CSG



Annual Report 2025

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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

Group Highlights

In 2025, Czechoslovak Group („**CSG**“ or the „**Group**“) delivered strong financial results while taking meaningful steps to deepen its position in core defence systems. Capacity increased, scale improved and greater control was established over critical inputs that sit at the heart of operations.

During the year, CSG secured significant long term contracts, broadened its production footprint and moved further along its vertical integration path. Each of these steps strengthened the company’s ability to operate with resilience and sustainability.

The growth strategy remains firmly in place. Investment has continued across the group, focused on expanding operations, strengthening vertical integration, upgrading production capability and accelerating technologocial innovation across all entities. All of this has been pursued with a clear commitment to responsible operations and long term sustainability.

A Year of Performance and Scaling

6.7
Revenue € billion,
up 71.7% (30.1% pro forma[1])

42
Total backlog of €15 billion
with a pipeline of €27 billion

1.6
Adjusted Operating EBIT € billion
up 60.7% (31.2% pro forma)

24.1%
Adjusted Operating EBIT Margin

0.9
Net profit from Continuing Operations
€ billion, increased 35.5% year on year

1.7×
Net Debt to Adjusted
Operating EBITDA

ESG at a Glance

UN Global Compact
CSG has applied to become a member

1.35
Total GHG emissions (market-based),
million tCO_2e

1,080
Positions in STEM

200.3
GHG Intensity (market-based),
tCO_2e / € million

[1] Growth on a pro forma basis is presented as if The Kinetic Group acquisition had occurred on January 1, 2024. As the acquisition was completed on November 27, 2024, the consolidated financial statements include only the financial results of The Kinetic Group from the acquisition date.

Chairman of the Board’s Statement

2025 has been a landmark year for CSG. As CSG celebrated its 30th anniversary, we experienced another year of dynamic growth and delivered strategic projects on a global scale. Three decades after the founding of Excalibur Army, CSG today is a leading global defence company, highly integrated and technologicaly capable, and with a strong sense of responsibility toward its communities and employees alike.

Building on its strong foundations, 2025 saw CSG develop its core business areas, particularly in defence products and services, and ammunition manufacturing. We made further significant progress on targeted acquisitions and investments that strengthen vertical integration and long-term competitiveness. Specifically, in the field of large-calibre ammunition, we are taking more control over critical inputs with acquisitions that enable the production of energetic nitrocellulose in Germany and TNT in Greece. In land systems, we introduced to the market the new Pandur 8×8 EVO, along with other important product innovations. In small calibre ammunition, we reinforced our position as the leading global manufacturer with the completion of the integration of The Kinetic Group in the United States and the acquisition of full control over the Fiocchi Group. At the same time, we expanded our overall manufacturing and technological capacities in Europe, invested in production modernization, and entered new specialist high-growth areas, including unmanned systems.

CSG’s strong growth is the purposeful response to a dramatically evolving security environment. It is the result of a long-term strategy measured in decades alongside effective decision-making and nimble execution, enabled by the work of thousands of people across our subsidiaries. I view the fact that CSG was ranked by SIPRI as the fastest-growing defence group among the world’s top 100 manufacturers as both confirmation that this approach is correct and a commitment for the future.

2025 was also the year in which we systematically strengthened the social dimension of CSG’s business activities. To mark our 30th anniversary, we established the CSG Foundation, creating a long-term framework to support projects in security, assistance to the Czech integrated rescue system, community development, education and talent support. The Foundation builds on the existing initiatives of our subsidiaries and provides them with clear structure and continuity.

A significant symbol of the values upheld by CSG is our new association with the Czech Olympic Team, of which CSG became the general partner for the period 2025–2029. Elite sport, much like industry, is built on long-term preparation, perseverance, teamwork and the ability to take responsibility for results. I regard these values as timeless and deeply embedded in CSG’s corporate culture.

Although you are holding the 2025 Annual Report, I cannot fail to mention a landmark event from the current year, and indeed from the entire history of CSG. On January 23, 2026, CSG achieved a highly successful listing on the Euronext exchange in Amsterdam. The admission of CSG shares to trading is an exceptional recognition of the work of all our colleagues. It has made CSG not only the most valuable company managed from the Czech Republic, but, above all, it has underlined our global role and opened new opportunities for CSG in international markets.

Whatever form our ownership or capital structure may take in the years ahead, one thing remains unchanged: CSG’s objective is to build, over the long term, a strong, stable and responsible industrial group that can grow and innovate while also serving as a strategic partner to the nation states and institutions that safeguard the security of democratic societies.

I would like to thank all our employees, business partners and customers who contribute to the success of CSG. It is thanks to their work, expertise and commitment that CSG’s journey will continue for many more years.



In 2025, CSG confirmed dynamic growth and significantly strengthened its global defence leadership position.

Michal Strnad

Majority shareholder, CEO
and Chairman of the Board of Directors
CZECHOSLOVAK GROUP a.s.

1995

Founding of Excalibur Army

The beginning of Jaroslav Strnad's business activities in the defence industry

Strategic Review

About CSG

CSG is among the leading defence groups, headquartered in Prague, Czech Republic, and operating in Europe, the United States and other regions including Asia Pacific. CSG develops, manufactures and supplies defence and ammunition products and related technologies to customers in over 70 countries worldwide. CSG's customer base is centered on governments and government institutions, particularly ministries of defence in NATO member states and allied countries. Through its Ammo+ business, the Group also supplies small-calibre ammunition to commercial customers.

Over three decades, CSG has evolved from a regional industrial group into a diversified multinational defence and ammunition manufacturer with an expanding global footprint. It combines established industrial heritage with modern production capabilities and a disciplined growth strategy focused on strategic segments.

In recent years, CSG has significantly expanded its operational presence through strategic acquisitions and joint ventures to become one of the key players in the global defence market. CSG is the one of the largest European medium- and large-calibre ammunition producer and the largest global small-calibre ammunition producer by sales. These positions reflect a combination of organic capacity expansion and targeted acquisitions, as well as long-standing customer relationships and established brands.



How We Operate

CSG's operating model combines industrial production capabilities together with innovations, a high level of efficiency, vertical integration and a disciplined acquisition strategy. It invests in expanding production capacity, new technologies, strengthening supply chains and increasing vertical integration, particularly in ammunition production.

Operational efficiency and integration are central priorities. CSG leverages economies of scale across procurement, technology development and manufacturing processes. It applies best practices across entities and pursues cost synergies where possible, while maintaining a strong emphasis on product quality, innovation and reliability.

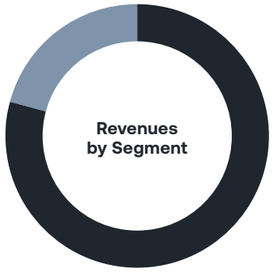
In parallel, CSG continues to invest in innovation, including new product development in land systems and ammunition, as well as selective investments in emerging technologies such as those in the Advanced Systems or Defence Electronic businesses.







Two Core Business Segments



Defence Systems	79.3%
Ammo+	20.7%



Europe excl. Ukraine	48%
Ukraine	27%
United States	17%
Other	8%



Defence customers	80%
Civil markets	16%
Industrial non-defence	4%

Until the end of 2024, CSG operated under a five-division structure: CSG Defence, CSG Ammo+, CSG Aerospace, CSG Mobility and CSG Business Projects. This structure reflected the Group's broad industrial footprint and its historical development through acquisitions and expansion into adjacent sectors.

The Defence division focused on military land equipment, large-calibre ammunition and related services. Ammo+ covered small-calibre ammunition production and trade. Aerospace brought together radar systems, aviation repairs and air traffic control technologies. Mobility comprised automotive and rolling-stock manufacturing, including heavy off-road trucks and braking systems. Business Projects included entrepreneurial activities outside CSG's core sectors, such as premium firearms and other industrial assets.

In connection with a strategic review of business operations and reporting alignment, and in recognition of the increasing scale and importance of its core defence and ammunition activities, CSG transitioned, with effect from January 1, 2025, to a new reporting structure consisting of two reportable segments:

CSG Defence Systems

CSG Ammo+

This change reflects how CSG is managed today. Defence systems and ammunition represent the principal drivers of revenue, profitability and investment. The new structure aligns internal management, capital allocation and external reporting with this strategic focus. It also simplifies CSG's presentation to stakeholders and underscores the central role of defence and ammunition within its portfolio.

In 2025, CSG Defence Systems generated 79.3% of total revenues, underscoring the segment's central role in CSG's operations. CSG Ammo+ contributed 20.7% of total revenues during the same period, reflecting the full impact of acquisition of the US small calibre producer, The Kinetic Group.

Certain aerospace, mobility and entrepreneurial business activities were carved out from CSG as of September 30, 2025. These are presented as "discontinued operations" within the 2025 Annual report. The objective of the carve out has been to leave within CSG structure only business activities related to Defence Systems and Ammo+ segments.

CSG Defence Systems

CSG Defence Systems brings together the CSG's activities in military land systems, large-calibre ammunition and related defence technologies. This segment integrates traditional and modern defence companies operating primarily in European countries.

The segment is organized around four principal subsegments that reflect its core areas of activity:

- Land Systems
- Medium & Large Calibre Ammunition
- Aerospace & Defence Electronics
- Advanced Systems

Together, these four subsegments create a comprehensive defence systems portfolio spanning design, production, integration and support.



Medium & Large Calibre Ammunition	76.8%
Land Systems	20.0%
Aerospace & Defence Electronics	3.2%

Land Systems

Land Systems comprise the development, production and sale of specialized wheeled vehicles, heavy off-road trucks and armored platforms, as well as the maintenance, repair and overhaul (MRO) of wheeled and tracked military platforms. The Group's portfolio covers a broad range of vehicles designed for operational flexibility, mobility in extreme terrain and compliance with NATO standards. This includes Howitzers, combat tactical vehicles, multi-role armored vehicles, infantry fighting vehicles, rocket launchers, bridge systems and recovery vehicles. Production capabilities are supported by engineering expertise and in-house design capabilities, enabling adaptation to customer-specific requirements. The Group manufactures its own chassis and engines through its subsidiaries, providing a key competitive advantage in vertical integration.

In recent years, CSG has invested in the design and development of multiple new platforms, including the Pandur 8×8 Evo multi-role infantry fighting vehicle, the Tadeas 6×6 multi-role armored vehicle and the Morana 8×8 self-propelled howitzer. These next-generation platforms will position it to outpace competitors by scaling up its Land System business through new contract wins, at a time when European governments are expected to accelerate modernization investment.

Land Systems has approximately 30 export markets including NATO, the Middle East and Southeast Asia, as well as business-to-business original equipment manufacturer partnerships for key components.

In addition to new production, CSG provides maintenance, repair and overhaul, logistics support, spare parts supply and training services. By combining manufacturing with lifecycle support, CSG positions itself as a strategic partner rather than a transactional supplier.

