engagement was conducted in accordance with the International Standard on Assurance Engagements 3000 (Revised) Assurance Engagements Other Than Audits or Reviews of Historical Financial Information.

The nature, timing and scope of the selected procedures depend on the auditor’s judgment. A reasonable assurance is a high level of assurance; however, it is not a guarantee that the examination conducted in accordance with the above standard will always detect a potentially existing material non-compliance with the requirements of the ESEF Regulation.

As part of our work, we performed the following procedures:

- We obtained an understanding of the requirements of the ESEF Regulation;
- We obtained an understanding of the Company’s internal controls relevant for the application of the requirements of the ESEF Regulation;
- We identified and evaluated risks of material non-compliance with the ESEF Regulation, whether due to fraud or error; and
- Based on this, we designed and performed procedures responsive to those risks and aimed at obtaining a reasonable assurance for the purposes of expressing our conclusion.

The aim of our procedures was to assess whether:

- The sets of financial statements included in the annual financial report were prepared in the valid XHTML format;
- The data in the consolidated financial statements were marked up where required by the ESEF Regulation and all mark-ups meet the following requirements:
 - XBRL mark-up language was used;
 - The elements of the core taxonomy specified in the ESEF Regulation with the closest accounting meaning were used, unless an extension taxonomy element was created in compliance with the ESEF Regulation; and
 - The mark-ups comply with the common rules for mark-ups pursuant to the ESEF Regulation.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

In our opinion, the Company’s financial statements and the consolidated financial statements for the year ended 31 December 2024 included in the annual financial report are, in all material respects, in compliance with the requirements of the ESEF Regulation.

In Prague on 2 April 2025

Audit firm:

Deloitte Audit s.r.o.
registration no. 079



Statutory auditor:

David Batal
registration no. 2147



Other Regulatory Disclosures

Net Debt to EBITDA Covenant

(€ '000)	December 31, 2024	December 31, 2023
EBITDA covenant (pro forma)		
Net profit after taxation (pro forma)	853,806	213,189
Income tax (pro forma)	280,977	68,444
Depreciation and amortization (pro forma)	91,844	61,641
Share of profit (-)/(loss (+)) of associates and joint ventures, net (pro forma)	300	(647)
Profit / (loss) from financing activities (pro forma)	167,618	101,142
Profit (-) / loss (+) on disposal of fixed assets, net (pro forma)	254	(13,500)
Profit (-) / loss (+) from sale of materials, net (pro forma)	11,106	3,630
Increases (+) / decreases (-) of impairment of inventories and assets (pro forma)	1,956	1,286
Increases (+) / decreases (-) of impairment of receivables and assets (pro forma)	31,198	16,703
Increases (+) / decreases (-) of provisions (pro forma)	11,637	4,205
EBITDA covenant (pro forma)	1,450,695	456,090
NET DEBT		
Overdraft	449,589	76,282
Collateralized bank loans	1,414,816	587,865
Uncollateralized bank loans	44,077	53,907
Owner loans and loans from other related parties	1,216	38,288
Loans from third parties (other loans)	2,798	1,057
Bonds	1,005,695	337,445
Total debt	2,918,191	1,094,844
less cash and cash equivalents	(1,248,487)	(563,865)
NET DEBT		530,979
Net debt to EBITDA covenant		
EBITDA covenant (pro forma)	1,450,695	456,090
Net debt	1,669,704	530,979
Net debt to EBITDA covenant	1.15	1.16

Reason for inclusion: The consolidated net debt ratio is a selected non-IFRS financial indicator listed in the prospectus of bonds due in 2028, ISIN CZ0003534174 (similarly as the bonds due in 2026, ISIN CZ0003532681 and the bonds due in 2024, ISIN CZ0003523151). The prospectus has been published on CSG’s website (<https://czechoslovakgroup.com/>) and in the Central Storage of Regulated Information on the Czech National Bank’s website.

Alternative Performance Measures (“APMs”)

This document contains certain unaudited financial and operating measures that are not defined or recognized under IFRS; these are used for assessing the performance of our business. We use these to, among other things, evaluate the performance of our operations, develop budgets, and measure our performance against those budgets. We believe that these measures help us in understanding our trading performance, as they give an indication of our ability to service our indebtedness.

In accordance with the general guidelines of the ESMA, the Company is providing this explanation of the alternative performance measures used and the reason for their inclusion.

The Company’s annual report contains the following alternative performance measures:

- EBITDA
 - = “net profit” increased by “income tax” increased by “net interest paid” increased by “depreciation and amortization of non-current assets” and
 - is a standard indicator;
 - this calculation is disclosed in notes to consolidated financial statements, note 34—Operating Segments.
- Operating EBITDA
 - = “operating profit” increased by “depreciation and amortization of non-current assets” and
 - is a standard indicator used by investors for the valuation of a company;
 - this calculation is disclosed in notes to consolidated financial statements, note 34—Operating Segments.
- Operating EBITDA margin
 - = “operating EBITDA” divided by “revenues”
- Net debt
 - = “external loans and borrowings” less “cash and cash equivalents”.
- EBIT
 - = “net profit” increased by “income tax” increased by “net interest paid” and
 - is a standard indicator;
 - this calculation is disclosed in notes to consolidated financial statements, note 34—Operating Segments.

- Net debt to EBITDA covenant
 - = “net debt” divided by “adjusted EBITDA” (pro forma);
 - the covenant is defined in the prospectus of bonds;
 - for a detailed definition, see the chapter entitled “Definition of Net Debt to EBITDA Covenant”;
 - o this calculation is disclosed in the chapter entitled “Net Debt to EBITDA Covenant”.

As there are no generally accepted accounting principles governing the calculation of non-IFRS financial and operating measures, other companies may calculate such measures differently or may use such measures for different purposes than we do, and therefore you should exercise caution in comparing these measures as reported by us to such measures or other similar measures as reported by other companies. An investor should not consider these non-IFRS measures (a) as a substitute for operating results (as determined in accordance with IFRS) or as a measure of our operating performance, (b) as a substitute for cash flow from or used in operating, investing, and financing activities (as determined in accordance with IFRS), or as a measure of our ability to meet cash needs, or (c) as a substitute for any other measure of performance under IFRS. These measures may not be indicative of our historical operating results or financial condition, nor are such measures meant to be predictive of our future results or financial condition. Even though the non-IFRS financial measures are used by our management to assess our financial position, and financial results and liquidity and these types of measures are likewise commonly used by investors, they have important limitations as analytical tools, and you should not consider them in isolation or as substitutes for analysis of our financial position or results of operations as reported under IFRS.

Adjusted EBITDA is calculated as:

- profit from operating activities (consolidated statement of comprehensive income);
- increased by the depreciation and amortization of fixed assets (consolidated statement of comprehensive income);
- decreased by the profit or increased by the loss from the sale of property, plant, and equipment, investment property and intangible assets (account group 541 and 641 from the consolidated trial balance, entering in notes to consolidated financial statements in the following notes—note Other Operating Expenses—item Loss from Sale of Tangible Fixed Assets [potentially also the item Loss from the Sale of Business Assets], note Other Operating Income—item Proceeds from the Sale of Tangible and Intangible Assets);
- decreased by the proceeds or increased by the loss from the sale of inventory (account group 542 and 642 from the consolidated trial balance, entering in notes to consolidated financial statements in the following points—note Other Operating Expenses—item Loss from the Sale of Material, note Other Operating Income—item Proceeds from the Sale of Material);
- increased by the recognition (+) / release (-) of allowances for trade and other receivables, non-financial assets, inventory and assets, and write-off of receivables;
- increased by the recognition (+) / release (-) of provisions (account group 552 and 554 from the consolidated trial balance, entering in notes to consolidated financial statements in the following notes—note Other Operating Expenses—item Change in Provisions (+) / (-)); and
- increased by proceeds from the sale of an equity investment (consolidated statement of comprehensive income).

Adjusted EBITDA (Pro Forma) is calculated as:

- adjusted EBITDA;
- decreased/increased by bond adjustments consisting in the inclusion of the Adjusted EBITDA by companies that were purchased during the year also for the period when they were not owned by the Group and the exclusion of EBITDA for the companies that were sold during the year.

The calculation of the adjusted EBITDA (Pro Forma) of entities in the Group as of the effective date is used solely for the calculation of the consolidated net debt ratio, and it is based on individual items in the IFRS financial statements. The adjusted EBITDA indicator (Pro Forma) is based on the EBITDA indicator used in the financial statements of the issuer; however, it is adjusted in order to represent the real economic position of the issuer and the Group for the purposes of meeting the issuer’s obligations under this Article 4 of the Terms of Issue. As of the effective date, the EBITDA of the entities is included on a rolling basis of twelve months. However, no additional obligation arises to the issuer to prepare the consolidated financial statements or the notes thereto solely for the purposes of the calculation of the consolidated net debt ratio.

