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**ADVERTISEMENT.** This announcement is an advertisement for the purposes of Regulation (EU) 2017/1129, as amended (the "Prospectus Regulation") relating to the intention of the Company (as defined below) to proceed with the Offering (as defined below) and Admission (as defined below). This announcement does not constitute or form part of a prospectus. This announcement is for information purposes only and is not intended to constitute, and should not be construed as, an offer to sell or a solicitation of any offer to buy Shares (as defined below) in any jurisdiction, including the United States, Australia, Canada or Japan.

If and when the Offering is launched, further details about the Offering and Admission will be included in a prospectus to be issued by the Company (the "Prospectus"). Once the Prospectus has been approved by the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the "AFM"), the Prospectus will be published and made available at no cost at the start of the offer period through the corporate website of the Company (<https://czechoslovakgroup.com/en/for-investors>), subject to securities law restrictions in certain jurisdictions. An offer to acquire Shares pursuant to the Offering will be made, and any potential investor should make their investment, solely on the basis of information that will be contained in the Prospectus. Potential investors should read the Prospectus before making an investment decision in order to fully understand the potential risks and rewards associated with any decision to invest in Shares. The approval of the Prospectus by the AFM should not be understood as an endorsement of the quality of the Shares and the Company



CSG B.V.

## CZECHOSLOVAK GROUP announces planned IPO

- One of Europe's fastest growing defence companies, a critical long-term supplier to NATO states and partners, and expanding global customer footprint, serving 70+ countries<sup>1</sup>
- Key manufacturer and supplier of a wide range of products including medium and large calibre ammunition, Land Systems, Defence Electronics, Advanced Systems and small calibre ammunition
- Exposure to the highest priority defence segments, with core addressable market expected to outgrow the defence supercycle, growing at a double digit CAGR between 2025 and 2030<sup>2</sup>
- Ideally positioned with scale and market leading positions in core business - #2 European medium / large calibre ammunition player and #1 small-calibre ammunition player globally
- Highly entrenched and diversified global footprint with 39 manufacturing facilities
- Excellent topline visibility from c.€32 billion backlog and pipeline<sup>3</sup> and strong profitability with 24%<sup>4</sup> Adjusted Operating EBIT margin
- Significant upside from tangible organic opportunities and unique M&A track record – with 126%<sup>5</sup> Revenue CAGR between 2022 and 2024 and 5 major acquisitions in the past 5 years
- Experienced management team delivering consistent growth and global expansion, with one-tier board structure to be adopted and appointment of experienced independent directors
- Offering expected to take place in the coming weeks, subject to market conditions and is expected to consist of a sale of newly issued Shares for €750 million and Existing Shares from the Selling Shareholder, whose amount is to be determined. Cornerstone commitments received from Artisan Partners, certain funds and accounts under the management of BlackRock and Al-Rayyan Holding (a wholly owned subsidiary of Qatar Investment Authority) for an aggregate amount of €900m
- Intended listing and admission to trading on the regulated market operated by Euronext Amsterdam

**Prague, 14 January 2026** - CZECHOSLOVAK GROUP a.s. (the "Group" or "CSG"), a leading defence group based in Prague, Czech Republic, operating in Europe, the United States and in other regions including Asia Pacific, today announces its intention to launch an initial public offering of CSG B.V. (the "Company"), which is expected to be converted into a public limited liability company, and apply for admission to listing and trading of the Company's ordinary shares (the "Offer Shares") on Euronext Amsterdam, the regulated market operated by Euronext Amsterdam N.V. ("Admission").

The initial public offering (the "IPO" or the "Offering") is expected to consist of an issuance of new Shares for €750 million (the "Capital Increase") by the Company and the sale of Existing Shares by CSG FIN a.s. (the "Selling Shareholder") the amount of which will be determined at a later stage. The Company will receive the net proceeds from the issuance of the New Shares. The Company intends to use the net proceeds received by it from the Offering for general corporate purposes. The Selling Shareholder will receive proceeds from the sale of the Sale Shares and/or the sale of any Over-allotment Shares.