EXCALIBUR ARMY

TATRA DEFENCE

TATRA

TATRA METALURGIE

msm LAND SYSTEMS

VÝVOJ Martin INNOVATION SPECIALISTS

KARBOX

Hydrauli CS

GAMA OCEL

TATRA DEFENCE SLOVAKIA

TSG TRUCK SERVICE GROUP



Medium & Large Calibre Ammunition

Medium & Large Calibre Ammunition is a core subsegment of CSG Defence Systems and CSG ranks as one of the leading European manufacturers of medium and large calibre ammunition. It produces artillery shells (105mm–155mm), mortar bombs, tank ammunition, rockets and medium-calibre ammunition. Artillery ammunition represents the largest share of revenue within the segment, followed by rockets, tank ammunition, mortar bombs and medium calibre ammunition.

Medium & Large Calibre Ammunition is CSG's largest revenue driver, contributing 60.9% of total revenues in 2025. The subsegment benefits from a strong order backlog and multi-year framework agreements with governmental defence customers, providing a high degree of revenue visibility.

In response to increased demand driven by geopolitical developments and rising defence spending across Europe, CSG Defence Systems has significantly expanded production capacity in this area. Investments in new production lines, automation and facility expansion have increased output and improved operational efficiency.

CSG has also advanced vertical integration within ammunition production to strengthen supply chain security in a constrained raw material environment. This includes investments in upstream components and the 2025 acquisition of a nitrocellulose production facility in Germany.

Medium & Large Calibre Ammunition has approximately 50 export markets including NATO and allied governments (such as Ukraine, the Middle East or Southeast Asia).

The Group is also focused on expanding its Medium & Large Calibre Ammunition capacity in the United States. As a first step in executing this strategy, in August 2025 the Group was awarded a contract of up to approximately $630 million for construction of the US Army Future Artillery Complex in Iowa.

MSM GROUP

ZVS

VOP NOVÁKY

FMGranada

ZVÍ

14.OKTOBAR KRUŠEVAC

MSM WALSRODE

MSM NORTH AMERICA



Aerospace & Defence Electronics

CSG's Aerospace & Defence Electronics subsegment comprises the design, production and repair of radio navigation systems, radars, control and command systems, ultra-wideband localization and communication systems, recording systems, screen and data recording systems and ATC (Air Traffic Control) systems.

Electronic systems are the primary drivers of capabilities in key missions such as air-defence, battlefield surveillance, tactical and strategic command and control and multi-domain strike.

The Group believes that its subsidiaries, such as ELDIS Pardubice, s.r.o. and RETIA, a.s., are among the technology leaders in their chosen markets due to their equivalent quality, lower cost and high customer orientation with flexibility and modularity in product design. These subsidiaries also play a significant role in Land Systems projects, where their expertise serves as an enabler for system integration of advanced electronics into military vehicles.

Aerospace & Defence Electronics has approximately 25 export markets spanning governments including both NATO countries, as well as, for example, Southeast Asia.

ELDIS RADAR SYSTEMS

RETIA

ATRAK

CS-SOFT

JATISmro

POCKET VIRTUALITY

Tendrio

UPVISION SERVICES | DEFENCE



Advanced Systems

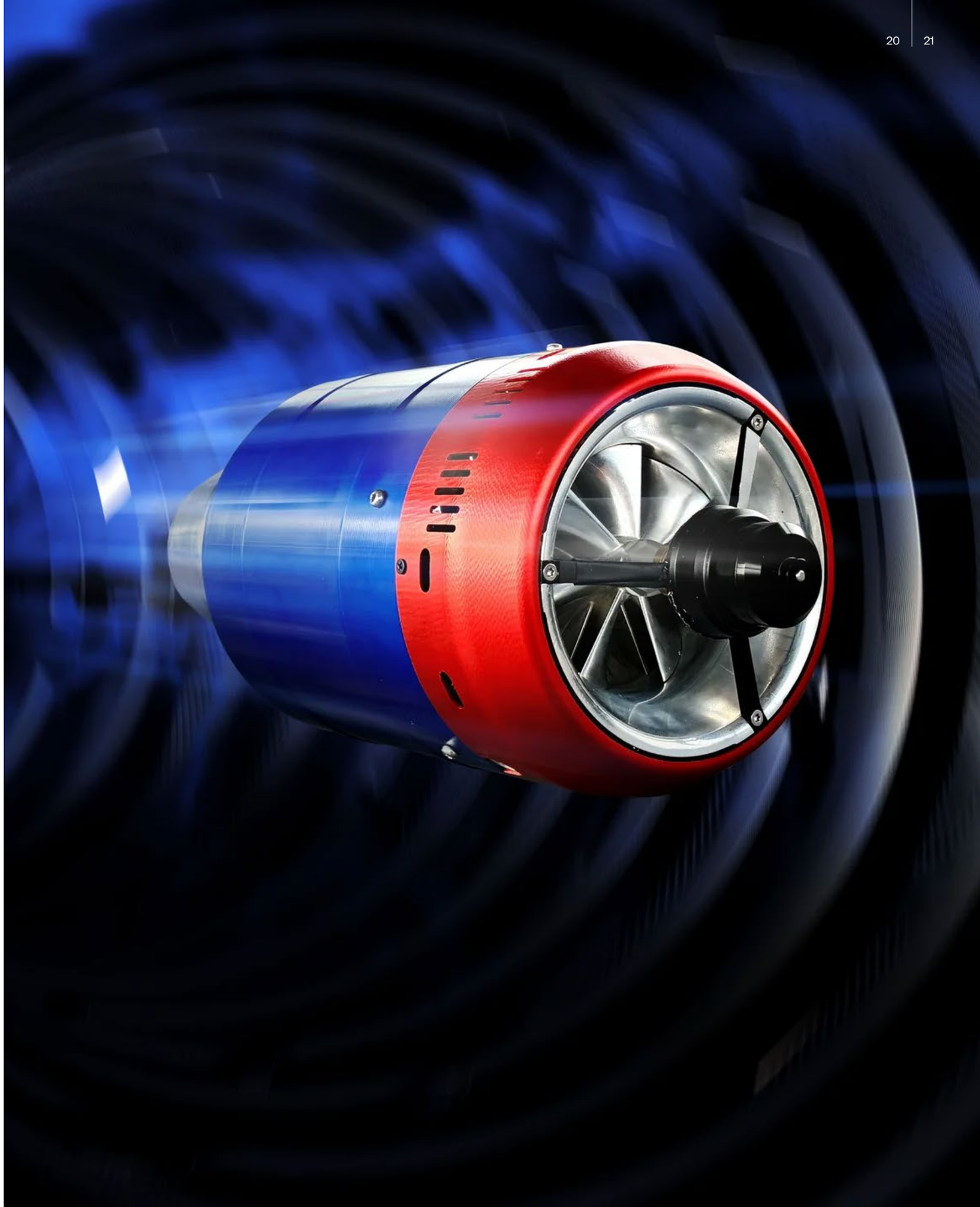
In October 2025, CSG announced the incorporation of AviaNera Technologies a.s., which will oversee the development, production and trade of unmanned aerial vehicle (UAV) technologies. Beginning in 2026, CSG intends to commence in-house production of components for its advanced defence systems, supported by a combination of strategic acquisitions and organic development initiatives. This production will initially focus on turbojet engines designed for deployment in UAV and missile technologies.

Excalibur International

Czechoslovak Export

Czechoslovak Export USA

AVIANERA TECHNOLOGIES



CSG Ammo+

CSG Ammo+ represents a distinct pillar within CSG's structure. This segment brings together companies engaged in the production and trade of small-calibre ammunition for civilian, law enforcement and defence markets.

A defining milestone in the development of CSG Ammo+ was the acquisition of a majority stake in Fiocchi Munizioni in 2022, followed by the acquisition of The Kinetic Group in November 2024. These transactions transformed the scale and geographic reach of the segment.

In April 2025, CSG completed its acquisition of the remaining 30% stake in Fiocchi Munizioni, achieving 100% ownership of this Italian ammunition manufacturer. This consolidation strengthened CSG's control over strategic small-calibre ammunition assets and enhanced operational integration across the segment.

The Kinetic Group includes leading small-calibre ammunition brands such as Federal, Remington, CCI, Speer, HEVI-Shot, and Fiocchi of America. Its manufacturing facilities are located in Minnesota, Arkansas, Missouri, Idaho and Oregon. Fiocchi operates production facilities in Italy, the United Kingdom, and includes well-known brands in shotgun and rifle ammunition.

Through its acquisitions, CSG Ammo+ has become the largest global small-calibre ammunition producer by sales. This segment serves a diversified customer base:

- Civilian market: hunters and sport shooters
- Law enforcement agencies
- Military and defence customers

A significant portion of revenues is generated in the commercial market, particularly in the United States. At the same time, the segment maintains and aims to strengthen its position in the defence market as a supplier to armed forces and law enforcement agencies in NATO countries and allied markets.

CSG Ammo+ benefits from scale in procurement, manufacturing and distribution. The integration of The Kinetic Group enhances purchasing power, optimizes production planning and supports distribution across North America and Europe. The multi-brand portfolio allows CSG to address different market segments and customer preferences while leveraging shared production expertise.

Innovation also plays a role within CSG Ammo+, including developments in product performance and environmental considerations. The segment's manufacturing expertise and established brands provide resilience in competitive markets.

2013

Acquisition of the Šternberk manufacturing site

Excalibur Army expands into heavy land systems production

Business Strategy

In 2025, CSG was positioned as a multinational defence and ammunition manufacturer operating in markets supported by structural demand drivers. Its strategy is anchored in capacity expansion, vertical integration and long-term partnerships, aligned with a business environment defined by sustained defence investment and renewed emphasis on security resilience.

Business Environment and Structural Demand Drivers

CSG operates in a defence environment shaped by long-term structural demand drivers. Increased geopolitical tensions, including the ongoing conflict in Ukraine, have led to a significant reassessment of defence policies across Europe and within NATO. Many European governments have announced multi-year increases in defence spending, with a focus on rebuilding ammunition stockpiles, modernizing armed forces and enhancing readiness.

Current vehicle fleets are particularly depleted because of recent donations and transfers to Ukraine where several big NATO countries donated significant numbers of artillery vehicles, infantry fighting vehicles, main battle tanks and armored personnel carriers. This is driving an additional need among countries which donated platforms to rebuild those fleets before expanding them beyond recent historical levels.

The replenishment of depleted European and NATO ammunition inventories and long-term stockpiling represent structural demand factors rather than short-term cyclical effects. At the same time, NATO members have committed to higher defence expenditure targets, reinforcing sustained investment in military capabilities.

In the United States, demand for small-calibre ammunition is supported by both commercial and law enforcement markets, as well as defence requirements. Commercial consumption trends, including hunting and sport shooting, provide an additional layer of demand resilience in that segment.

These structural drivers support long-term visibility for both CSG Defence Systems and CSG Ammo+.

Organic Capacity Expansion

Against this backdrop, CSG continues to invest in expanding production capacity across its core segments.

Within CSG Defence Systems, for example, CSG commissioned new filling capacities and implemented automation upgrades in Slovakian facilities in 2025, increasing large-calibre ammunition output. Additional investments in new production lines, facility expansions and automation initiatives across European operations aim to further increase output and efficiency.

Within CSG Ammo+, the focus is on scaling manufacturing and distribution capabilities across the United States and Europe following recent acquisitions. Integration of The Kinetic Group enhances the segment's scale and operational coordination.