The Group’s Corporate Governance Strategy

Principles of Internal Control and Approach to Risks in Relation to the Financial Reporting Process

CZECHOSLOVAK GROUP keeps its accounts in accordance with the national Act on Accounting and the International Financial Reporting Standards (IFRS) as adopted by the EU. Other entities within the Group also report for consolidation purposes in accordance with the IFRS, regardless of local accounting regulations.

Accounting documents are approved either in the electronic approval system or by a designated employee (the chief accounting officer, financial manager or CFO).

Only designated employees have access to the accounting software, pursuant to approval by a senior employee and a system administrator.

Accounting and approval processes are contained in internal guidelines that are regularly revised and updated as needed.

The control system involves an annual physical inventory count of assets and a document-based inventory of balances on balance-sheet accounts. The accuracy of accounting is audited annually by an independent auditor.

The Company additionally uses an internal audit, which checks adherence to the approved internal processes.

Random inspections are additionally performed by the Company’s Board of Directors, Supervisory Board and Audit Committee.

Any deficiencies found are remedied without delay.

Description of Procedures Used by the Company’s Bodies in Decision-Making

The information on the procedure used in decision-making by the Company’s bodies is discussed in section “Governance.”

Information on Codes of the Company’s Governance

In accordance with Section 118 (4) of Act No. 256/2004 Coll., on Capital Market Undertakings, in regard to information on codes of corporate governance that are binding for the Company or that the Company is adhering to voluntarily, the Group states that it is governed by and adheres to all requirements for corporate governance stipulated by the generally binding legal regulations of the Czech Republic, primarily Act No. 90/2012 Coll., on Business Corporations and Cooperatives (the Business Corporations Act), Act No. 563/1991 Coll., on Accounting, Act No. 256/2004 Coll., on Capital Market Undertakings, and the related legal norms.

At the same time, the Group is actively responding to a dynamically developing corporate governance legislation framework. To provide for due and effective governance, it has approved the internal CSG Corporate Governance Code, which is a declaration of adoption of the principal standards of the Corporate Governance Code of the Czech Republic (2018) issued by the Institute of Members of Administrative Bodies based on international standards of corporate governance (primarily the G20/ OECD Principles of Corporate Governance from 2015).

The Code forms an integral part of the Group’s internal standards as well as the Group’s new project addressing corporate responsibility and sustainable business (more information on these matters is available in the standalone Sustainability Report).

Declaration on Conflicts of Interest and Adherence to Good Corporate Governance

CSG is not aware of any possible conflicts of interest between the obligations of members of the Board of Directors and the Supervisory Board in relation to CSG and their private or other obligations. CSG adheres to all of the Group’s corporate governance requirements stipulated by the generally binding legal regulations of the Czech Republic, primarily the Civil Code and the Business Corporations Act.

Note to ESEF version

Due to the technical limitations inherent to the block-tagging of the consolidated financial statements according to the European single electronic format, the content of certain tags of the notes may not be rendered identically to the accompanying consolidated financial statements.

Diversity policy

In line with Section 118 (4) I) of Act No. 256/2004 Coll., on Capital Market Undertakings, CSG has applied a diversity policy since September 1, 2019 aiming at a balanced and diverse composition of persons in the Company’s Board of Directors and the Supervisory Board, primarily in respect of the age, gender, education and professional knowledge and experience.

The nomination committee, as an advisory body to the General Meeting:

- assesses and recommends candidates to vacancies in the Board of Directors and the Supervisory Board for approval to the General Meeting;
- regularly, at least once per year, evaluates the knowledge, skills and experience of individual members of the Board of Directors and the Supervisory Board and of these bodies as a whole and presents relevant reports to the General Meeting; and
- at least once a year assesses the structure, size, composition and activities of the Board of Directors and the Supervisory Board and presents recommendations regarding any changes to the General Meeting.

The suitability of a candidate is always assessed by the committee in line with the principles determined by the policy, consideration is primarily given to criteria of adequate education, professional work experience, understanding the activities of the Company, moral integrity, time availability given the time requirements of the position, reliability, previous activities, etc. Every candidate is also assessed in the context of diversity of the elected body as a whole in terms of the experience, education, professional knowledge, gender and age.

At its meeting held in 2024, the nomination committee also made a regular assessment of the collective adequacy of the members of the Board of Directors and the Supervisory Board and evaluated the structure, size, composition and activities of these bodies. More information regarding this issue can also be found in the standalone Sustainability Report.

Fees Paid to the Auditing Firm

The total fees paid to the auditing firm and its related parties in 2024 and 2023 were as follows:

(€ '000)	Year ended December 31, 2024		Year ended December 31, 2023	
	Consolidated group	of which parent company	Consolidated group	of which parent company
Statutory audit	2,859	327	1,502	324
Other assurance services	60	60	132	121
Tax advisory	—	—	—	—
Other services	702	692	1,395	1,396
Total	3,622	1,079	3,029	1,841

The following non-audit services were provided to Company and its related parties in 2024:

Vendor due diligence – trading update for CZECHOSLOVAK GROUP a.s.

Agreed-upon procedures according to ISRS 4400 for the component TATRA TRUCKS a.s.

Agreed-upon procedures according to ISRS 4400 for the component Fiocchi Munizioni S.p.A

Agreed-upon procedures according to ISRS 4400 for CZECHOSLOVAK GROUP a.s.

Agreed-upon procedures according to ISRS 4400 for the component Armi Perazzi S.p.A..

Agreed-upon procedures according to ISAE 3420 for CZECHOSLOVAK GROUP a.s.

Agreed-upon procedures according to ISAE 3420 for CZECHOSLOVAK GROUP a.s.

Comfort letter for prospectus for CZECHOSLOVAK GROUP a.s.

Financial Due Diligence services, Tax Due Diligence services for CZECHOSLOVAK GROUP a.s.

Report on pro forma financial information included in the prospectus according to ISAE 3420 for CZECHOSLOVAK GROUP a.s.

Financial Due Diligence services and Tax Due Diligence services for CZECHOSLOVAK GROUP a.s.

Definition of Net Debt to EBITDA Covenant

Reason for inclusion: The consolidated net debt ratio is a selected non-IFRS financial indicator listed in the prospectus of bonds due in 2028, ISIN CZ0003534174 (similarly as for the bonds due in 2026, ISIN CZ0003532681 and the bonds due in 2024, ISIN CZ0003523151). The prospectus has been published on CSG’s website (<https://czechoslovakgroup.com/>) and in the Central Storage of Regulated Information on the Czech National Bank’s website.

Net Debt to EBITDA = NET DEBT / ADJUSTED EBITDA (Pro Forma)

Net debt

Debt – Cash and Cash Equivalents (from the consolidated statement of financial position)

“Debt” as used here means the total outstanding amount of the principal, capital, or nominal value (including the fixed or minimum premium in the event of early repayment or purchase) of the debts of such an entity, as regards the following:

- (a) borrowed cash and debit balances on accounts in banks or other financial institutions;
- (b) acceptance within an acceptance or discount loan (or its equivalent in a dematerialized form);
- (c) a loan for the purchase of bonds (note purchase facility) or issue of bonds (other than trading instruments), debentures, bills of exchange, obligations, borrowed shares or any other similar securities;
- (d) sold or discounted receivables (except for receivables sold without recourse while meeting the requirements for elimination from the balance sheet [“derecognition”] under IFRS);
- (e) an obligation of indemnification relating to a guarantee, warranty, stand-by or documentary letter of credit, or another bank instrument (with the exclusion of trading instruments) issued by a bank or financial institution in relation to (i) underlying debt of an entity (that is not a relevant entity) falling under any of the other items of this definition; or (ii) debts of a relevant entity involving a plan of retirement benefits;
- (f) any amount obtained through an issue of redeemable shares (in a different manner than as selected by the Issuer) or shares that are otherwise classified as borrowings under IFRS;
- (g) the amount of any debt arising from a previously concluded purchase contract or a purchase contract with deferred effect if (i) one of the principal reasons for this contract’s conclusion is to obtain funds or finance an acquisition or construction of a relevant asset (or assets) or service; and (ii) the contract relates to the supply of assets or services, and the payment is due more than 180 days after the supply date;
- (h) any amount obtained as part of another transaction (including a contract for a forward purchase or sale, agreements on sale and resale or contracts for sale and leaseback) that has the commercial effect of a borrowing/loan or that is otherwise classified as a borrowing/loan under IFRS; and
- (i) (without double offsetting) the amount of any debt arising from a guarantee or indemnification for any of the items listed in (a) through (h) above.