The Company has received cornerstone commitments from Artisan Partners Limited Partnership as investment manager on behalf of certain funds and accounts managed by the Artisan Partners Global Equity Team, certain funds and accounts under the management of BlackRock, and Al-Rayyan Holding LLC (a wholly owned subsidiary of Qatar Investment Authority), for an aggregate amount of €900m. These commitments are subject only to the successful completion of the IPO and customary conditions. The Offering is expected to take place in the coming weeks, subject to market conditions and other relevant considerations.

**Michal Strnad, Chairman, comments:**

"CSG has successfully grown through organic growth and strategic acquisitions to become one of the leading global defence groups, supplying a diversified range of products to key long-term customers in Europe, the United States and other regions including Asia Pacific. The Group stands to benefit from an accelerating trend of global defence spending and its specific expertise across a range of areas, including land vehicles, weapons systems, defence electronics, and advanced systems for UAVs and long-range missiles which is closely aligned to the strategic priorities of its customers. We believe an IPO of CSG would elevate the profile of the Group within the international investment community, providing additional financial flexibility and diversity of funding sources to support further growth."

**One of Europe's fastest growing defence companies, a critical long-term supplier to NATO states and partners**

CSG sells its products to key long-term customers, ranging from government bodies (principally NATO members), including ministries of defence, to well-established companies in the Group's target industries in over 70 countries worldwide. The Group maintains a strong presence within Europe and NATO, and approximately 68% of the Group's revenues were derived from NATO countries for the nine months ended September 30, 2025 and the year ended December 31, 2024 on a pro forma basis for the Kinetic Acquisition.

The Group is the second largest medium- and large-calibre ammunition producer in Europe and largest small-calibre ammunition producer globally by sales with 35% and 13% market share, respectively<sup>6</sup>. The Group believes that the continued increases in defence spending across Europe and NATO member states further reinforce the long-term outlook for its capabilities and strategic relevance in these regions. The Group stands to benefit from the restocking of European and NATO munitions stockpiles, with the current total European stockpile of 155mm artillery fleet at 10% of the NATO standard<sup>7</sup>.

The Group's Defence segment contracts are typically long-term. Many of the Group's contracts for medium- and large-calibre ammunition typically range from three to four years, with some contracts extending for longer than this (up to approximately six years), which reflects customers' desire for longer-term supply certainty in a capacity-constrained market. Land Systems contracts are for a

minimum of three years and typically range from five to seven years, and defence electronics product support.

The Group's global footprint comprises 39 manufacturing facilities based in the Czech Republic, India, Italy, Serbia, Slovakia, Spain, the United Kingdom and the United States.

### **Exposure to the highest priority defence segments, with core addressable market expected to outgrow the defence supercycle**

The Group is a manufacturer and supplier of a wide range of products including M&L calibre ammunition (for combat vehicles, artillery and tanks), Land Systems (such as military, wheeled and tracked vehicles, heavy off-road trucks, and weapon systems), Defence Electronics (for surveillance, communications and command and control missions sets) and Advanced Systems (such as key systems for UAVs and long-ranged missile systems, including small form-factor turbojet, turboshaft and turbofan propulsion systems).

During the nine-month period ending September 30, 2025, approximately 79% of the Group's revenues within its Defence Systems segment were generated from sales contracts with governments or government agencies or where the ultimate owner is a government or government agency.

The Group expects to benefit from a defence spending supercycle, driven by increasing global uncertainty and elevated investments in defence from European and NATO governments, compared to historical levels. In The Hague Declaration of June 2025, NATO Allies committed to spending 5% of GDP annually on defence and security related spending by 2035. Within this 5% target, NATO Allies committed to allocate at least 3.5% of GDP annually to resource core defence requirements by 2035 (compared to the prior 2.0% target).

Renaissance Strategic Advisors ("RSA") estimate that this supercycle will result in European defence budgets increasing at a 9% compound annual growth rate between 2025 and 2030, compared to growth in global defence budgets which is estimated at a 5% compound annual growth rate.