Vertical Integration and Supply Chain Strengthening

A central element of the Group's strategy is strengthening vertical integration, particularly within ammunition production.

The acquisition of a nitrocellulose production facility in Germany in 2025 supports upstream integration and supply chain security for a critical ammunition component. Joint ventures established with Greece's Hellenic Defence Systems and in India further enhance manufacturing capabilities and secure access to critical inputs. The Greek joint venture focuses on ammunition production and explosives supply security, while the Indian joint venture supports capacity expansion and vertical integration in the region.

In a market environment characterized by constrained production capacity for key inputs, such integration reduces risk and enhances reliability.

Selective Inorganic Growth

CSG intends to continue pursuing strategic acquisitions that complement its core segments, enhance scale or strengthen vertical integration.

In 2025, CSG completed the acquisition of the remaining 30% stake in Fiocchi Munizioni, achieving full ownership, and substantially integrated The Kinetic Group following its November 2024 acquisition. Other acquisitions made during the year that helped CSG materially strengthen control over critical inputs and technologies include ZVI (Medium & Large Calibre Ammunition), MUST Solutions (advanced propulsion systems for unmanned aerial vehicles) and GAMA OCEL (armored steel plates). The focus remains disciplined, targeting assets that align with the Group's long-term industrial strategy and market positioning.

Long-Term Industrial Ambition

CSG's ambition extends beyond short-term growth. It seeks to build enduring industrial capability, supported by disciplined capital allocation, operational excellence and responsible governance. Its objective is to combine sustained expansion with financial stability and strong positioning within strategic defence ecosystems.

Snapshot of Competitive Strengths

Focused Yet Diversified Business Model

The transition to two reportable segments reflects CSG's clear strategic focus on defence systems and ammunition while retaining selected complementary industrial activities. CSG Defence Systems and CSG Ammo+ represent the core of the Group's operations, supported by additional technological and industrial capabilities.

This structure allows CSG to allocate capital efficiently to its highest growth and strategically significant segments while benefiting from diversification across geographies and customer types. Exposure to both defence and civilian ammunition markets provides balance within the portfolio.

Strong Customer Relationships and Long-Term Contracts

CSG's principal customers are government institutions, particularly ministries of defence in NATO member states and allied countries. These relationships are frequently supported by long-term contracts and framework agreements, contributing to revenue visibility and production planning stability.

In addition, CSG's role as a supplier of critical defence equipment and ammunition positions it as a strategic partner within national defence supply chains. The ability to provide not only products but also lifecycle support and engineering capabilities further strengthens these relationships.

Vertical Integration and Supply Chain Security

CSG has consistently invested in expanding production capacity and strengthening vertical integration in all parts of its operations.

Vertical integration enhances supply security, improves cost control and reduces dependency on external suppliers for critical inputs. In a market environment characterized by supply chain disruptions and geopolitical uncertainty, this capability represents a structural competitive advantage.

Leading Market Positions in Core Ammunition Segments

CSG holds leading positions in both medium- and large-calibre ammunition in Europe and small-calibre ammunition globally. It is one of the largest European producer of medium- and large-calibre ammunition and the largest global producer of small-calibre ammunition by sales. These positions are underpinned by established industrial capacity, recognized brands and long-standing customer relationships.

Scale matters in ammunition markets. It provides leverage in procurement, resilience in volatile raw material environments and the ability to respond rapidly to increased demand. CSG's expanded manufacturing footprint enables it to serve multiple markets simultaneously while maintaining consistent quality and delivery standards.

Operational Excellence

CSG places strong emphasis on operational efficiency and integration across its businesses. It leverages best practices in procurement, production planning and technology development across its entities.

The integration of The Kinetic Group following its November 2024 acquisition demonstrates CSG's ability to absorb large industrial assets while preserving brand strength and operational performance. Similarly, the completion of acquisition of full ownership of Fiocchi Group in April 2025 enabled deeper operational integration and synergies across small-calibre ammunition operations.

This track record reduces execution risk in future expansion initiatives and supports margin resilience.

Geographic Reach and Strategic US Presence

With operations in Europe and the United States and sales in over 70 countries, CSG benefits from broad geographic exposure. The acquisition of The Kinetic Group significantly strengthened CSG's operational and commercial presence in the United States, one of the world's largest ammunition markets. In 2025, this momentum continued with the award of a contract to construct the US Army's Future Artillery Complex in Iowa.

This transatlantic footprint enhances diversification, supports access to US government and civilian markets and positions CSG as a multinational supplier within Western defence ecosystems.



2018

Transfer of ownership

Michal Strnad assumes ownership of CSG from the founder

History in Milestones

Before the Emergence of CSG

14th cent.

The industrial traditions that today form part of CSG's structure reach back centuries. In the late 14th century, the production of gunpowder and firearms began in Granada, Spain. This early European centre of munitions manufacturing established a legacy that continues through Fábrica de Municiones de Granada (FMG).

1816

In 1816, Eliphalet Remington II founded a firearms manufacturing company in Ilion, New York. Over time, the Remington name became closely associated with small-calibre ammunition production, forming another historical pillar that would later become connected with CSG's portfolio.



1850

In 1850, a carriage manufacturing company was established in Kopřivnice. That company would become Tatra, today recognised worldwide as a producer of heavy off-road vehicles.

1876

In 1876, Giulio Fiocchi opened a small-calibre ammunition factory in Lecco, Italy, laying the foundation for a major group that today also manufactures in the United Kingdom and the United States.

History in Milestones

The CSG Era

1995

The modern history of CSG began in 1995 with the founding by the Strnad family of Excalibur Army, which was initially focused on trading military equipment and materiel.

2005

A decisive transformation occurred in 2005, when Excalibur Army acquired its first manufacturing facility: a former military repair plant in Přelouč, Czech Republic. This acquisition marked the transition from a trading entity toward an industrial enterprise.



2008

Expansion followed in 2008 when business activities were extended into Slovakia by leasing several state-owned defence industry companies and securing export contracts.

2013

In 2013 the Strnad family, together with René Matera, acquired the renowned vehicle manufacturer Tatra.



In parallel in 2013, Excalibur Army acquired the military repair facility in Šternberk. This acquisition diversified production capacity and enabled access to additional export contracts. The plant developed into a leading producer of military and special land systems in the Czech Republic.

Leadership continuity was reinforced in 2013 when Michal Strnad was appointed CEO of the emerging Group.



History in Milestones

The CSG Era

2014

In 2014, the companies were consolidated into a holding structure under the name Excalibur Group. This step formalised governance and organisational alignment. Michal Strnad became Chairman of the Board of Directors of the group holding company, reinforcing the management framework.

2016

In 2016, the holding was renamed Czechoslovak Group (CSG). The new name reflected both international ambition and reference to the historical ‘Made in Czechoslovakia’ industrial tradition.

That same year CSG acquired radar manufacturer RETIA and aircraft maintenance provider JOB Air Technic. In parallel, Tatra Defence Vehicle was established to develop and manufacture land systems, including Pandur, TITUS and TADEAS armoured vehicles. These developments significantly strengthened the Group’s defence and aerospace capabilities.



2018

In 2018, the CSG Aerospace sub-holding was established. It integrated aviation-focused companies including RETIA, ELDIS, CS SOFT, ATRAK and JOB Air Technic. This marked the beginning of a clearer divisional structure within the Group.



History in Milestones

International Expansion

2020

From 2020 onward, CSG intensified its international expansion. In 2020, it entered Western Europe through the acquisition of Spanish ammunition manufacturer Fábrica de Municiones de Granada (FMG) from General Dynamics European Land Systems, with approval from the Spanish government. This transaction expanded the Group's geographic reach and reinforced ammunition production capacity.

2022

In 2022, as CSG marked a major financial milestone by exceeding €1 billion in revenues for the first time, it also completed the acquisition of a majority stake in Fiocchi Munizioni from Charme Capital Partners. Fiocchi Group has operated manufacturing facilities in Italy, the United Kingdom and the United States. Following review and approval by the Committee on Foreign Investment in the United States, the acquisition enabled entry into the U.S. market and strengthened global positioning.



2023

In autumn 2023, CSG announced an agreement to acquire The Kinetic Group from the US company Vista Outdoor. After a competitive bidding process, the transaction was completed in November 2024, integrating approximately 3,400 employees in the United States and significantly increasing the Group's scale and reputation. The deal also united leading American small-calibre ammunition brands such as Federal and Remington.



2024

During 2024, CSG also became a key participant in the Czech ammunition initiative aimed at increasing supplies to Ukraine. CSG companies delivered a total of one million artillery rounds, both within and outside the initiative, demonstrating operational responsiveness and production capacity.

2025

In May 2025, CSG expanded into Germany through the acquisition of a nitrocellulose production plant and adjacent industrial park in Lower Saxony from International Flavors & Fragrances. This move reinforced vertical integration in ammunition manufacturing and enhanced control over critical inputs.

History in Milestones

Consolidation of Growth and New Strategic Initiatives

2025

The year 2025 marked further consolidation of CSG's expansion and coincided with the Group's 30th anniversary.



In the first half of the year, CSG completed the acquisition of the nitrocellulose plant in Bomlitz, Germany, strengthening self-sufficiency in a critical ammunition input. Also during 2025, CSG became the sole owner of the Fiocchi Group following acquisition of the remaining minority stake, simplifying ownership and strengthening integration. Before the year-end, CSG has approached to finalise a joint venture with the Greek state-owned Hellenic Defence Systems, expanding medium- and large-calibre ammunition capacity and securing long-term TNT supply.

In defence technologies, the prototype of the next-generation Pandur 8×8 EVO armoured vehicle was unveiled at the IDET trade fair in Brno, demonstrating CSG's continued investment in research and development.

M&A continued in the second half of the year. In July, CSG announced the acquisition of a majority stake in ZVI Vsetín, a Czech manufacturer of medium-calibre ammunition. In the autumn, a purchase agreement was signed for Hydraulics, a key Czech producer of hydraulic systems and long-standing supplier to CSG's land defence companies.

A strategic milestone in 2025 was entry into the unmanned aerial systems segment. Activities were consolidated under the newly established AviaNera Technologies, focused on the development and production of unmanned technologies. Later in the year, AviaNera acquired a majority stake in MUST Solutions, a Serbian developer of propulsion systems for unmanned platforms.

By year-end, ZVS Holding concluded a framework agreement with the Slovak Ministry of Defence for deliveries of large-calibre ammunition with a potential value of up to EUR 58 billion. A new state-of-the-art filling line was commissioned at its production facility, significantly increasing capacity and technological capability.

Land systems production also expanded in 2025, with plans announced to extend military vehicle manufacturing to Slovakia in connection with a contract for up to 4,000 tactical vehicles for a customer in Southeast Asia.