“Debt” as used here does not include:

- (a) any lease of assets that would be treated as a lease under IFRS 16 (in the wording effective as of the issue date) or any guarantee provided by a relevant entity or its subsidiary as part of the ordinary course of business solely in connection and in relation to debts of a relevant entity and its subsidiary as part of a lease; provided that, if there are any changes in the IFRS after the issue date, an assessment and determination of whether the lease is treated as a lease under the IFRS in the wording effective as of the issue date will be performed on the basis of the reasonable judgement of the relevant entity’s CFO (or any person in a similar senior accounting position at the relevant entity) made in good faith in a manner that is in line with the existing procedures and after the application of the IFRS principles (in the wording effective as of the issue date);
- (b) pension debt;
- (c) potential debts as part of the ordinary course of business;
- (d) in relation to the purchase or sale of any business by a relevant entity or its subsidiary, any adjustments (allowances) made after the completion of the transaction (settlement) to which the seller may be authorized in the scope in which the relevant payment is determined in the final balance sheet or in which the payment depends on the performance of such an entity after the completion of the transaction (settlement);
- (e) for the avoidance of doubt: any potential debts in relation to the entitlement of employees for indemnification, debts that arose from early retirement or the early termination of a contract, debts of a pension fund or contributions to a pension fund and/or other similar claims, debts, or contributions, and social security payments or payroll tax; and
- (f) borrowings/loans provided by the issuer or its subsidiary to any subsidiary in anticipation of a future payment of dividends to the issuer or its subsidiary in the period of 12 months from the provision of the relevant borrowing/loan, provided that such a subsidiary has or will have available provisions representing the profit for distribution, i.e. for the payment of future dividends for the relevant period.

As there are no generally accepted accounting principles governing the calculation of non-IFRS financial and operating measures, other companies may calculate such measures differently or may use such measures for different purposes than we do, and therefore you should exercise caution in comparing these measures as reported by us to such measures or other similar measures as reported by other companies. An investor should not consider these non-IFRS measures (a) as a substitute for operating results (as determined in accordance with IFRS) or as a measure of our operating performance, (b) as a substitute for cash flow from or used in operating, investing, and financing activities (as determined in accordance with IFRS), or as

a measure of our ability to meet cash needs, or (c) as a substitute for any other measure of performance under IFRS. These measures may not be indicative of our historical operating results or financial condition, nor are such measures meant to be predictive of our future results or financial condition. Even though the non-IFRS financial measures are used by our management to assess our financial position, and financial results and liquidity and these types of measures are likewise commonly used by investors, they have important limitations as analytical tools, and you should not consider them in isolation or as substitutes for analysis of our financial position or results of operations as reported under IFRS.

Report on Relations

Drawn up for the period from January 1, 2024 to December 31, 2024

Controlled entity:

Company name:	CZECHOSLOVAK GROUP a.s.
Registered Office:	U Rustonky 714/1, Karlín, 186 00 Prague 8, Czech Republic
Identification No. (IČO):	034 72 302
File No.:	B 20071 maintained at the Municipal Court in Prague

CZECHOSLOVAK GROUP a.s., Identification No (IČO): 034 72 302, having its registered office at U Rustonky 714/1, Karlín, 186 00 Prague 8, Czech Republic, registered in the Czech commercial register under file No. B 20071 maintained at the Municipal Court in Prague (the “Company”), is obliged to prepare a “report on related party transactions between the controlling entity and the controlled entity and between the controlled entity and entities controlled by the same controlling entity” for the 2024 financial year (“Related Parties”) pursuant to the provisions of Section 82 of Act No. 90/2012 Coll. (Collection of Laws), on Business Corporations, as amended (the “Report on Relations”).

I. Controlling Entity

Until June 27, 2022, Mr. Michal Strnad was the controlling entity of CZECHOSLOVAK GROUP a.s., the controlled entity. Since June 28, 2022, CSG FIN a.s., Identification No. (IČO): 141 41 442, a company having its registered office at U Rustonky 714/1, Karlín, 186 00 Prague 8, Czech Republic, registered in the Czech commercial register under file No. B 26982 maintained at the Municipal Court in Prague, has been the controlling entity of the Company.

CSG FIN a.s. is controlled by Michal Strnad. This is also true as of December 31, 2024.

II. Structure of Relations between the Controlling Entity and the Company and between the Company and Entities Controlled by the Same Controlling Entity

The structure of the relationships is set out in Appendix 1 hereto.

As regards TATRA TRUCKS a.s. (Identification No. (IČO): 1482840), NIKA Development a.s. and PROMET TOOLS, a.s. control this company by acting in concert through their direct shares in the controlled entity, i.e., through the decisions adopted by the Company’s General Meeting as the supreme body of the company.

III. Role of the Company, Method and Means of Control

The primary role of the Company is to be the entity under whose patronage the activities of its subsidiaries in the Czech Republic, Slovakia, Italy, Spain, and other countries are performed. During the reporting period, no measures or other legal actions were taken or implemented by the Company in the interest, or at the instigation, of the controlling entity or entities controlled by the same controlling entity that would give the Company special advantages or impose special obligations upon it. The Company does not receive any special benefits in connection with the control, nor does it incur any special obligations toward the controlling entity and/or entities controlled by the same controlling entity in addition to those agreed upon in the agreements referred to in Article V of this Report on Relations.

The controlling entity exercises control through its ownership rights by means of resolutions adopted at the General Meetings of the Company (or more precisely, decisions of the Company’s sole shareholder). The methods and means of the Company’s control include the Company’s Articles of Association and decisions of the Company’s supreme body. Accordingly, there are no special agreements between the Company and the controlling entity in relation to the method and means of control of the Company.

IV. Summary of Actions Performed pursuant to Section 82 (2) (d) of Czech Act No. 90/2012 Sb. (Collection of Laws), on Business Corporations, as Amended

During the relevant period, the Company did not take any actions at the instigation or in the interest of the controlling entity, or entities controlled by the controlling entity, that would involve the disposal of assets exceeding 10% of the Company's equity as determined by the financial statements for the reporting period immediately preceding the reporting period for which this Report on Relations has been prepared, except for assignment of certain receivables of the Company to the direct controlling entity of the Company.

V. List of Mutual Contracts and Agreements Entered into by and between the Controlled Entity and the Controlling Entity or between Controlled Entities

During the relevant period, the Company entered into the following agreements with the controlling entity and the Related Parties, each of which are on record with the Company:

According to its records, the Company has

- loan agreements with RETIA, a.s.
- a loan agreement with CSG Land Systems CZ a.s.
- a loan agreement with KONVERTIAL SPV a.s.
- agreements on assignment of receivables with INTEGRA CAPITAL a.s.
- loan agreements with EXCALIBUR ARMY spol. s r.o.
- a loan agreement with CSG Horizons a.s.
- agreements on contribution outside the registered capital of TABLON SPV a.s.
- an agreement on contribution outside the registered capital of ABIENNALE s.r.o.
- an agreement on contribution outside the registered capital of MADE CS a.s.
- an agreement on contribution outside the registered capital of VORNEA SPV a.s.
- an agreement on contribution outside the registered capital of KARMONIKA AERO a.s.
- an agreement on contribution outside the registered capital of AVIEN, spol. s r.o.
- an agreement on contribution outside the registered capital of LBP 80 S.r.l.
- loan agreements with CS SOFT a.s.
- a loan agreement with AVIEN, spol. s r.o.
- loan agreements with TATRA DEFENCE VEHICLE a.s.