RSA estimate that the Group's core addressable market is expected to outgrow the defence supercycle, growing at a double digit CAGR between 2025 and 2030. The Group's core addressable market is defined as geographic European markets and customers including the United Kingdom.

### **Strong topline visibility from all-time high backlog & pipeline and a track record of strong profitability**

The Group recorded a 126% pro forma revenue CAGR between 2022 and 2024, as a result of a series of M&A transactions to accelerate growth in new and existing segments and reflecting strong conversion of backlog into revenue.

As of September 30, 2025, the Group's total confirmed backlog was c.€14 billion, with total opportunities of c.€32 billion comprising confirmed backlog and pipeline under negotiation.

The Group believes it has established a track record of strong profitability with 24%<sup>8</sup> Adjusted Operating EBIT margin, which is in excess of comparable European defence sector peers.

The Company currently targets a dividend payout ratio of approximately 30–40% of net profit, payable from 2027, subject to Board approval and prevailing market conditions. This target is indicative only and does not constitute a commitment.

### **Strong revenue growth, profitability and recent order intake**

As of 9M 2025, CSG reported revenues of €4.5 billion (+82% year-on-year on a pro-forma basis), Operating EBITDA of €1.2 billion (+79% YoY) and an Operating EBITDA margin of 26.4%

For the nine months ended September 30, 2025, the Group's revenues were €4,485.3 million (+82% year-on-year on a pro-forma basis), and Adjusted Operating EBIT was €1,097.6 million (+79% year-on-year on a pro-forma basis), with an Adjusted Operating EBIT margin of 24.5%. During this period, 75% of revenues were derived from sales in Europe (with Ukraine constituting 26% of overall sales), 18% from the United States, and 6% from the rest of the world. Revenues by end market for the nine months ended September 30, 2025 was split as follows: 79% from defence, 19% from civil, and 2% from industrial non-defence sectors.

Contracts secured by the Group in Q4 2025 include:

- In December 2025 the Group secured a contract valued at several hundred million US dollars to supply small-calibre ammunition to the Ministry of Defence of a Southeast Asian state
- In December 2025, Tatra Defence, a member of the Group, signed a strategic contract with KNDS Deutschland for the production of hulls for Leopard 2A8 main battle tanks
- In December 2025 Tatra Defence Slovakia, a member of the Group, was awarded a \$1bn+ production contract for 4,000 Tatra vehicles for a South-East Asian client
- The Group's Slovak subsidiary ZVS Holding secured a framework agreement with Slovakia's Ministry of Defence in December 2025 to supply up to €58 billion worth of large and medium-calibre ammunition to Slovakia and other EU member states over seven years

**Owner-led company with experienced management team delivering consistent growth and global expansion, with one-tier board structure to be adopted**

Under the leadership of Mr. Michal Strnad (Owner and Chairman), supported by an experienced senior management team, the Group has experienced consistent growth and transformed into a globally active player across multiple markets in Europe, the United States of America and Asia, delivering approximately 800bps of Adjusted Operating EBIT margin expansion on a pro forma basis between 2022 and 2024.

Upon the conversion of the Company into a public limited liability company prior to Settlement, the Company will have a one-tier board structure consisting of five Executive Directors and four independent Non-Executive Directors. The Company's board of directors will consist of the following Executive Directors: Michal Strnad (Chair/CEO), David Chour, Petr Formánek, Zdeněk Jurák, and Ladislav Štorek, and the following Non-Executive Directors:

