

## **CZG – Česká zbrojovka Group SE achieved record revenues of CZK 5.0 bn in the first nine months of 2020**

**Prague (24 November 2020)** — CZG - Česká zbrojovka Group SE ("CZG", the "Group" or the "Company") today announced its consolidated unaudited financial results for the nine months ended 30 September 2020.

### **9M 2020 Financial Highlights**

- The Group's revenues for the first three quarters of 2020 amounted to CZK 5.0 bn, up by 10.2% y-o-y, mainly due to higher number of firearm units sold as a result of the strong demand for CZG products, particularly in the United States.
- Operating profit in the first three quarters of 2020 was CZK 815.7 million, up by 10.2% compared to the first three quarters of 2019, driven by higher revenues.
- EBITDA<sup>1</sup> from continued operations reached CZK 952.4 million in the first nine months of 2020, down 7.7% y-o-y. The decrease was mainly caused by the revaluation of the FX hedging instruments due to the significant depreciation of CZK against both EUR and USD.
- The number of sold firearm units in the first three quarters of 2020 increased compared to the same period in 2019, reaching 337,489 units sold, which represents an increase of 18.1% y-o-y.
- Revenues generated in the USA represented 70 % share on total Group's revenues in the 9M 2020, followed by Europe (excl. Czech Republic) with a 9.7 %, the Czech Republic with 6.8 %. The share of the Asian revenues was 6.2%, Africa represented 4.4 % and 2.9% was rest of the world.
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*"Despite the challenging economic conditions of this year, which have caused complications in production and logistics to many, we have managed to keep the pace of our sales at a very good level and, at the same time, not lag behind in the preparation of our new products for the market," commented **Lubomír Kovařík, President and Chairman of the Board of CZG.** "This year's new products include the CZ P-10 Micro pistol, the CZ TS 2 sport pistol series, three new CZ 457 rimfire rifles and other products intended for Military and Law Enforcement. Even in difficult times of the covid-19 pandemic, we are able to bring top-level products to the market," added Kovařík.*

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<sup>1</sup> EBITDA from continued operations is not a measure of performance defined or recognized under IFRS. The Group calculates EBITDA from continued operations as post-tax profit for the period less post-tax profit from discontinued operations plus income tax less interest income plus interest expenses plus depreciation and amortization.

**Jan Drahota**, Vice-Chairman of the Board of Directors of CZG, said: *“Our Group continues to grow strongly. The achieved results are robust in all key indicators, especially in revenues, operating profit, firearm units produced and sold. This is really remarkable considering the unprecedented global uncertainty caused by the covid-19 pandemic. CZG is perfectly placed to successfully achieve its vision to become a truly global player in the firearms industry thanks to its robust business model, strong financial performance, and overall market position.”*

### **About CZG - Česká zbrojovka Group SE**

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

CZG is headquartered in the Czech Republic. It has production facilities in the Czech Republic and in the United States and employs around 1,625 people in the Czech Republic, the United States and Germany.

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