- a loan agreement with CSG Elevate II Inc.
- loan agreements with CSG DEFENCE a.s.
- an agreement on assignment of receivables with DAKO-CZ a.s.
- an agreement on contribution outside the registered capital of CSG Ammo+ a.s.
- a loan agreement with LBP 80 S.r.l.
- agreements on contribution outside the registered capital of RADIATIK a.s.
- a loan agreement with CLEVELOPMENT SPV a.s.
- an agreement on set-off of mutual receivables with AVIA Motors s.r.o.
- a loan agreement with ROT Poland Sp. z o.o.
- an agreement on contribution outside the registered capital of EXCALIBUR INTERNATIONAL a.s.
- an agreement on assignment of agreement with EXCALIBUR INTERNATIONAL a.s.
- a loan agreement with MSM GROUP s.r.o.
- an agreement on contribution outside the registered capital of INTEGRA CAPITAL a.s.
- agreements on assignment of receivables and/or contracts with CSG FIN a.s.
- an agreement on contribution outside the registered capital of RELAZA SPV a.s.
- an agreement on provision of treasury services with MSM LAND SYSTEMS s.r.o.
- an agreement on provision of treasury services with KONVERTIAL SPV a.s.
- an agreement on contribution outside the registered capital of HTH land a.s.
- a loan agreement with MERIT SPV a.s.
- a loan agreement with CSG HEALTH CARE a.s.
- loan agreements with 14. OKTOBAR d.o.o.
- loan agreements with EXCALIBUR INTERNATIONAL a.s.
- a loan agreement with KARBOX s.r.o.
- a loan agreement with TECHNOLOGY CS a.s.
- loan agreements with TRUCK SERVICE GROUP s.r.o.
- loan agreements with JOB AIR Technic a.s.
- loan agreements with ELTON hodinářská, a.s.
- loan agreements with TRUCK MACHINERY GROUP a.s.
- loan agreements with DAKO-CZ, a.s.
- a loan agreement with CSGM a.s.
- a loan agreement with ATRAK a.s.
- loan agreements with ZVS holding, a.s.
- a loan agreement with ZVS IMPEX, akciová spoločnosť
- loan agreements with VÝVOJ Martin, a.s.
- loan agreements with MSM Services, s.r.o.
- a loan agreement with MSM EXPORT, s.r.o.
- a loan agreement with VOP Nováky, a.s.
- a loan agreement with ATLAN GROUP, spol. s r.o.
- a receivables purchase agreement with Fiocchi of America Inc.

VI. Assessment of whether the Company has Incurred Damage and Assessment of its Compensation pursuant to Sections 71 and 72 of Czech Act No. 90/2012 Coll. (Collection of Laws), on Business Corporations, as Amended

The Company uses services and funding from the Related Parties in the ordinary course of its business.

The Company represents that during the relevant period, there has not been any influence on the Company's conduct by an influencing entity or a controlling entity that has had a decisive and/or significant detrimental effect on the conduct of the Company. The Company represents that all the actions described in Article IV of this Report on Relations were taken, and the agreements described in Article V of this Report on Relations entered into, at arm's length conditions, and all the services provided and received under these agreements were also provided at arm's length conditions, and the Company has not incurred any damage as a result of these actions, and that it is therefore not necessary to consider compensation for

In Prague, March 28, 2025


David Chour
Vice-Chairman of the Board of Directors
since September 1, 2020

damage pursuant to Sections 71 and 72 of Act No. 90/2012 Coll. (Collection of Laws), on Business Corporations, as amended.

VII. Assessment of Advantages and Disadvantages Arising from the Relations between the Related Parties

The statutory body of the Company represents that, based on the assessment of the role of the Company vis-à-vis the controlling entity and entities controlled by the same controlling entity, the Company does not derive any special advantages and/or disadvantages from the relations between the Company and its controlling entity and/or entities controlled by the same controlling entity.

The Company's role vis-à-vis the controlling entity and entities controlled by the same controlling entity did not and does not represent any risk for the Company, and therefore it is not necessary to state whether and in what manner and in what period damage has been or will be compensated pursuant to Sections 71 and 72 of Act No. 90/2012 Coll. (Collection of Laws), on Business Corporations, as amended.


Zdeněk Jurák
Member of the Board of Directors
since January 1, 2024

Appendix 1

List of Companies Controlled Directly
or Indirectly by the Same Controlling Entity

Companies controlled by CZECHOSLOVAK GROUP a.s.

CZECHOSLOVAK GROUP a.s. directly or indirectly
controls the entities listed below:

Business name	Identification number, registered in	Registered office	Country of incorporation	Control	Note	Direct controlling entity
14. OKTOBAR d.o.o. Kruševac	21178772	Jasički put br. 2, 11104 Kruševac	Serbia	direct		CZECHOSLOVAK GROUP a.s.
ABIENNALE s.r.o.	27896871 file no. C 124968 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct		CZECHOSLOVAK GROUP a.s.
Ammunition Operations LLC	3437574	900 Ethlen Drive, Anoka, Minnesota 55303	United States of America	Indirect	from November 27, 2024	Federal Cartridge Company
ANGERONA TRADE a.s.	18008224 file no. B 27937 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct		CZECHOSLOVAK GROUP a.s.
Armi Perazzi S.p.A.	03192910176	Via Daniele Perazzi, 1/3, Botticion 25082	Italy	indirect		LBP 80 S.r.l.
ARMY TRADE a.s.	06123724 file no. B 22516 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	indirect		CSG DEFENCE a.s.
AsterIVF s.r.o.	03648311 file no. C 235869 (Municipal Court in Prague)	Sokolovská 810/304, Vysočany, 190 00 Prague 9	Czech Republic	indirect		Prague Fertility Centre s.r.o.
ATLAN GROUP, spol. s r.o.	35754222 file No. Sro 13718/R (District Court in Trenčín)	Štúrova 925/27, 018 41 Dubnica nad Váhom	Slovak Republic	indirect		MSM GROUP s.r.o.
ATRAK a.s.	08208638 file No. B 24436 (Municipal Court in Prague)	Aviatická 1039/6, Ruzyně, 161 00 Prague 6	Czech Republic	indirect		TRADITION CS a.s.
AVIA AVIATION a.s.	04837924 file No B 26187 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct		CZECHOSLOVAK GROUP a.s.
AVIA Motors s.r.o.	27422356 file No. C 112025 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct		CZECHOSLOVAK GROUP a.s.
AVIEN, spol. s r.o.	47539682 file No. C 19027 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct		CZECHOSLOVAK GROUP a.s.
Baschieri & Pellagri S.p.A.	00290260371	Via del Frullo 26, Castenaso	Italy	indirect	until November 1, 2024 (dissolved by merger)	Fiocchi Munizioni S.p.A.

Business name	Identification number, registered in	Registered office	Country of incorporation	Control	Note	Direct controlling entity
C.F.L. S.a.s.	01768700021	STRADA VICINALE PALESTRINA 7 – 13040 – CARISIO	Italy	indirect		Fiocchi Munizioni S.p.A.
CLEVELOPMENT SPV a.s.	17119952 file No. B 27268 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct		CZECHOSLOVAK GROUP a.s.
Cs BROSS, s.r.o.	25334191 file No. C 412646 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	indirect	from September 18, 2024	RADIATIK a.s.
CS SOFT a.s.	25781723 file No. B 15253 (Municipal Court in Prague)	Aviatická 1048/12, Ruzyně, 161 00 Prague 6	Czech Republic	indirect		TRADITION CS a.s.
CSG a.s.	11854855 file No. B 26633 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct		CZECHOSLOVAK GROUP a.s.
CSG AEROSPACE a.s.	03312208 file No. B 19923 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct		CZECHOSLOVAK GROUP a.s.
CSG Ammo+ a.s.	11858061 file No. B 26638 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct		CZECHOSLOVAK GROUP a.s.
CSG CENTRAL ASIA a.s.	05081335 file No. B 21532 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	indirect		FALCON CSG a.s.
CSG DEAL a.s.	11858095 file No. B 26641 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct		CZECHOSLOVAK GROUP a.s.
CSG DEFENCE a.s.	07333528 file No. B 23675 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct		CZECHOSLOVAK GROUP a.s.
CSG Elevate I Inc.	EIN 32-0749435	251 Little Falls Drive, Wilmington, 19808	United States of America	indirect		CSG Ammo+ a.s.
CSG Elevate II Inc.	EIN 61-2126439	251 Little Falls Drive, Wilmington, 19808	United States of America	indirect		CSG Elevate I Inc.
CSG Elevate III Inc.	EIN 36-5083842	251 Little Falls Drive, Wilmington, 19808	United States of America	indirect	until November 27, 2024 (dissolved by merger)	CSG Elevate II Inc.
CSG Engineering, a.s.	22207376 file No. B 29200 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	Indirect	from October 30, 2024	CSG Land Systems CZ a.s.
CSG EXPORT a.s.	06224971 file No. B 22599 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct		CZECHOSLOVAK GROUP a.s.
CSG HEALTH CARE a.s.	09326073 file No. B 25495 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	indirect		ENVERCOTE a.s.
CSG Horizons a.s.	8735654 file No. B 24931 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct	on August 15, 2024, entity changed its business name – formerly AVIA Electric a.s.	CZECHOSLOVAK GROUP a.s.