Over three decades, CSG has evolved from a trading company into a global industrial holding with proprietary manufacturing capacities and advanced technological expertise. For organizational clarity, CSG has established a divisional structure aligned with its principal business segments. Following the initial public offering on the Euronext Amsterdam exchange in January 2026, today the Group's core reportable segments are:

CSG Defence Systems

manufacturing of military and special land systems, weapons and defence technologies

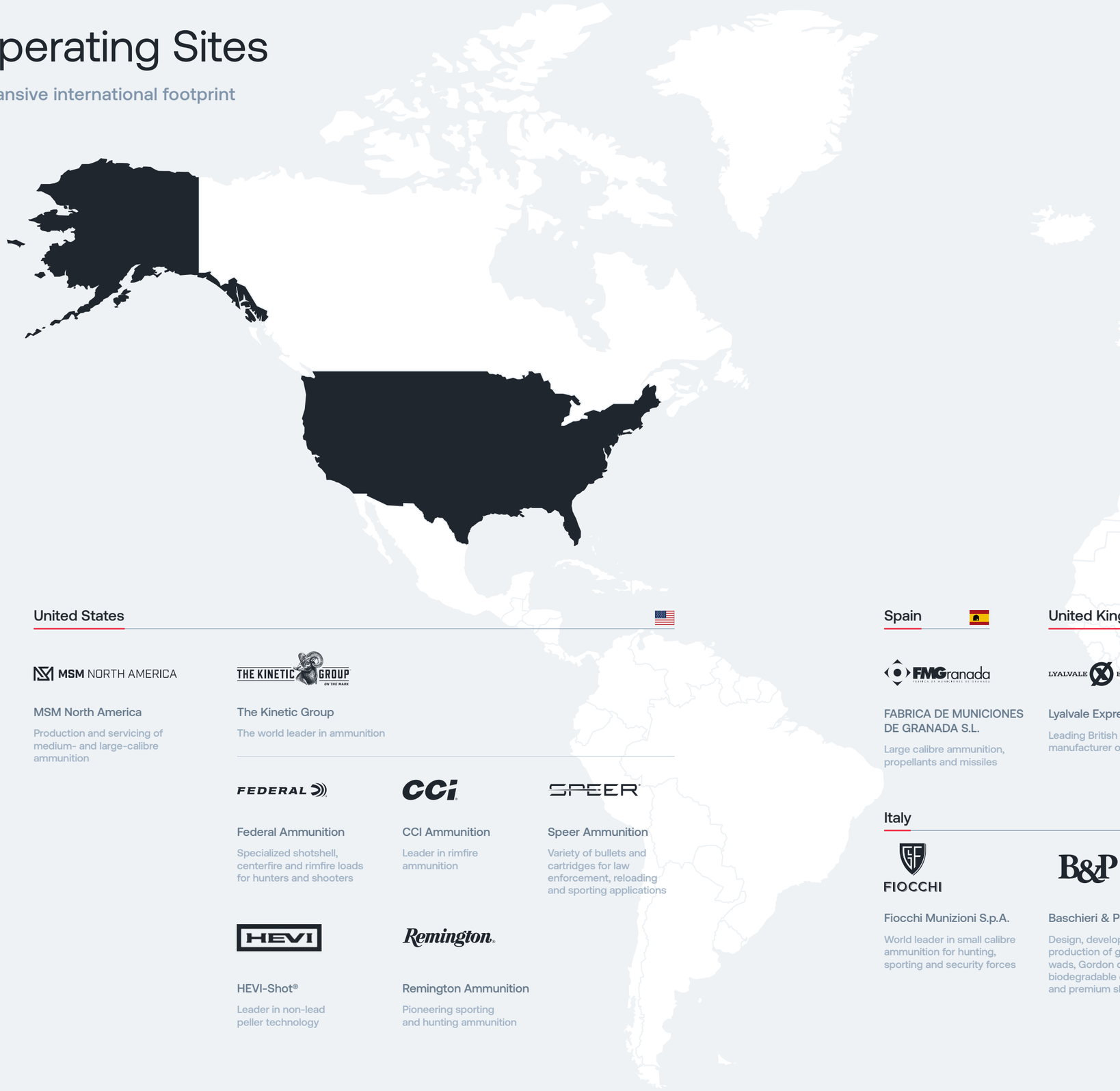
CSG Ammo+

production and sale of small-calibre ammunition for sport, hunting and security forces

Alongside its operational and strategic development, CSG has further strengthened its corporate social responsibility framework. To mark its 30th anniversary, the Group established the CSG Foundation, providing a long-term platform for initiatives focused on security, integrated rescue services, community development, education and talent support. CSG also became general partner of the Czech Olympic Team for the 2025–2029 period, linking elite sport values with the Group's strategic priorities.

Operating Sites

Expansive international footprint



United States

MSM North America

Production and servicing of medium- and large-calibre ammunition

The Kinetic Group

The world leader in ammunition

Federal Ammunition

Specialized shotshell, centerfire and rimfire loads for hunters and shooters

CCI Ammunition

Leader in rimfire ammunition

Speer Ammunition

Variety of bullets and cartridges for law enforcement, reloading and sporting applications

HEVI-Shot®

Leader in non-lead peller technology

Remington Ammunition

Pioneering sporting and hunting ammunition

Spain

FABRICA DE MUNICIONES DE GRANADA S.L.

Large calibre ammunition, propellants and missiles

United Kingdom

Lyalvale Express Limited

Leading British manufacturer of shotshells

Germany

MSM Walsrode GmbH & Co. KG

Production of nitrocellulose for defence and ammunition industries

Greece

ELLINIKA PYROMACHIKA S.A.

Production of large-calibre ammunition

Italy

Fiocchi Munizioni S.p.A.

World leader in small calibre ammunition for hunting, sporting and security forces

Baschieri & Pellagri

Design, development and production of gunpowder, wads, Gordon cases, biodegradable components and premium shotshells

Serbia

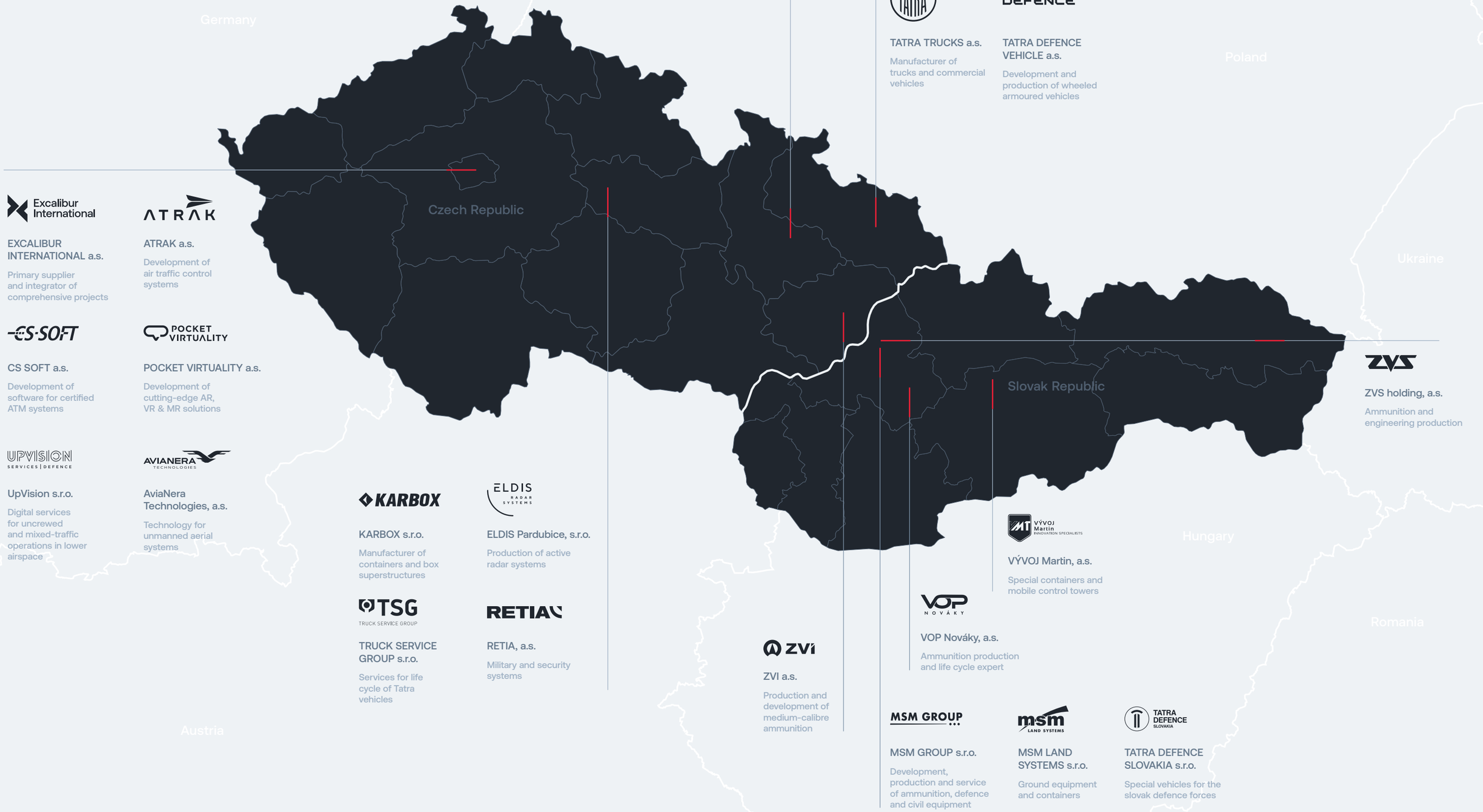
14. OKTOBAR d.o.o. Kruševac

Components for the defence industry, railway industry, and engineering

Mechatronics Unmanned Systems & Technology Solutions d.o.o. Beograd-Palilula

Developer and manufacturer of propulsion systems for Unmanned Aerial Systems (UAS)

Operating Sites



EXCALIBUR ARMY

EXCALIBUR ARMY spol. s r.o.

Development, production and modernization of special ground equipment

TATRA TRUCKS a.s.

Manufacturer of trucks and commercial vehicles

TATRA DEFENCE VEHICLE a.s.

Development and production of wheeled armoured vehicles

EXCALIBUR INTERNATIONAL a.s.

Primary supplier and integrator of comprehensive projects

ATRAK a.s.

Development of air traffic control systems

CS SOFT a.s.

Development of software for certified ATM systems

POCKET VIRTUALITY a.s.

Development of cutting-edge AR, VR & MR solutions

UpVision s.r.o.

Digital services for uncrewed and mixed-traffic operations in lower airspace

AviaNera Technologies, a.s.

Technology for unmanned aerial systems

KARBOX s.r.o.

Manufacturer of containers and box superstructures

ELDIS Pardubice, s.r.o.

Production of active radar systems

TRUCK SERVICE GROUP s.r.o.

Services for life cycle of Tatra vehicles

RETIA, a.s.

Military and security systems

ZVI a.s.

Production and development of medium-calibre ammunition

VÝVOJ Martin, a.s.

Special containers and mobile control towers

VOP Nováky, a.s.

Ammunition production and life cycle expert

MSM GROUP s.r.o.

Development, production and service of ammunition, defence and civil equipment

MSM LAND SYSTEMS s.r.o.

Ground equipment and containers

TATRA DEFENCE SLOVAKIA s.r.o.

Special vehicles for the slovak defence forces

ZVS holding, a.s.