- **John Nicholson** – will hold the position of Senior Independent Director and is a former senior NATO and U.S. Army General. In a 36-year military career, has held roles including command of NATO's Resolute Support Mission and U.S. Forces-Afghanistan. Currently chief executive of Lockheed Martin Middle East (will stand down from role on 31 January 2026)
- **Virginie Banet** - has over 35 years of experience in finance, investment banking and corporate governance. Has held industry roles at Lagardère and Airbus focusing on investor relations and M&A and board positions at Mediobanca, Lagardère, Vallourec, Netgem and GTT
- **Lynn Fordham** - over 40 years of experience in investment, finance and corporate leadership, including senior executive roles across the oil and gas, consumer, retail, financial services and private equity sectors. Previously chief executive officer of SVG Capital plc and managing partner of Larchpoint Capital LLP
- **Susanne Wiegand** - over 29 years of experience in industrial strategy, defence, engineering and corporate leadership. Currently a supervisory board member at Volkswagen AG, and supervisory board member at Brenntag SE and BWI GmbH, as well as the board of Deutsche Gesellschaft für Auswärtige Politik. Was previously chief executive officer of RENK where she led the IPO of the business and Rheinmetall Electronics

The Company has appointed BNP PARIBAS, Jefferies GmbH, J.P. Morgan SE and UniCredit as joint global coordinators (in such and any other capacity, the "Joint Global Coordinators") and, together

with Česká spořitelna, a.s., COMMERZBANK Aktiengesellschaft, Deutsche Bank Aktiengesellschaft and Morgan Stanley Europe SE as joint bookrunners for the Offering and together with the Joint Global Coordinators and the Joint Bookrunners, the "Underwriters") for the Offering.

## Media and Investor Contacts

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The Offer Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or the laws of any state of the United States. The Offer Shares may not be offered, sold or otherwise transferred in the United States, except to qualified institutional buyers ("**QIBs**") as defined in, and in reliance on, Rule 144A under the Securities Act ("**Rule 144A**") or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Company has no intention to register any part of the offering in the United States, or make a public offering of securities in the United States.

In the United Kingdom, this announcement is being distributed only to, and is directed only at, persons who are "qualified investors" within the meaning of Article 2(e) of Regulation (EU) 2017/1129 as it forms part of retained EU law as defined in the European Union (Withdrawal) Act 2018, and who: (A) are "investment professionals" specified in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**") (B) fall within Article 49(2)(a) to (d) of the Order (and only where the conditions contained in those Articles have been, or will at the relevant time be, satisfied); ; and/or (C) are persons to whom it may otherwise lawfully be communicated (all such persons being "**relevant persons**").

In the European Economic Area (the "**EEA**"), this announcement is addressed only to and directed only at, persons in member states who are "qualified investors" within the meaning of Article 2(e) of Regulation (EU) 2017/1129 ("**Qualified Investors**").

This announcement must not be acted on or relied on (i) in the United Kingdom, by persons who are not relevant persons, and (ii) in any member state of the EEA, by persons who are not Qualified Investors. Any investment or investment activity to which this announcement relates is available only to (i) in the United Kingdom, relevant persons, and (ii) in any member state of the EEA, Qualified Investors, and will be engaged in only with such persons.

This announcement may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements reflect the Group's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group's business, results of operations, financial position, liquidity, prospects, growth and strategies. Forward-looking statements speak only as of the date they are made.

In light of these risks, uncertainties and assumptions, the events in the forward-looking statements may not occur or the Company's or the Group's actual results, performance or achievements might be materially different from the expected results, performance or achievements expressed or implied by such forward-looking statements. BNP PARIBAS, Jefferies GmbH, J.P. Morgan SE and UniCredit, Česká spořitelna, a.s., COMMERZBANK Aktiengesellschaft, Deutsche Bank Aktiengesellschaft and Morgan Stanley Europe SE (together, the "**Underwriters**"), the Company or any member of the Group, or any of such person's affiliates or their respective directors, officers, employees, agents or advisers expressly disclaim any obligation or undertaking to update, review or revise any such forward-looking statement or any other information contained in this announcement, whether as a result of new information, future developments or otherwise, except to the extent required by applicable law.