Business name	Identification number, registered in	Registered office	Country of incorporation	Control	Note	Direct controlling entity
CSG INDUSTRY a.s.	06015689 file No. B 22298 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct		CZECHOSLOVAK GROUP a.s.
CSG Land System SK a.s.	52830381 file No. Sa 10771/R (District Court in Trenčín)	Štúrova 925/27, 018 41 Dubnica nad Váhom	Slovak Republic	indirect		CSG Land Systems CZ a.s.
CSG Land Systems CZ a.s.	08584923 file No. B 24764 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	indirect		CSG DEFENCE a.s.
CSG MOBILITY a.s.	08950181 file No. B 25126 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct		CZECHOSLOVAK GROUP a.s.
CSG RECOVERY s.r.o.	09579036 file No. C 338429 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	indirect		CSGM a.s.
CSE USA Inc.	117027146	14507 Kingsmill Way, Culpeper 22 701, Virginia	United States of America	indirect	on April 24, 2024, entity changed its business name – formerly CSG USA Inc. Disposal November 19, 2024	EXCALIBUR INTERNATIONAL a.s.
CSGM a.s.	01384694 file No. B 19596 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct		CZECHOSLOVAK GROUP a.s.
CZECH CAMOUFLAGE SYSTEMS a.s.	06135013 file No. B 22517 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	indirect		CSG Land Systems CZ a.s.
CZECH DEFENCE SYSTEMS a.s.	24147133 file No. B 17410 (Municipal Court in Prague)	Náměstí 14. října 1307/2, Smíchov, 150 00 Prague 5	Czech Republic	indirect		CSG Land Systems CZ a.s.
CZECHOSLOVAK EXPORT a.s.	04986512 file No. B 21489 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	indirect		CSG EXPORT a.s.
CZECHOSLOVAK GROUP POLSKA SP. Z O.O.	0001107436	UL. WSPÓLNA 62, Varšava, 00684	Poland	direct	from May 28, 2024	CZECHOSLOVAK GROUP a.s.
CZECHOSLOVAKIA TRADE a.s.	50018175 file No. Sa 10724/R (District Court in Trenčín)	Štúrova 925/27, 018 41 Dubnica nad Váhom	Slovak Republic	indirect		MSM GROUP, s.r.o.
DAKO-CZ EN, a.s.	19304307 file No. B 38869 (Regional Court in Hradec Králové)	Josefa Daňka 1956, 538 43 Třemošnice	Czech Republic	indirect		DAKO-CZ, a.s.
DAKO-CZ INDIA PRIVATE LIMITED	U35999TG2022PTC 162270	C408, Sterling Residency, Rmv Extn 2nd Stage, Near Dollars Colony, Bangalore North K, 560094	India	indirect		DAKO-CZ, a.s.
DAKO-CZ RE, s.r.o.	08741000 file No. C 44950 (Regional Court in Hradec Králové)	Josefa Daňka 1956, 538 43 Třemošnice	Czech Republic	indirect		DAKO-CZ, a.s.
DAKO-CZ SERVICE, s.r.o.	09243348 file No. C 45951 (Regional Court in Hradec Králové)	Josefa Daňka 1956, 538 43 Třemošnice	Czech Republic	indirect	until September 1, 2024 (dissolved by merger)	DAKO-CZ, a.s.

Business name	Identification number, registered in	Registered office	Country of incorporation	Control	Note	Direct controlling entity
DAKO-CZ TRANSELCO, s.r.o.	25733117 file No. C 47575 (Regional Court in Hradec Králové)	U Vápenky 562, 538 43 Třemošnice	Czech Republic	indirect	until September 1, 2024 (dissolved by merger)	DAKO-CZ, a.s.
DAKO-CZ, a.s.	46505091 file No. B 668 (Regional Court in Hradec Králové)	Josefa Daňka 1956, 538 43 Třemošnice	Czech Republic	indirect		CSG MOBILITY a.s.
DEFENCE SYSTEMS a.s.	07333544 file No. B 23691 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	indirect		CSG DEFENCE a.s.
DEFENCE TRADE SLOVAKIA, s.r.o.	51087723 file No. Sro 35274/R (District Court in Trenčín)	Kasárenská 8, 911 02 Trenčín	Slovak Republic	indirect		CSG Land Systems CZ a.s.
Development Přelouč s.r.o.	14267900 file No. C 49100 (Regional Court in Hradec Králové)	Tovární 1553, 535 01 Přelouč	Czech Republic	indirect		EXCALIBUR ARMY spol. s r.o.
ELDIS PARDUBICE INDIA PRIVATE LIMITED	U31900HR2021FTC 098031	876 Sector 15 Part II, Gurgaon Haryana Gurgaon, 122001	India	indirect		ELDIS Pardubice, s.r.o.
ELDIS Pardubice, s.r.o.	15050742 file No. C 524 (Regional Court in Hradec Králové)	Dělnická 469, Pardubičky, 533 01 Pardubice	Czech Republic	indirect		CSG AEROSPACE a.s.
ELTON hodinářská, a.s.	25931474 file No. B 2007 (Regional Court in Hradec Králové)	Náchodská 2105, 549 01 Nové Město nad Metují	Czech Republic	indirect		MADE CS a.s.
ENGINEERING SPV a.s.	06926827 file No. B 23253 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct		CZECHOSLOVAK GROUP a.s.
ENVERCOTE a.s.	09326928 file No. B 25497 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	indirect		CZECHOSLOVAK GROUP a.s.
EUROPEAN AIR SERVICES s.r.o.	29131987 file No. C 202310 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	indirect		EXCALIBUR INTERNATIONAL a.s.
EXCALIBUR ARMY HELLAS LTD	HE422321	Artemidos 5, 6020 Larnaca	Cyprus	indirect		EXCALIBUR ARMY spol. s r.o.
EXCALIBUR ARMY spol. s r.o.	64573877 file No. C 41695 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	indirect		CSG Land Systems CZ a.s.
EXCALIBUR DEFENCE SYSTEMS PRIVATE LIMITED	U35990DL2022PTC 394740	C-73, Fourth Floor, Gali No.5, Amritpurib, 110065 Delhi	India	indirect		EXCALIBUR ARMY spol. s r.o. (49%)
EXCALIBUR INTERNATIONAL a.s.	29289688 file No. B 20148 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct		CZECHOSLOVAK GROUP a.s.
EXCALIBUR USA a.s.	04407571 file No. B 20938 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct		CZECHOSLOVAK GROUP a.s.
FABRICA DE MUNICIONES DE GRANADA S.L.	B88295209	CTRA De Murcia S/N, 181 82 El Fargue, Granada	Spain	indirect		MSM GROUP s.r.o.

Business name	Identification number, registered in	Registered office	Country of incorporation	Control	Note	Direct controlling entity
Federal Cartridge Company	611-AA	900 Ethlen Drive, Anoka, Minnesota 55303	United States of America	indirect	from November 27, 2024	Vista Commercial Ammunition Company Inc.
Fiocchi Munizioni S.p.A.	00810220137	Via Santa Barbara 4, 23900 Lecco	Italy	indirect		LAIRAN SPV a.s. (70%), Giulio Fiocchi S.p.A. (25%) and Fiocchibi S.p.A. (5%)
Fiocchi of America Inc.	00250555	6930 North Freemont Road, 65721 Ozark, Missouri	United States of America	indirect		Fiocchi Munizioni S.p.A.
Fiocchi UK Limited	06221537	Raddle Farm, Raddle Lane, Edingale, WS13 8XA Staffordshire	United Kingdom	indirect		Lyalvale Express Limited
FulSpec Dynamics, Inc.		1209 Orange Street, Wilmington, New Castle, Delaware 19801	United States of America	indirect	from December 16, 2024	EXCALIBUR INTERNATIONAL a.s.
GAUSSIN S.A.	676250038	11 rue du 47ième RA, Héricourt, 70400	France	indirect		TABLON SPV a.s.
GERLENAIR a.s.	9326791 file No. B 25496 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct		CZECHOSLOVAK GROUP a.s.
HARVO Reality s.r.o.	14154013 file No. C 88122 (Regional Court in Ostrava)	Olomoucká 1841/175, 785 01 Šternberk	Czech Republic	indirect		EXCALIBUR ARMY spol. s r.o. (50%) and STV INVEST a.s. (50%)
HTH land a.s.	06143946 file No. B 22493 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct		CZECHOSLOVAK GROUP a.s.
INTEGRA CAPITAL a.s.	27528103 file No. B 21504 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct		CZECHOSLOVAK GROUP a.s.
JOB AIR Technic a.s.	27768872 file No. B 3029 (Regional Court in Ostrava)	Gen. Fajtl 370, 742 51 Mošnov	Czech Republic	indirect		CSG AEROSPACE a.s.
JWL DAKO-CZ (INDIA) LIMITED RN	U35990WB2017PLC 220921	11, Satyen Dutta Road, Kolkata, 700029	India	indirect		DAKO-CZ, a.s. (50%) and JUPITER WAGONS LIMITED (50%)
KARBOX Holding s.r.o.	27601374 file No. C 23915 (Regional Court in Hradec Králové)	Tovární 1553, 535 01 Přelouč	Czech Republic	direct		CZECHOSLOVAK GROUP a.s.
KARBOX s.r.o.	26002370 file No. C 19384 (Regional Court in Hradec Králové)	Tovární 1553, 535 01 Přelouč	Czech Republic	indirect		KARBOX Holding s.r.o.
KARMONIKA AERO a.s.	09588817 file No. B 25734 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct		CZECHOSLOVAK GROUP a.s.
KONVERTIAL SPV a.s.	09269649 file No. B 25371 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct		CZECHOSLOVAK GROUP a.s.
Kopřivnice Energy s.r.o.	05431905 file No. C 263563 (Municipal Court in Prague)	Sokolovská 675/9, Karlín, 186 00 Prague 8	Czech Republic	indirect		TATRA TRUCKS a.s. (50%) and TATRA a.s. (50%)