Ammunition and engineering production



2022

Entry into the Fiocchi Group

CSG becomes a global manufacturer of small-calibre ammunition

Governance

General Meeting

The General Meeting (Czech: ***valná hromada***) is the supreme governing body of CZECHOSLOVAK GROUP a.s. (the "Company"). In light of the fact that the Company has a sole shareholder, the General Meeting is not held. Instead, the sole shareholder 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.

The decisions of the sole shareholder 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.

As of December 31, 2025, CSG FIN a.s. was the sole shareholder of the Company. As of the date of this Annual Report, the listed Dutch company CSG N.V. is the sole shareholder of the Company. Further information relating to matters addressed in this chapter in connection with the IPO is described in the chapter Significant Subsequent Events.

Board of Directors

The Board of Directors (Czech: ***představenstvo***) is the statutory body of the Company. Members of the Board of Directors are appointed and recalled by the Company's sole shareholder. At the beginning of 2025, the Board of Directors comprised seven members. In February 2025, the number of members of the Board of Directors decreased to five, as the terms of office of Lukáš Andrýsek and David Štěpán ended on January 13, 2025 and February 25, 2025, respectively. In October 2025, the number of members of the Board of Directors increased to seven upon the election of Michaela Katolická and Alena Kozáková as new members.

The Board of Directors elects its Chairman and two Vice-Chairmen from among its members. The Company is represented at all times by two members of the Board of Directors, one of whom must be the Chairman or a Vice-Chairman of this Board of Directors. 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 (Czech: obchodní vedení) 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 by the Company's Articles of Association, legislation, and decisions of Company's sole shareholder. A quorum is established when a majority of members of the Board of Directors are present. The consent of a majority of the present members of the Board of Directors is required to adopt decisions, except for the election and removal of the Chairman and Vice-Chairmen of the Board of Directors, for which a unanimous decision of all its members is required in accordance with the Company's Articles of Association.

All arrangements between the Company and the members of the Board of Directors relating to the performance of their offices are set out in their respective agreements on the performance of office or in any amendments to them 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 also include provisions on remuneration.

As of December 31, 2025, 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, Michaela Katolická and Alena Kozáková as members.



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 and project sector of EXCALIBUR ARMY spol. s r.o. In 2014, he continued his professional engagement within CSG at CSGM a.s., where he held the position of an assistant project manager from 2014 to 2015.

In addition to the responsibilities of his position on the Board of Directors of CZECHOSLOVAK GROUP a.s., which he assumed in 2015, Michal held the role of Chief Executive Officer (CEO) of CSGM a.s. until 2019. As the current ultimate owner and Chief Executive Officer of CSG, Michal focuses primarily on CSG's long-term strategic development, major acquisitions and expansion as a global industrial and technology group.

Members of Board of Directors

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 Profireal Group, a financial group, where he became Chief Executive Officer 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 throughout Europe.

In August 2020, David began a new chapter in his professional career: he joined CSG as its Chief Financial Officer (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 CSG's Chief Operating Officer (COO).

Ladislav Štorek

Vice-Chairman of the Board of Directors
since January 1, 2024

Member of the Board of Directors
since September 1, 2022

Education, Experience, and Other Relevant Information

Ladislav Štorek holds a law degree from the Faculty of Law at Charles University. After graduating, he began his career as an associate and attorney at the American law firm Altheimer & Gray, which subsequently became part of the international law firm SALANS and later 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 within the firm. After contributing his expertise for a cumulative period of over 25 years, he began pursuing a new professional opportunity, joining CSG as its 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 CSG. His leadership significantly contributes to its effective management and legal compliance. Ladislav has been a Member of the Company's Board of Directors since September 2022, and in January 2024, he was appointed Vice-Chairman of the Board of Directors.



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, he held a variety of positions within the financial sector, specifically 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, he has been responsible for CSG's external growth and M&A. In November 2019, he was appointed a Member of the Company's Board of Directors.



Zdeněk Jurák

Member of the Board of Directors
since January 1, 2024

Education, Experience, and Other Relevant Information

Zdeněk Jurák holds a degree in Economics from Mendel University in Brno and has completed an internship at the University of Illinois in the USA. He is ACCA/DipIFR 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 international settings. His areas of expertise include mergers and acquisitions, bond issuances, and guiding companies through preparations for capital markets transactions. 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, he worked at Generali PPF Group and Mazars.

In June 2023, Zdeněk joined CSG as Chief Financial Officer (CFO), succeeding David Chour, who assumed the role of Chief Operating Officer (COO) of CSG in the same year. In January 2024, Zdeněk was appointed a Member of the Company's Board of Directors.



Michaela Katolická

Member of the Board of Directors
since October 1, 2025

Education, Experience, and Other Relevant Information

Michaela Katolická holds a law degree from the Faculty of Law at the University of West Bohemia in Pilsen. Following her graduation, she began her professional career as a paralegal at the District Office of Prague 1. In 2010, she joined the Financial Analytical Office (the Czech Financial Intelligence Unit combating money laundering and terrorist financing) as a legal counsel. During this period, she focused on regulatory and compliance matters and further strengthened her expertise by obtaining the ICA International Advanced Certificate in Regulatory Compliance.

After several years of service in the public sector, Michaela pursued a new career opportunity and joined CSG in 2018 as a compliance specialist. In 2021, she was appointed Director of Security and Compliance, and in 2022 she advanced to the role of Chief Executive Officer (CEO) of CSGM a.s. In October 2025, she was appointed a Member of the Board of Directors of CZECHOSLOVAK GROUP a.s.



Alena Kozáková

Member of the Board of Directors
since October 1, 2025

Education, Experience, and Other Relevant Information

Alena Kozáková holds a law degree from the Faculty of Law at Masaryk University and an MBA from Nottingham Trent University, with a focus on Business Administration, Human Resources, and Project Management. Alena began her professional career in 1985 at Moravskoslezská Vagonka Studénka, where over the period of eighteen years she held the positions of a Lawyer, Head of the HR Department, and HR Director. In 2003, she joined IVECO as its HR Director for Eastern Europe, assuming responsibility for the full spectrum of human resources activities across the region for nearly seventeen years. In 2006, she was recognized as HR Manager of the Year. From November 2020 to July 2021, she served as Human Resources Director for Eastern Europe at Varroc Lighting Systems, holding responsibility for HR operations in the Czech Republic, Poland, Germany, and the United Kingdom.

Since August 2021, Alena has held the position of Group Human Resources Director at CSG, where she oversees HR management across all CSG companies and supports CSG's HR strategy and organizational development. In October 2025, she was appointed a Member of the Board of Directors of CZECHOSLOVAK GROUP a.s.

Leadership Team

The Group Management Team

Group Management Team and Segment and Business Leaders
(as of December 31, 2025)



Milan Matoušek

Director of Strategic Recruitment

Responsible for strategic recruitment for key management positions.



Jan Hamáček

Director of External Relations

Responsible for the management of the Group's external relations.



Tomáš Kotera

Group Director of Corporate Communication and Marketing

Responsible for communication and marketing within the Group.



Serge Damian

Chief Sustainability Officer

Responsible for ESG and sustainability within the Group.

Leadership Team

The Group Management Team









Milan Cícer

Director of Security and Compliance

Responsible for data and information security within the Group and for maintaining an effective Group compliance policy.

Milan Franc

Director of Strategic Procurement

Responsible for strategic procurement, investments, and supplier tenders for the Group.

Stanislav Kuba

CSG Investment Director

Responsible for the Group's investment activities.

Luboš Chládek

Group Director of ICT

Responsible for information and communication technologies within the Group.

Leadership Team

Segments and Subsegments Management Team





Jan Marinov

Chief Executive Officer of Defence Systems segment and its Land Systems and Medium & Large Calibre Ammunition subsegments

Responsible for the management of the two subsegments within the CSG Defence Systems segment.

Tomáš Vlček

Chief Operating Officer of Aerospace & Defence Electronics subsegment

Responsible for operational matters at, and from April 1, 2026, as Chief Executive Officer for the management of, the Aerospace & Defence Electronics subsegment.





Petr Marijczuk

Chief Executive Officer of CSG Ammo+ segment

Responsible for the management of companies within the CSG Ammo+ segment.

Viktor Loužil

Chief Strategy Officer of the Advanced Systems subsegment

Responsible for the strategic activities at the Advanced Systems subsegment.

Leadership Team

Segments and Subsegments Leaders



Vladimír Stulančák

Chief Executive Officer of EXCALIBUR ARMY

Responsible for operational activities at the Medium & Large Calibre Ammunition subsegment.



Róbert Verbich

Financial Director of Land Systems and Medium & Large Calibre Ammunition subsegments

Responsible for the financial management of companies within the two subsegments of CSG Defence Systems segment.



David Prchala

Chief Operating Officer of CSG Ammo+ segment

Responsible for operational matters at the CSG Ammo+ segment.

Leadership Team

Key Business & Operational Leaders



Jason Vanderbrink

Chairman & Chief Executive Director of The Kinetic Group

Responsible for strategic and operational activities of The Kinetic Group.



Jason Gaines

Chief Executive Director of MSM North America

Responsible for strategic and operational activities of MSM North America.



Jaroslav Patzenhauer

CSG Production Director *(starting February 2026)*

Responsible for production investments, process efficiency, and quality within the Group.

Supervisory Body

The Supervisory Board (Czech: ***dozorčí rada***) 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. On October 1, 2025, there was a change in the Supervisory Board's composition: Michaela Katolická's term of office ended and Zuzana Slováková was appointed.

As of December 31, 2025, the members of the Supervisory Board were **Zuzana Slováková** as Chairman and **Rudolf Bureš** and **Aleš Klepek** as members.

Zuzana Slováková

Chairman of the Supervisory Board
since October 1, 2025

Education, Experience and Other Relevant Information

Zuzana Slováková holds a law degree from the Faculty of Law at the Masaryk University and an LL.M. in International Finance from King's College London. She began her professional career in 2006 at Wolf Theiss, where she progressed from Junior Lawyer to Associate. In 2011, she joined DLA Piper, where she served for over eight years, ultimately in the role of Senior Associate. She then continued her practice at HKDW Holasek.

In 2021, Zuzana joined CSG as its Senior Lawyer. In her current role, she advises the Group on a broad range of corporate and financing matters, supporting the Group's strategic transactions and ongoing legal operations. Zuzana is a member of the Czech Bar Association. In October 2025, Zuzana was appointed the Chairman of the Supervisory Board of CZECHOSLOVAK GROUP a.s.

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 through 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 Czech-French relations. Aleš 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 Chief Executive Officer (CEO) of the Group's Aerospace & Defence Electronics subsegment. His responsibilities include the establishment of the organizational, procedural, and executive framework for this industry pillar of CSG. In September 2020, Aleš was appointed a Member of the Supervisory Board of CZECHOSLOVAK GROUP 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 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 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. In October 2018, he was appointed a Member of the Supervisory Board of CZECHOSLOVAK GROUP a.s. Between 2021 and 2023, he served as Chief Financial Officer (CFO) and Chief Executive Officer (CEO) of DAKO-CZ, a.s., followed by a role as Chief Operating Officer (COO) of the CSG Mobility division. Currently, Rudolf is CSG's Cash Flow Management Director.