Any subscription or purchase of Offer Shares in the possible IPO should be made solely on the basis of information contained in the Prospectus which may be issued by the Company in connection with the IPO. The information in this announcement is subject to change. Before subscribing for or purchasing any Offer Shares, persons viewing this announcement should ensure that they fully understand and accept the risks which will be set out in the Prospectus, if published. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness. Neither this announcement, nor anything contained in the Prospectus, shall constitute, or form part of, any offer or invitation to sell or issue, or any solicitation of any offer to acquire, whether by subscription or purchase, any Offer Shares or any other securities, nor shall it (or any part of it), or the fact of its distribution, form the basis of, or be relied on in connection with, or act as any inducement to enter into, any contract or commitment whatsoever.

The Group may decide not to go ahead with the possible IPO and there is therefore no guarantee that a Prospectus will be published, the Offer will be made or Admission will occur. Potential investors should not base their financial decision on this announcement. Acquiring investments to which this announcement relates may expose an investor to a significant risk of losing all of the amount invested. Persons considering making investments should consult an authorised person specialising in advising on such investments. Neither this announcement, nor the Prospectus, constitutes a recommendation concerning a possible offer. The value of shares can decrease as well as increase. Potential investors should consult a professional advisor as to the suitability of a possible offer for the person concerned.

Nothing contained herein constitutes or should be construed as (i) investment, tax, accounting or legal advice, (ii) a representation that any investment or strategy is suitable or appropriate to your individual circumstances or (iii) a personal recommendation to you.

The Underwriters are acting exclusively for the Group and no one else, and they will not regard any other person as their respective clients in relation to the Offering and will not be responsible to anyone other than the Group for providing the protections afforded to their respective clients, nor for providing advice in relation to the Offering, the contents of this announcement or any transaction, arrangement or other matter referred to herein.

None of the Underwriters or any of their respective affiliates or any of their or their affiliates' directors, officers, employees, advisers or agents accepts any responsibility or liability whatsoever for, or makes any representation or warranty, express or implied, as to, the truth, accuracy or completeness of the information in this announcement (or whether any information has been omitted from the announcement) or any other information relating to the Company, the Group or its associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available, or for any loss howsoever arising from any use of the announcement or its contents or otherwise arising in connection therewith.

Certain data in this announcement, including financial, statistical, and operating information has been rounded. As a result of the rounding, the totals of data presented in this announcement may vary slightly from the actual arithmetic totals of such data. Percentages in tables may have been rounded and accordingly may not add up to 100%.

For the avoidance of doubt, the contents of the Group's website or any website directly or indirectly linked to the Group's website, are not incorporated by reference into, and do not form part of, this announcement.

## Information to Distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Offer Shares have been subject to a product approval process, which has determined that such Offer Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, "distributors" (for the purposes of the MiFID II Product Governance Requirements) should note that: the price of the Offer Shares may decline and investors could lose all or part of their investment; the Offer Shares offer no guaranteed income and no capital protection; and an investment in the Offer Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in

conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Underwriters will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MIFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Offer Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Offer Shares and determining appropriate distribution channels.

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<sup>1</sup> As of Sept-25

<sup>2</sup> CSG core addressable market defined as geographic European markets and customers including the United Kingdom.

<sup>3</sup> Total backlog as of Sep-25, includes confirmed backlog of €14bn and pipeline of contracts under negotiation

<sup>4</sup> 2024 PF Adj. Operating EBIT defined as pro-forma profit from operating activities (€1,191m) adjusted for +€47m adjustment to raw materials and consumables for increase of value of inventories assuming all inventories were sold during the period (PPA adjustment) but excluding €60m adjustment to D&A to reflect step up value of PP&E and intangibles (PPA adjustment)

<sup>5</sup> 2022A-2024 PF Revenue CAGR

<sup>6</sup> According to estimates by Renaissance Strategic Advisors

<sup>7</sup> Based off current 155mm artillery fleet

<sup>8</sup> 2024 PF Adj. Operating EBIT defined as pro-forma profit from operating activities (€1,191m) adjusted for +€47m adjustment to raw materials and consumables for increase of value of inventories assuming all inventories were sold during the period (PPA adjustment) but excluding €60m adjustment to D&A to reflect step up value of PP&E and intangibles (PPA adjustment)