Business name	Identification number, registered in	Registered office	Country of incorporation	Control	Note	Direct controlling entity
LAIRAN SPV a.s.	14141663 file No. B 26983 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	indirect		CSG Ammo+ a.s.
LBP 80 S.r.l.	13235020966	Corso Italia 22, 20122 Milano	Italy	direct		CZECHOSLOVAK GROUP a.s.
LIAZ TRUCKS a.s.	06710697 file No. B 23100 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct		CZECHOSLOVAK GROUP a.s.
LOSTR a.s.	05197104 file No. B 21657 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct		CZECHOSLOVAK GROUP a.s.
Lyalvale Express Limited	03485334	Express Estate, Fisherwick Nr. Whittington, Lichfield, WS13 8XA Staffordshire	United Kingdom	indirect		Fiocchi Munizioni S.p.A.
MADE CS a.s.	05057779 file No. B 21533 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct		CZECHOSLOVAK GROUP a.s.
MANDURIA TRADE a.s.	19781229 file No. B 28407 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct		CZECHOSLOVAK GROUP a.s.
MATIS z.a.o.	1024601215253	307170, Kursk Region, Zheleznogorsk, ul. Gagarina, d. 24	Russian Federation	indirect		TATRA TRUCKS a.s.
MEDHA DAKO-CZ PRIVATE LIMITED	U35999TG2022PTC 162270	P-4/5B, Ida, Nacharam, Hyderabad, Telengana, 500076, India	India	indirect		DAKO-CZ INDIA PRIVATE LIMITED (50%) and MEDHA SERVO DRIVES PRIVATE LIMITED (50%)
MEFITIS TRADE a.s.	18008089 file No. B 27936 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct		CZECHOSLOVAK GROUP a.s.
MERIT SPV a.s.	06977545 file No. B 23278 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	indirect		TRADITION CS a.s.
Milconn, a.s.	07588470 file No. B 8101 (Municipal Court in Prague)	Huštěnovská 2022, 68 603 Staré Město	Czech Republic	direct		CZECHOSLOVAK GROUP a.s.
MSM - OPTICAL s.r.o.	52070972 file No. Sro 37466/R (District Court in Trenčín)	Štúrova 925/27, 018 41 Dubnica nad Váhom	Slovak Republic	indirect		MSM GROUP s.r.o.
MSM EXPORT, s.r.o.	48006122 file No. Sro 34344/R (District Court in Trenčín)	Štúrova 925/27, 018 41 Dubnica nad Váhom	Slovak Republic	indirect		MSM GROUP s.r.o.
MSM GREECE Ltd.	178533401000	Zalokosta 5, Ground Floor, Office no. 2, Athény, Greece	Greece	indirect	from July 22, 2024	MSM GROUP s.r.o.
MSM GROUP KAZAKHSTAN LLP	221140030101	Astana, Dostyk 16	Kazakhstan	indirect		MSM GROUP s.r.o. (50%) and Gambarov Yasaf (50%)
MSM Group North America Inc.		251 Little Falls Drive, 19808, Wilmington	United States of America	Indirect	from December 11, 2024	MSM North America Holdings LLC

Business name	Identification number, registered in	Registered office	Country of incorporation	Control	Note	Direct controlling entity
MSM GROUP s.r.o.	46553509 file No. Sro 31197/R (District Court in Trenčín)	Štúrova 925/27, 018 41 Dubnica nad Váhom	Slovak Republic	indirect		CSG DEFENCE a.s.
MSM LAND SYSTEMS s.r.o.	36396711 file No. Sro 34630/R (District Court in Trenčín)	Kasárenská 8, 911 05 Trenčín	Slovak Republic	indirect		CSG Land Systems CZ a.s.
MSM Martin, s.r.o.	36422991 file No. Sro 30764/R (District Court in Trenčín)	Štúrova 925/27, 018 41 Dubnica nad Váhom	Slovak Republic	indirect		MSM GROUP s.r.o.
MSM North America Holdings LLC		251 Little Falls Drive, 19808, Wilmington	United States of America	indirect	from December 11, 2024	MSM GROUP s.r.o.
MSM Services, s.r.o.	50926748 file No. Sro 34828/R (District Court in Trenčín)	Štúrova 925/27, 018 41 Dubnica nad Váhom	Slovak Republic	indirect		MSM GROUP s.r.o.
MSM SPV I, s. r. o.	56390637 file No. Sro 47252/R (District Court in Trenčín)	Štúrova 925/27, 018 41 Dubnica nad Váhom	Slovak Republic	indirect	from July 17, 2024	MSM GROUP s.r.o.
MSM SPV II, s. r. o.	56390840 file No. Sro 47253/R (District Court in Trenčín)	Štúrova 925/27, 018 41 Dubnica nad Váhom	Slovak Republic	indirect	from July 17, 2024	MSM GROUP s.r.o.
MSM SPV III, s. r. o.	56533675 file No. Sro 47550/R (District Court in Trenčín)	Štúrova 925/27, 018 41 Dubnica nad Váhom	Slovak Republic	indirect	from October 1, 2024	MSM GROUP s.r.o.
MSM SPV IV, s. r. o.	56533861 file No. Sro 47551/R (District Court in Trenčín)	Štúrova 925/27, 018 41 Dubnica nad Váhom	Slovak Republic	indirect	from October 1, 2024	MSM GROUP s.r.o.
MSM SPV V, s. r. o.	56533772 file No. Sro 47552/R (District Court in Trenčín)	Štúrova 925/27, 018 41 Dubnica nad Váhom	Slovak Republic	indirect	from October 1, 2024	MSM GROUP s.r.o.
NC Bomlitz GmbH	HRB 297395	Jungfernturmstraße 2, 80333, München	Germany	Indirect	from October 4, 2024	MSM GROUP s.r.o.
NIKA Development a.s.	27528910 file No. B 23310 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct		CZECHOSLOVAK GROUP a.s.
Perazzi USA, Inc.	1610674	1010 W. Tenth st., Azusa, California, 91702	United States of America	indirect		Armi Perazzi S.p.A.
PLATINUM DEFENCE a.s.	17120080 file No. B 27270 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	Indirect	from April 2, 2024	CSG Land Systems CZ a.s.
POCKET VIRTUALITY a.s.	06202365 file No. B 22619 (Municipal Court in Prague)	Jankovcova 1566/2b, Holešovice, 170 00 Prague 7	Czech Republic	indirect		CSG AEROSPACE a.s.
PPS VEHICLES, s.r.o.	36032646 file No. Sro 43004/R (District Court in Trenčín)	Štúrova 925/27, 018 41 Dubnica nad Váhom	Slovak Republic	indirect		MSM GROUP s.r.o.
Prague Fertility Centre s.r.o.	28956095 file No. C 155686 (Municipal Court in Prague)	Sokolovská 810/304, Vysočany, 190 00 Prague 9	Czech Republic	indirect		CSG HEALTH CARE a.s.