Audit Committee

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

- oversight of the effectiveness of internal controls and the risk management system;
- oversight of the effectiveness of the internal auditing process, including ensuring its functional independence;
- oversight of the preparation process for financial statements and consolidated financial statements;
- approval of the provision of other non-auditing services;
- oversight of the process for the obligatory audit; and
- performance of other activities in accordance with the Czech Act on Auditors and directly applicable EU regulations.

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

The members of the Audit Committee as of December 31, 2025, are:

Olga Nahodilová

Chairman of the Audit Committee

Ivana Hubáčková

Member of the Audit Committee

František Jirásek

Member of the Audit Committee

Group Structure Chart



Our Vision, Mission and Values

We are engaged in building a strong global group, at the pinnacle of modern industry. We have no shortage of business drive, yet we are also driven to act ethically, with an eye to a sustainable future. 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: artificial intelligence, robotics, and augmented and virtual reality capabilities. Within 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.

CSG's Values

Stability

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

Pride

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

Innovation

We deliver innovative solutions, to which we then continually apply breakthrough technologies

Drive

We continuously seek new opportunities for our growth—which is sustainable and respects social responsibility and ethics

Security

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



2024

The Kinetic Group

The largest acquisition in the Group's history

Business and Financial Review

Statement from the CFO

2025 was a year of significant progress for CSG. Against a backdrop of rising global defence expenditure and sustained demand for ammunition and land systems, we delivered strong growth in revenue and profitability while continuing to invest in capacity, integration and long-term capabilities. The year also marked a major milestone in our corporate development as we prepared for life as a listed company, culminating in our successful IPO and admission to Euronext Amsterdam shortly after the year end.

Group revenue increased to €6,741 million, representing growth of 71.7% (30.1% pro forma) compared with the prior year, and ahead of the outlook at IPO. This performance reflects strong demand across our core defence activities, particularly in Medium & Large Calibre Ammunition and Land Systems, alongside the contribution from previously completed acquisitions. Procurement activity remained strong across NATO and allied nations as governments continue to replenish stockpiles and strengthen defence readiness.

Adjusted Operating EBIT increased to €1,626 million, with Adjusted Operating EBIT Margin of 24.1%, in line with the IPO outlook. The improvement reflects higher volumes in core ammunition programmes and the operational leverage generated from expanded production capacity. Throughout the year we also maintained disciplined cost control while managing a broader operational footprint following recent acquisitions. Supported by strong cash generation, the Group maintained a prudent balance sheet, ending the year with Net Debt to Adjusted Operating EBITDA of 1.7× (1.3× including €742m IPO primary proceeds).

During the year we continued to advance our strategy of strengthening the Group's industrial base and supply chain resilience. Our vertical integration strategy progressed through targeted acquisitions and partnerships designed to secure critical inputs and technologies across the defence value chain. These steps support supply security while enhancing efficiency and protecting margins over the medium term.

Order momentum remained strong across the business. Several significant contracts were secured across ammunition and land systems programmes, contributing to an order backlog of €15bn at year end and a pipeline under negotiation of €27bn. This provides clear multi year visibility for future revenues.

The work undertaken in preparation for our public listing also strengthened governance, reporting frameworks and financial discipline across the Group. Together with our strong backlog and expanded capacity, this positions the Group well to continue executing its growth strategy while maintaining financial discipline.



Zdeněk Jurák

Group Chief Financial Officer
and Member of the Board of Directors

Market Environment and Demand

In 2025, defence spending across NATO and partner countries continued to increase in response to a volatile geopolitical environment. Demand for medium and large calibre ammunition, land systems and aerospace & defence electronics remained markedly strong.

The ongoing conflict in Ukraine and the broader reassessment of collective defence within Europe drove sustained procurement activity, including replenishment of depleted stockpiles and multi-year framework agreements. Commitments by NATO members to materially increase defence expenditure over the coming decade reinforced the structural nature of this demand environment. Beyond Europe, heightened geopolitical tensions in the Asia Pacific and Middle East regions contributed to elevated defence budgets and modernisation programmes. At the same time, in the United States, demand in the commercial small-calibre ammunition market remained resilient, underpinned by a strong domestic customer base and local manufacturing footprint.

Governments across Europe and other regions continued to prioritise supply chain security and domestic production capabilities. This supported investment in ammunition manufacturing capacity and vertically integrated defence platforms, areas where CSG maintains established industrial capabilities and long-term customer relationships.

Group Revenue and Profit Performance

Key Group Financials

€ million	FY25	FY24	FY24 Pro forma	Change Reported	Change Pro forma
Revenue	6,741	3,925	5,182	71.7%	30.1%
Adjusted Operating EBITDA	1,782	1,070	1,389	66.6%	28.2%
Adjusted Operating EBIT	1,626	1,011	1,239	60.7%	31.2%
Adjusted Operating EBIT margin	24.1%	25.8%	23.9%	(170)bps	20bps
Net Profit from Continuing Operations	872	644	657	35.5%	32.9%
Pre-tax Operating cash flow	61	771	N/A	(710)	N/A
Cash Conversion	87.4%	89.1%	90.7%	(170)bps	(330)bps
Capex Intensity	3.3%	3.0%	2.3%	30bps	100bps
Adjusted Net Working Capital	1,620	518	518	1,102	1,102
Adjusted Net Working Capital as % of Revenue	24.0%	13.2%	10.0%	1,080bps	1,400bps
Net debt	3,004	1,769	1,769	1,236	1,236

Adjusted Operating EBIT means Operating EBIT adjusted to reflect an increase to raw materials and consumables to account for the increase in the value of inventories resulting from the purchase price allocation, assuming all inventories were sold during the period. FY 2025 and FY 2024 pro forma Operating EBIT are adjusted by +€32m and +€47m respectively.

Q4 2025

€ million	Q4 25	Q4 24	Change Reported
Revenue	2,256	1,466	53.9%
Adjusted Operating EBITDA	566	408	38.9%
Adjusted Operating EBIT	528	391	34.8%
Adjusted Operating EBIT margin	23.4%	26.7%	(330)bps

Revenues in the year increased by 71.7% to €6.7bn, driven by strong organic growth in Defence Systems and the full period contribution from The Kinetic Group. This exceeded the guidance of €6.4bn issued at the time of the IPO. The year-on-year growth was mainly driven by strong demand across all major product lines, particularly medium and large calibre ammunition, reflecting both the elevated geopolitical environment and the Group's expanded production and delivery capabilities.

Adjusted Operating EBIT increased by 60.7% to €1.6bn, with margins robust at 24.1%, in-line with the guidance stated at the time of the IPO. Margin benefited in particular from scale effects in medium and large calibre ammunition and disciplined cost control, partially offset by higher input costs and integration-related expenses. Net Profit from Continuing Operations increased to €872m, reflecting higher operating profit partially offset by increased financing costs.

Order Intake Backlog and Visibility

The Group monitors backlog and pipeline as key indicators of future revenue visibility. Order backlog reached €15bn at period end (up 36% year-on-year), with a pipeline under negotiation of €27bn, providing strong multi-year revenue visibility. The Medium & Large Calibre Ammunition business accounted for the largest share of the Group's total backlog (45%), followed by Land Systems (40%), Ammo+ (10%), Aerospace & Defence Electronics (3%) and Advanced Systems (1%).

As of 31 December 2025	€ billion	Backlog Coverage Ratio
Fixed backlog	7	1.0×
Frame backlog	6	0.9×
Soft backlog	2	0.3×
Total backlog	15	2.2×
Pipeline under negotiation	27	4.0×
Total opportunity	42	6.2×

The Group categorises backlog orders as orders from signed and effective contracts, long-term framework agreements and contracts that are not yet fully finalised and effective but based on the previous experience and nature of negotiation, are counted towards forecasts as nearly certain. The Group's multistage backlog, comprising fixed (signed and effective), frame (long-term framework agreements for which the specific conditions of fulfilment to be negotiated at later stages), and soft backlog (contracts that are not yet fully finalised and effective but based on previous experience and nature of negotiations), provides high revenue visibility, with historically strong conversion rates from soft to frame and fixed backlog, underscoring the reliability of backlog as an indicator of future revenue.

Pipeline projects include projects at various stages of negotiation deemed reasonably achievable based on previous experience in the market and with customers. The 2025 pipeline value includes approx. €1bn relating to the seven-year agreement with the Slovak Ministry of Defence for medium and large-calibre ammunition.

Contract Wins and Order Momentum

During the fourth quarter of 2025, building on the contracts announced in the first nine months of the year, the Group secured several additional significant contracts that are expected to support future growth and reinforce its position in the defence and manufacturing sectors:

- 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
- A contract valued at several hundred million US dollars to supply small-calibre ammunition to the Ministry of Defence of a Southeast Asian state.
- TATRA Defence signed a strategic contract with KNDS Deutschland for the production of hulls for Leopard 2A8 main battle tanks.
- TATRA Defence Slovakia was awarded a $1 billion+ production contract for 4,000 Tatra vehicles for a South-East Asian client.

Strategic Acquisitions and Vertical Integration

In 2025, CSG continued to execute a focused M&A programme designed to expand capacity, secure critical inputs and enter adjacent high-growth technologies. The emphasis remained on transactions that reinforce control over the value chain and strengthen the Group's long-term competitive positioning.

- In May 2025, CSG acquired the MSM Walsrode industrial park and nitrocellulose production plant in Germany. The facility is being converted from industrial-grade to energetic-grade nitrocellulose production, a critical component in large calibre ammunition. Management expects the conversion to deliver material cost efficiencies compared to outsourced supply, while reducing exposure to market bottlenecks.
- CSG agreed to commit €50 million to establish Ellinika Pyromachika in Greece and reinstate TNT production at the Lavrio site. This investment strengthens security of supply for explosives.
- CSG also broadened its technological capabilities with the acquisition of AviaNera Technologies a.s. This marked the launch of the Advanced Systems business segment, providing in-house R&D expertise in turbo jet and turbo fan engines for UAVs and missile platforms.
- Additional targeted acquisitions during the year strengthened control over critical materials and advanced technologies. These included MUST Solutions, focused on advanced propulsion systems for unmanned aerial vehicles, and GAMA OCEL, a producer of armoured steel plates, enhancing upstream capabilities in protected vehicle platforms. CSG also expanded its ammunition portfolio through the acquisition of ZVI Vsetín, supporting the development of its medium calibre offering.
- CSG completed the acquisition of the remaining 30% stake in Fiocchi, consolidating full ownership of the Ammo+ platform, and substantially integrated The Kinetic Group following its November 2024 acquisition.

Segment Performance Review

The Group reports two reportable segments: CSG Defence Systems and CSG Ammo+. This structure reflects both the industrial logic of the portfolio and the way management allocates capital, drives operational performance and engages with customers.

Defence Systems brings together the Group's activities in military land systems, medium and large calibre ammunition and related defence technologies. It integrates traditional heavy industrial platforms with modern defence capabilities, operating primarily across European markets and serving NATO and allied customers.

CSG Ammo+ represents the Group's global small calibre ammunition platform. The segment was materially strengthened by the acquisition of the Kinetic Group in 2024, transforming the Group into a global leader in small calibre ammunition with significant scale in the United States. The subsequent consolidation of Fiocchi has further streamlined the structure.