Business name	Identification number, registered in	Registered office	Country of incorporation	Control	Note	Direct controlling entity
Presto Tech Horizons a.s.	22399127 file No. B 29388 (Municipal Court in Prague)	Dušní 8/11, Josefov, 110 00 Prague 1	Czech Republic	indirect	from December 21, 2024	CSG Horizons a.s.
PROGRESS SPV a.s.	06710875 file No. B 23102 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct		CZECHOSLOVAK GROUP a.s.
PTH Services s.r.o.	22399313 file No. C 416140 (Municipal Court in Prague)	Dušní 8/11, Josefov, 110 00 Prague 1	Czech Republic	indirerct	from December 21, 2024	Presto Tech Horizons a.s.
RADIATIK a.s.	02751402 file No. B 19664 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct		CZECHOSLOVAK GROUP a.s.
Real Info d.o.o. Kruševac	20877529	Jasički Put 2, 370 00 Kruševac	Serbia	indirect		14. OKTOBAR d.o.o. Kruševac
REAL TRADE PRAHA a.s.	25642740 file No. B 5185 (Municipal Court in Prague)	Náměstí 14. října 1307/2, Smíchov, 150 00 Prague 5	Czech Republic	indirect		CSG Land Systems CZ a.s.
REALID SPV a.s.	17119928 file No. B 27266 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct		CZECHOSLOVAK GROUP a.s.
ReDat Recording, a.s.	05648114 file No. B 3523 (Regional Court in Hradec Králové)	Pražská 341, Zelené Předměstí, 530 02 Pardubice	Czech Republic	indirect		RETIA, a.s.
Regionální muzeum v Kopřivnici, o.p.s.	25394508 file No. O 30 (Regional Court in Ostrava)	Záhumenní 367/1, 742 21 Kopřivnice	Czech Republic	indirect		TATRA TRUCKS a.s. (50%) and UNICAPITAL ENERGY s.r.o. (50%)
Remington Licensing Corporation	2124924	900 Ethlen Drive, Anoka, 553 03 Minnesota	United States of America	Indirect	from November 27, 2024	Ammunition Operations LLC
RELAZA SPV a.s.	17118034 file No. B27262 (Municipal Court in Prague)	Na Poříčí 1071/17, Nové Město, 110 00 Prague 1	Czech Republic	direct	until February 26, 2024	CZECHOSLOVAK GROUP a.s.
RETIA, a.s.	25251929 file No. B 1440 (Regional Court in Hradec Králové)	Pražská 341, 530 02 Pardubice	Czech Republic	indirect		TECHNOLOGY CS a.s.
Rheinmetall Landsysteme s.r.o.	09674802 file No. C 86849 (Regional Court in Ostrava)	Ovocný trh 1096/8, Staré Město, 110 00 Prague 1	Czech Republic		In liquidation from June 21, 2024	Rheinmetall Landsysteme GmbH
SBS ZVS, s.r.o.	36306070 file No. Sro 11273/R (District Court in Trenčín)	Štúrova 1, 018 41 Dubnica nad Váhom	Slovak Republic	indirect		ZVS holding, a.s.
SHER Technologies a.s.	27528171 file No. B 2669 (Regional Court in Hradec Králové)	Čepí č.p. 101, 533 32 Čepí	Czech Republic	indirect		CSG DEFENCE a.s.
Slovak Aviation Factory, s.r.o.	50885201 file No. Sro 34705/R (District Court in Trenčín)	Štúrova 925/27, 018 41 Dubnica nad Váhom	Slovak Republic	indirect		MSM GROUP s.r.o.
Slovak industry s.r.o.	51106957 file No. Sro 35302/R (District Court in Trenčín)	Štúrova 925/27, 018 41 Dubnica nad Váhom	Slovak Republic	indirect		MSM GROUP s.r.o.

Business name	Identification number, registered in	Registered office	Country of incorporation	Control	Note	Direct controlling entity
Sondany s.r.o.	4548418 file No. C 249408 (Municipal Court in Prague)	Sokolovská 810/304, Vysočany, 190 00 Prague 9	Czech Republic	indirect		Prague Fertility Centre s.r.o.
Space T a.s.	08655600 file No. B 24808 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	indirect		CSG AEROSPACE a.s.
STA TECHNOLOGY, s.r.o.	50479717 file No. Sro 33646/R (District Court in Trenčín)	Štúrova 925/27, 018 41 Dubnica nad Váhom	Slovak Republic	indirect		MSM GROUP s.r.o. (50%) and EURENCO Holding SA (50%)
STALUNA TRADE a.s.	19781326 file No. B 28408 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct		CZECHOSLOVAK GROUP a.s.
TABLON SPV a.s.	08950504 file No. B 25128 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct		CZECHOSLOVAK GROUP a.s.
Target Products 1978 Ltd.	9429040363806	Offices of Noone Ford Simpson, Chartered Accountants, 18 Woolcombe Street	New Zealand	indirect		Fiocchi Munizioni S.p.A.
TATRA a.s.	17120209 file No. B 27271 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct		CZECHOSLOVAK GROUP a.s.
TATRA AVIATION a.s.	03999203 file No. B 20535 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct		CZECHOSLOVAK GROUP a.s.
TATRA CLASSIC s.r.o.	19210221 file No. C 92271 (Regional Court in Ostrava)	Areál Tatry 1450/1, 742 21 Kopřivnice	Czech Republic	indirect		TATRA TRUCKS a.s.
TATRA DEFENCE PROJECTS s.r.o.	14316226 file No. C 363750 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	indirect		TATRA DEFENCE VEHICLE a.s.
TATRA DEFENCE SLOVAKIA s.r.o.	50755749 file No. Sro 34330/R (District Court in Trenčín)	Kasárenská 8, 911 05 Trenčín	Slovak Republic	indirect		CSG Land Systems CZ a.s. (51%) and TATRA TRUCKS a.s. (49%)
TATRA DEFENCE SYSTEMS s.r.o.	08993289 file No. C 328828 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	indirect		TATRA DEFENCE VEHICLE a.s.
TATRA DEFENCE VEHICLE a.s.	24152269 file No. B 17463 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	indirect		CSG Land Systems CZ a.s.
TATRA EURASIA t.o.o.	140440015189	Prospekt Dostyk, 180, kv. 202, Almaty, Medeuskij rajon	Kazakhstan	indirect		TATRA EXPORT s.r.o. (36%), Ing. Richard Harazim (34%) and MDA Group (30%)
TATRA EXPORT s.r.o.	27388816 file No. C 29456 (Regional Court in Ostrava)	Areál Tatry 1450/1, 742 21 Kopřivnice	Czech Republic	indirect		TATRA TRUCKS a.s.
TATRA MACHINERY s.r.o.	14364255 file No. C 88795 (Regional Court in Ostrava)	Areál Tatry 1450/1, 742 21 Kopřivnice	Czech Republic	indirect		TATRA TRUCKS a.s.

Business name	Identification number, registered in	Registered office	Country of incorporation	Control	Note	Direct controlling entity
TATRA MANUFACTURE a.s.	05127394 file No. B 21580 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct		CZECHOSLOVAK GROUP a.s.
TATRA METALURGIE a.s.	03667952 file No. B 10641 (District Court in Ostrava)	Areál Tatry 1450/1, 742 21 Kopřivnice	Czech Republic	indirect		TATRA TRUCKS a.s.
TATRA Slovensko spol. s r.o.	31364578 file No. Sro 50571/S (District Court in Banská Bystrica)	Trňanská 2, 960 01, Zvolen	Slovak Republic	indirect		TATRA TRUCKS a.s.
TATRA TRUCKS a.s.	01482840 file No. B 10443 (Municipal Court in Prague)	Areál Tatry 1450/1, 742 21 Kopřivnice	Czech Republic	indirect		NIKA Development a.s. (65%) and PROMET TOOLS a.s. (35%)
TATRA TRUCKS GULF COMMERCIAL BROKERS L.L.C.	351853	Khalifa Bin Zayed The First Street, Abu Dhabi	United Arab Emirates	indirect		TATRA TRUCKS a.s. (49%) and Hazza Mohammed Yahya Mohammed Aldhaheiri (51%)
TATRA TRUCKS INDIA PRIVATE LIMITED	U35900DL2016FTC 289353	1st Floor, A-83 Okhla Phase-2, 110020 New Delhi	India	indirect		TATRA TRUCKS a.s. (90%) and TATRA EXPORT a.s. (10%)
TATRA VOSTOK, OOO	1147746805910	ulitsa Pochtovaya B., d. 26V, of, POMESCHENIE I KOMNATA 14, 105082 Moscow	Russian Federation	indirect		TATRA TRUCKS a.s.
TATRABRAS LTDA	38045562000124	BR-376, KM 503, AVENIDA TATRA, PONTA GROSSA, PARANÁ, KM 503	Brazil	indirect		TATRA TRUCKS a.s.
TECHNOLOGY CS a.s.	05774888 file No. B 22200 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	indirect		CSG AEROSPACE a.s.
TEHPARK Hradubická a.s.	27519546 file No. B 28869 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct		CZECHOSLOVAK GROUP a.s.
The Kinetic Group Operations LLC	4079980	900 Ethlen Drive, Anoka, 553 03 Minnesota	United States of America	indirect	from November 27, 2024	Vista Outdoor Inc.
TRADITION CS a.s.	06079598 file No. B 22466 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	indirect		CSG AEROSPACE a.s.
TRIBLAN a.s.	09237321 file No. B 25379 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	indirect	until September 1, 2024 (dissolved by merger)	CSG MOBILITY a.s.
TRUCK MACHINERY GROUP a.s.	10743952 file No. B 11386 (Regional Court in Ostrava)	Matušková 1929/10, Slezská Ostrava, 710 00 Ostrava	Czech Republic	Indirect	on November 1, 2024, entity changed its business name – formerly DAKO-CZ MACHINERY, a.s.	DAKO-CZ, a.s.
TRUCK SERVICE GROUP s.r.o.	60110759 file No. C 5438 (Regional Court in Hradec Králové)	Tovární 1553, 535 01 Přelouč	Czech Republic	direct		CZECHOSLOVAK GROUP a.s.
UpVision Defence s.r.o.	7723997 file No. C 306321 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	indirect		UpVision s.r.o.