Total revenue from Defence Systems increased significantly, up 55.3% year on year, to €5,346 million. This growth was primarily driven by sustained demand for large-calibre artillery systems and ammunition linked to the conflict in Ukraine, including direct deliveries as well as sales to companies engaged in supplying Ukraine's defence requirements, against the backdrop of broader NATO re-stocking and procurement activity. Defence Systems EBIT grew slightly ahead of revenue, up 55.8% to €1,502 million, reflecting operating leverage across expanded production volumes, improved capacity utilisation and the benefits of vertical integration and disciplined cost control.

On a reported basis, Ammo+ revenue increased significantly year on year, up 189.4%, reflecting the full-period contribution of the Kinetic acquisition. On a pro forma basis, revenue declined, driven by softer demand in commercial markets compared to the elevated levels seen in prior periods. Adjusted Operating EBIT decreased as lower volumes reduced operating leverage and the segment absorbed higher input costs, including copper, propellants and other raw materials, as well as the impact of tariffs on certain imports. In response, management introduced targeted pricing adjustments across selected product categories to mitigate margin pressure and better align realised prices with the current cost base.

Segment Revenue

€ million	FY25	FY24	FY24 Pro forma*	Change	Change Pro forma
CSG Defence Systems	5,346	3,443	3,443	55.3%	55.3%
CSG Ammo+	1,395	482	1,656	189.4%	(15.7%)
Other	116	81	81	42.8%	42.8%
Elimination of intersegment	(117)	(82)	(82)	42.5%	42.5%

Segment Adjusted Operating EBIT

€ million	FY25	FY24 Unadjusted	FY24 Pro forma*	Change	Change Pro forma
CSG Defence Systems	1,502	964	964	55.8%	55.8%
CSG Ammo+	117	50	276	133.7%	(57.6%)
Other	14	(3)	(3)	(653.0%)	(653.0%)
Elimination of intersegment	(8)	(1)	(1)	1,152.5%	1,152.5%

* FY24 pro forma figures have not been restated for discontinued activities; discontinued operations are excluded to provide a like-for-like comparison with FY25 continuing operations at segment level.

Defence Systems Revenue by Subsegment

€ million	FY25	FY24	Change
Medium & Large Calibre Ammunition	4,107	2,508	63.8%
Land Systems	1,068	793	34.6%
Aerospace & Defence Electronics	171	142	19.8%
Advanced Systems	—	—	—
Total	5,346	3,443	55.3%

Revenues by Geography and End Market

The Group maintains a strong presence within Europe and NATO, and approximately 65% of the Group's revenues were derived from NATO countries for FY 2025, underscoring the Group's positioning within NATO-aligned defence markets. The Group believes that the continued increases in defence spending across Europe and NATO member states further reinforce the outlook for its capabilities and strategic relevance in these regions.

Revenues by Geographic Region

€ million	FY25	FY24	Proportion FY25
Europe excluding Ukraine	3,211	1,679	48%
Ukraine*)	1,834	1,715	27%
United States	1,140	269	17%
Other	556	263	8%

Defence customers represented 80% of revenues, civil markets 16% and industrial non-defence 4%.

*) Includes purchases intended for the Ukrainian end-market paid for by another nation or party.

Financial Review

€ million	FY25	FY24	FY24 Pro forma	Change	Change Pro forma
Revenues	6,741	3,925	5,182	71.7%	30.1%
Raw materials and consumables	(3,706)	(2,135)	(2,628)	73.6%	41.0%
External costs	(602)	(418)	(534)	43.9%	12.8%
Employee benefits expense	(604)	(257)	(605)	134.9%	(0.2)%
Depreciation and amortisation	(156)	(58)	(151)	167.9%	3.6%
Other operating income	98	44	61	120.8%	61.1%
Other operating expense	(178)	(89)	(134)	99.7%	33.0%
Operating EBITDA	1,749	1,070	1,342	63.5%	30.4%
Operating EBIT	1,593	1,011	1,191	57.5%	33.7%
Adjusted Operating EBITDA	1,782	1,070	1,389	66.6%	28.2%
Adjusted Operating EBIT	1,626	1,011	1,239	60.7%	31.2%

Raw materials and consumables items include consumed materials, movement in stock of products and work in progress, purchase costs of sold goods, change in allowance for inventory.
External costs item includes administrative costs and other external costs, services and supply relating to production, transport and travel expenses, cost of energy, rental, repairs and maintenance.

Cost Structure

Raw material and consumables costs increased by 41.0% on a pro forma basis, to €3,706 million, primarily driven by higher sales volumes in line with revenue growth and delivery activity, as well as increased costs for copper, propellants and other materials used in ammunition production. Tariff changes also had a modest impact on the overall increase. The ratio of raw materials and consumables to revenue increased marginally, evidencing efficient cost control and production yields despite macroeconomic pressures.

External costs increased by 12.8% on a pro forma basis to €602 million due to higher spending on production-related services and external supplies, consistent with increased operational activity and higher production and delivery volumes, especially in the defence and ammunition segments. External costs as a portion of the Group's revenues reduced slightly year-on-year.

Employee benefits expense decreased by 0.2% year-on-year on a pro forma basis, supported by payroll discipline and efficiencies gained through integration.

Depreciation and amortisation expenses increased by 3.6% on a pro forma basis. This reflects the Group's continued capital investment program within CSG Defence Systems, including the commissioning of new production lines, facility expansions, and automation projects aimed at increasing output across the segments. In addition, depreciation and amortisation were affected by the acquisition of The Kinetic Group, completed in late 2024, which contributed toward amortisation on the newly consolidated asset base in 2025. The increase further includes the impact of purchase price allocation (PPA) adjustments related to the acquisition of €61.0m (FY 2024 pro forma: €59.7m).

Cash Flow and Net Working Capital

Adjusted Operating cash flow was €61 million. Adjusted net working capital was €1,620 million. Adjusted Net Working Capital as a proportion of Revenue was 24.0%, in-line with the guidance of below 25% stated at the time of the IPO. Company deliberately increased working capital outflows earlier in the year to secure inventory needed to execute its order backlog, with a seasonal reversal in the fourth quarter as contracted deliveries were completed and working capital was released.

Capital Expenditure

Capital expenditure amounted to €225 million. Capex intensity (capex as a proportion of revenue) was 3.3%. Investments supported the Group's strategy to modernise infrastructure, scale up production capacity and invest in technological upgrades that will sustain long-term operational competitiveness.

Within Defence Systems, CSG commissioned new filling capacities at Dubnica nad Váhom in Slovakia and implemented automation upgrades at the Nováky facility in 2025, increasing large-calibre ammunition output. Additional investments in new production lines, facility expansions and automation initiatives across European operations will further increase output and efficiency.

Interest

Net finance costs increased by €252 million, primarily driven by higher interest expense resulting from higher debt levels. This includes the new financing raised for the acquisition of The Kinetic Group at the end of 2024, the additional debt obtained for the nitrocellulose business in Germany during 2025 and further borrowing to support the Group's expansion and investment activities. In addition, financial expenses were affected by foreign exchange losses.

Capital Structure and Liquidity

Net debt amounted to €3,004 million at year end, with Net Debt to Adjusted Operating EBITDA of 1.7×, in line with the guidance of below 1.8× communicated at the time of the IPO. This level of leverage reflects the Group's strong cash generation during the year and disciplined capital expenditure.

On 10 June 2025, CSG issued CZK 10 billion notes due 2030, with a fixed rate of 5.75% p.a. These are traded on the Prague Stock Exchange. On 25 June 2025, CSG issued €1 billion of 5.250% senior secured notes due 2031 and $1 billion of 6.500% senior secured notes due 2031.

Liquidity remained robust, supported by solid operating cash flow and a diversified funding base. The Group continues to benefit from high cash conversion, driven by profitability and close control of working capital, providing flexibility to fund ongoing capacity expansion and selective strategic investments while maintaining a prudent balance sheet.

For full details of the Group's financing arrangements see Notes to the Consolidated Financial Statements.

Debt Structure of the Group

€ million	As at 31 December 2025	As at 31 December 2024
Loans and borrowings	1,824	1,912
Issued bonds	2,568	1,006
Liabilities from leases	118	99
Cash and cash equivalents	1,505	1,248
Gross debt	4,509	3,017
Net debt	3,004	1,769

FY 2026 Outlook

The Group expects continued strong demand across its core defence markets, supported by elevated defence budgets and a record backlog. Revenue growth in the year ahead will be driven mainly by the Group's Land Systems and Medium & Large Calibre Ammunition units within the Defence Systems business segment, in addition to a recovery in the Ammo+ segment. This will be supported by margin expansion due to the benefits of vertical integration and operating leverage related to production capacity ramp-up in both Medium & Large Calibre Ammunition and Land Systems.

Any potential cease-fire in the Russia Ukraine conflict is expected to result in the reallocation of orders between Ukraine and NATO countries, the modernisation of stockpiles to NATO standards and an acceleration in Europe's rearmament.

FY 2026 revenue is expected to be in the range of €7.4-7.6bn, with Adjusted Operating EBIT margin maintained at approximately 24-25%. Capital expenditure is projected to increase to around 8.5% of revenue and net working capital is expected to reduce further to below 20% of revenue.

Medium Term Outlook

Over the medium-term, the Group targets mid-teens organic revenue CAGR, with expected segment and subsegment growth as follows:

- Defence Systems: high-teens CAGR
- Medium & Large Calibre Ammunition: mid to high single digit CAGR (20% CAGR in own production)
- Land Systems: 40–50% revenue CAGR
- Aerospace & Defence Electronics: 50–60% revenue CAGR
- Advanced Systems is forecast to generate mid-hundred-million-euro revenue by the mid-term horizon
- Ammo+: mid-single digit CAGR.

Group Adjusted Operating EBIT margin is expected to increase to approximately 26–28%, reflecting benefits from vertical integration (achieved by the end of 2027) and scale.

Group Adjusted Operating EBIT margin is expected to increase to approximately 26–28%, reflecting benefits from vertical integration (achieved by the end of 2027) and scale.

- Defence Systems margin expansion will be primarily driven by a material increase of Medium & Large Calibre Ammunition margin.
- Land Systems margin is expected to expand moderately
- Aerospace & Defence Electronics is expected to benefit from significant margin expansion
- Advanced Systems will positively contribute to near-term Group margin, with its margin to align with the Group by the mid-term.
- Ammo+ is expected to experience low to moderate margin improvement

Capital expenditure is anticipated to normalise after 2026/2027 at approximately 4-5% of revenue, with maintenance capex comprising approximately one-third of the total.





2025

30 years of CSG

Three decades of growth built on a Czech industrial foundation

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. The Group uses derivative financial instruments strictly for hedging purposes and does not enter into speculative derivative transactions.

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. CSG 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, 2025, trade and other receivables and other assets at their net value amounted to € 1,261,963 thousand (in 2024 it was € 544,899thousand). 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, 2025, December 31, 2024, and December 31, 2023, 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. CSG'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.