Business name	Identification number, registered in	Registered office	Country of incorporation	Control	Note	Direct controlling entity
UpVision s.r.o.	28443748 file No. C 141923 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	indirect		TRADITION CS a.s.
VENILIA TRADE a.s.	18007953 file No. B 27935 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct		CZECHOSLOVAK GROUP a.s.
Virte, a.s.	35917491 file No. Sa 10739/R (District Court in Trenčín)	Štúrova 925/27, 018 41 Dubnica nad Váhom	Slovak Republic	indirect		MSM GROUP s.r.o.
Vista Commercial Ammunition Company Inc.	3459049	900 Ethlen Drive, Anoka, 553 03 Minnesota	United States of America	indirect	from November 27, 2024	The Kinetic Group Operations LLC
Vista Outdoor Inc.	5522245	1 Vista Way, Anoka, 553 03 Minnesota	United States of America	indirect	from November 27, 2024	CSG Elevate II Inc.
Vista Outdoor Sales LLC	5469986	1 Vista Way, Anoka, 553 03 Minnesota	United States of America	indirect	from November 27, 2024	Federal Cartridge Company
VMT Trade, s.r.o.	50927477 file No. Sro 40688/R (District Court in Trenčín)	Štúrova 925/27, 018 41 Dubnica nad Váhom	Slovak Republic	indirect		MSM GROUP s.r.o.
VOP Nováky, a.s.	35820322 file No. Sa 10564/R (District Court in Trenčín)	Duklianska 60, 972 71 Nováky	Slovak Republic	indirect		MSM GROUP s.r.o.
VORNEA SPV s.r.o.	06981119 file No. C 291189 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct		CZECHOSLOVAK GROUP a.s.
VÝVOJ Martin, a.s.	36381829 file No. Sa 10119/L (District Court in Žilina)	Komenského 19, 036 01 Martin	Slovak Republic	indirect		MSM GROUP s.r.o.
ZVS holding, a.s.	36305600 file No. Sa 10152/R (District Court in Trenčín)	Štúrova 925/27, 018 41 Dubnica nad Váhom	Slovak Republic	indirect		MSM GROUP s.r.o.
ZVS IMPEX, akciová spoločnosť	36302848 file No. Sa 10104/R (District Court in Trenčín)	Štúrova 925/27, 018 41 Dubnica nad Váhom	Slovak Republic	indirect		MSM GROUP s.r.o.
ZVS technology, s.r.o.	50754793 file No. Sro 34344/R (District Court in Trenčín)	Štúrova 925/27, 018 41 Dubnica nad Váhom	Slovak Republic	indirect		ZVS IMPEX, akciová spoločnosť (34%), Miroslav Solava (46%) and METALIKA-AB Ltd (20%)

Companies in which Mr. Michal Strnad is the ultimate controlling person

Michal Strnad directly or indirectly controls the entities listed below:

Business name	Identification number, registered in	Registered office	Country of incorporation	Control	Note	Direct controlling entity
ABLESTAR a.s.	09237488 file No. B 25381 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct		Michal Strnad
ALTAVIA TRADE a.s.	19781466 file No. B 28410 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct		Michal Strnad
ALTIOR RE a.s.	14004283 file No. B 26813 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct		Michal Strnad
ASALTA TRADE a.s.	19781415 file No. B 28409 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct		Michal Strnad
ASSET SPV a.s.	06979505 file No. B 23337 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct		Michal Strnad
AURUM DEFENCE a.s.	17120349 file No. B 27272 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct		Michal Strnad
Banoss s.r.o.	28848 373 file No. C 30778 (Regional Court in Hradec Králové)	Smilova 386, Zelené Předměstí, 530 02 Pardubice	Czech Republic	indirect		CASERMANIX s.r.o.
BatteryCells a.s.	06861041 file No. B 23216 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct		Michal Strnad
CASERMANIX s.r.o.	01618377 file No. B 209337 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct		Michal Strnad
Cognus Solutions, s.r.o.	02845474 file No. C 224442 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	indirect		PROJECT SPV a.s.
CSG AUTOMOTIVE	07880316 file No. B 24189 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	indirect		DEVELOP SPV a.s.
CSG FIN a.s.	14141442 file No. B 26982 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct		Michal Strnad
DEFENCE SPV a.s.	06861318 file No. B 23220 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct		Michal Strnad
DEVELOP SPV a.s.	06594786 file No. B 22989 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct		Michal Strnad

Business name	Identification number, registered in	Registered office	Country of incorporation	Control	Note	Direct controlling entity
HELA GROUP s.r.o.	24256382 file No. C 197399 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct		Michal Strnad
INDUSTRY INNOVATION a.s.	01771892 file No. B 19432 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct	until September 1, 2024 (dissolved by merger)	Michal Strnad
SFBS Real Estate a.s.	06185878 file No. B 22602 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct	From February 7, 2025 renamed	Michal Strnad
INDUSTRY SPV SK s.r.o.	54247829 file No. Sro 42910/R (District Court in Trenčín)	Štúrova 925/27, 018 41 Dubnica nad Váhom	Slovak Republic	indirect		INDUSTRY SPV a.s.
INDUSTRYIN a.s.	05595240 file No. B 21960 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct		Michal Strnad
INNOVATION CS a.s.	01852515 file No. B 22092 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct		Michal Strnad
Karlova Offices s.r.o.	17253187 file No. C 384383 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	indirect		TALASIOUS a.s.
Majestic Hospitality s.r.o.	22392181 file No. C 415941 (Municipal Court in Prague)	Evropská 2690/17, Dejvice, 160 00 Prague 6	Czech Republic	indirect	from December 19, 2024	INDUSTRY SPV a.s.
Malba, výrobní družstvo	16325931 file No. Dr 9108 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	indirect	from June 12, 2024	CASERMANIX s.r.o.
PALATUA a.s.	17834422 file No. B 27813 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct		Michal Strnad
PLATINUM DEFENCE a.s.	17120080 file No. B 27270 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct	until April 2, 2024	CSG Land Systems CZ a.s.
PROJECT SPV a.s.	06185771 file No. B 22601 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct		Michal Strnad
SYNERGY CS a.s.	06072585 file No. B 22465 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct		Michal Strnad
Špindlerův Mlýn Investment s.r.o.	08898219	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	indirect	from June 26, 2024	INDUSTRY SPV a.s.
TALASIOUS a.s.	17834643 file No. B 27814 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct		Michal Strnad
TESLA CS a.s.	13982 656 file No. B 26799 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct		Michal Strnad

Business name	Identification number, registered in	Registered office	Country of incorporation	Control	Note	Direct controlling entity
TESLA RADARS a.s.	06861083 file No. B 23217 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct		Michal Strnad
TITANIUM DEFENCE a.s.	17120021 file No. B 27269 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct		Michal Strnad
VELOGRES SPV a.s.	10743 901 file No. B 26241 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	indirect		HELA GROUP s.r.o.
YTARA SPV a.s.	11858 087 file No. B 26640 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Prague 8	Czech Republic	direct		Michal Strnad

Annual Report

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