The Group is also exposed to refinancing risk in relation to maturing financial indebtedness. Ability to refinance such indebtedness depends on market conditions, the Group's financial performance and investor appetite

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. As of 2025, substantial majority of the Group's foreign currency revenues denominated in EUR and USD is covered by natural hedging through corresponding liabilities and operating expenses in the same currencies, which has materially reduced the Group's net open foreign exchange position and its reliance on derivative instruments compared to prior periods.

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.

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 substantial 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.

Furthermore, evolving regulatory requirements in the area of environmental, social and governance (ESG) standards may result in additional reporting obligations and compliance costs for the Group.

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 associated 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.

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 macroeconomic 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. Although inflation levels have shown signs of stabilization, in certain markets, the risk of renewed inflationary pressures, particularly in energy, raw materials and labour costs, cannot be excluded.

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.

Risks Related to the Defence Industry Segment

Risk of Reduced Defence Spending

Although defence spending has increased in certain regions, future political or fiscal developments may result in changes to defence budgets or reprioritisation of expenditure. 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.

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.

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.



2026

CSG's listing on Euronext Amsterdam

A new chapter of growth, trust, and global ambition

Significant Subsequent Events

This chapter describes material events and changes that occurred after the end of the 2025 reporting period and before the approval of this Consolidated Sustainability Statement. The disclosures are provided in accordance with ESRS 2 Section 7.3 and are intended to inform users of this Consolidated Sustainability Statement about events that may affect the interpretation of current disclosures or the application of sustainability reporting requirements in future reporting periods.

Initial Public Offering and Change in Reporting Entity

After the end of the reporting period, on January 16, 2026, CSG B.V. (now CSG N.V.) became the sole shareholder of the Company. Subsequently, on January 23, 2026, CSG completed an initial public offering and the admission to trading of shares of CSG N.V. on the regulated market of Euronext Amsterdam. The offering raised total gross proceeds of €3,759 million, representing 15.2% of issued share capital post-settlement. This comprised a primary offering of newly issued shares raising €742 million, and a secondary offering of existing shares totalling €3,017 million by CSG FIN a.s. As a result of this transaction, CSG N.V., a public limited liability company incorporated in the Netherlands and parent entity of the Company, became a listed company.

This transaction represents a material structural change for sustainability reporting purposes. While the operational activities, business model and consolidation scope of CSG remain unchanged, the IPO has resulted in a change to the legal entity that will act as the reporting entity for future sustainability reporting cycles under the Corporate Sustainability Reporting Directive and the European Sustainability Reporting Standards.

For the 2025 reporting period, the Company remains the reporting entity for the purposes of this Consolidated Sustainability Statement. CSG N.V. will become the reporting entity from the 2026 reporting period onwards.



Implications for Governance and Sustainability Reporting

The change in reporting entity has direct implications for governance, oversight and the formal adoption of sustainability-related frameworks.

Following the IPO, CSG N.V. adopted a one-tier board structure governed by Dutch law, combining executive and supervisory responsibilities within a single Board of Directors.

The Board consists of an executive component (Executive Directors), responsible for the day-to-day management of the Group, and an independent non-executive component (Non-Executive Directors), whose role is to oversee strategy, leadership performance, risk management and long-term value creation.

The executive leadership of CSG N.V. comprises

Michal Strnad
Chairman and Chief Executive Officer

David Chour
Chief Operating Officer

Ladislav Štorek
General Counsel

Petr Formánek
Chief Investment Officer

Zdeněk Jurák
Chief Financial Officer

Four independent Non-Executive Directors were appointed to the Board in connection with the listing:



General (Ret.) John Nicholson
Senior Independent Director



Lynn Fordham



Susanne Wiegand



Virginie Banet

Responsibility for strategic oversight, governance arrangements, and the approval of policies, targets and incentive mechanisms has therefore transitioned to the administrative, management and supervisory bodies of CSG N.V. Accordingly, decisions relating to sustainability target setting and sustainability-linked remuneration will be taken under the governance framework of CSG N.V. and will apply from the reporting period in which CSG N.V. acts as the reporting entity.

Due to this change, disclosures in the 2025 reporting period are limited to arrangements, practices and outcomes applicable to the Company during the reporting period. Where relevant, references are provided to this section to explain why certain forward-looking disclosures are not formally attributed to the reporting entity for 2025.

Impact on Sustainability Targets and Incentive Schemes

During the 2025 reporting period, CSG developed the structure and governance approach for sustainability targets, including climate-related targets, and the integration of sustainability considerations into remuneration frameworks. However, these frameworks were not formally adopted at the level of the 2025 reporting entity.

This is due to the fact that the authority to approve and oversee sustainability targets and sustainability-linked incentive schemes will reside with the governing bodies of CSG N.V. following the IPO.

Disclosures in topical ESRS chapters, including those relating to climate targets and incentive schemes, therefore reflect the situation applicable to the Company during the reporting period and include cross references to this section where appropriate.

Credit Rating Updates

Following the IPO in February 2026, Moody's upgraded the rating of CSG's backed senior secured debt from the speculative-grade level of Ba1 to investment-grade Baa3, reflecting improvements in corporate governance, a simplified capital structure, and a more conservative financial strategy. Fitch Ratings also affirmed CSG's rating at BBB- with a Stable Outlook.

Significant Transactions

On January 30, 2026, CSG and the Greek state-owned company Hellenic Defence Systems S.A. signed the key founding documents for the establishment of a joint venture 'Hellenic Ammunition S.A' focused on the production of large-calibre ammunition in Greece. This further strengthens CSG's vertical integration in ammunition manufacturing.

On February 12, 2026, CSG announced it completed the divestiture of JOB AIR Technic a.s.

On March 2, 2026, CSG announced it will acquire a 49% stake in 4iG SDT EGY Zrt., thereby also indirectly acquiring approx. 37% of shares in Rába Automotive Holding Plc. Through this transaction, the Group confirms its ambition to become a long-term strategic partner of the Hungarian defence industry. The initial investments will also include contracts for the production and delivery of thousands of military vehicles, as well as potential participation in the HIMARS programme for Hungary.

On March 4, 2026, a joint memorandum was signed between EURENCO and ZVS holding, a.s., a joint venture of the Slovak Republic and MSM GROUP, part of the CSG Group, leading to the establishment of a joint venture and the construction of a new manufacturing facility for Modular Artillery Charge Systems (MACS) for artillery systems.

On March 11, 2026, CSG and Polska Grupa Zbrojeniowa S.A. (PGZ) signed a Framework Cooperation Agreement that establishes the foundation for further industrial, technological, and business cooperation. Cooperating includes development and production of engines for the next generation of unmanned systems and missiles, the ammunition segment, and modern land platforms.

On March 20, 2026, CSG, through its subsidiary CZECHOSLOVAK GROUP POLSKA Sp. z o.o. signed a preliminary agreement to acquire DOMAR MS Sp. z o. o., one of the leading Polish manufacturers of cabling, cable harnesses, electrical boxes and distributor of electrical connectors used in defence systems and other specialized products.

Events in the Middle East

The Group's direct exposure to countries in the Middle East is limited and not material to its overall operations. Based on information currently available, management does not expect developments involving Iran to have a material impact on the Group's operations or financial position. The Group continues to monitor developments in the region and will assess any potential impacts as circumstances evolve.

Forward-Looking Reporting Considerations

CSG intends to further develop and formalise sustainability governance, target setting and performance management following the transition to CSG N.V. as the reporting entity. In subsequent reporting periods, sustainability disclosures are expected to reflect:

- the adoption of ESRS-aligned sustainability targets, including climate-related targets; and
- the implementation of sustainability-linked remuneration mechanisms under the governance framework of CSG N.V.

These matters will be disclosed in the relevant topical sections of future sustainability statements once they become applicable to the reporting entity.

Summary of Material Consequences

The IPO and resulting change in reporting entity constitute a material post-reporting period event with implications for governance, sustainability target setting and incentive disclosures. The effects of this change have been transparently disclosed in this section and are cross-referenced throughout this Consolidated Sustainability Statement where relevant to support clarity, consistency and comparability across reporting periods.

Other Events

In January 2026, a minority shareholder of one of the Group's subsidiaries submitted a request to the Group to purchase its minority stake in respective subsidiary. As at the date of approval of these financial statements, no final decision has been made, and no binding agreement has been reached.

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 March 25, 2026 at the Company's registered office.

Ladislav Štorek

Vice-Chairman of the Board of Directors

Zdeněk Jurák

Member of the Board of Directors

Independent Auditor's Limited Assurance Report

Deloitte.

Deloitte Audit s.r.o.
Churchill I
Italská 2581/67
120 00 Prague 2 – Vinohrady
Czech Republic

Tel: +420 246 042 500
DeloitteCZ@deloitteCE.com
www.deloitte.cz

Registered by the Municipal Court in Prague, Section C, File 24349
ID. No.: 49620592
Tax ID. No.: CZ49620592

INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT ON THE CONSOLIDATED SUSTAINABILITY STATEMENT OF CZECHOSLOVAK GROUP a.s.

To the Shareholders 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. (hereafter the "Companny") 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 by reference, as disclosed in note 1.1.2. Disclosures in Relation to Specific Circumstances (the "Consolidated Sustainability Statement") as at 31 December 2025 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 Section 32k of the Czech Accounting Act implementing 29a 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 2.1. 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.

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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, Supervisory Board and Audit Committee 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. 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 Section 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 2.1 EU Taxonomy Disclosures within Environmental Information section of the Consolidated Sustainability Statement, in compliance with Article 8 of 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 and the Audit Committee 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 scepticism 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 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, whether due to fraud or error. 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 statements;
- 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 Group'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 Section 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 2.1 EU Taxonomy Disclosures within Environmental Information of the Consolidated Sustainability Statement with Article 8 of the Taxonomy Regulation.

In Prague on 25 March 2026

Audit firm:

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

Statutory auditor:

David Batal
registration no. 2147

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Consolidated Sustainability Statement

CSG Sustainability

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Chief Sustainability Officer's Statement

Dear Stakeholders,

2025 was an outstanding year for CSG, with strong progress in sustainability, supporting our continued business expansion and reinforcing our position as a trusted business partner.

Geopolitical developments during the year contributed to a shift in stakeholder expectations, which was reflected in our overall approach. The outcome is clear—sustainability should never be a barrier to defence capabilities—it should play an important role in strengthening CSG's resilience and preparedness for the future. The ESG HQ Team therefore continues to support the sustainable transition of our business while upholding our core purpose of designing and manufacturing products and components that protect people around the world.

Our newly released Sustainability Strategy formalizes our approach, sets out our ambitions and commitments, and aligns with European Union requirements and internationally recognized initiatives. This year, we focused on strengthening the quality of gathered non-financial data and deepening our understanding of our 2025 baseline. Total GHG emissions of 1.5 million tonnes of carbon dioxide equivalent and 1,080 employees working in STEM represent the starting points of our progress. In addition to that, we have committed to become a member of United Nations Global Compact. In the period ahead, we will commit to set near-term company-wide emission reductions targets in line with the Science Based Targets Initiative, validate them, and further integrate them into our operations to demonstrate our progress transparently. The continued development of our companies remains crucial to fulfilling our commitments.

> Sustainability should never be a barrier to defence capability.

We are committed to achieving our ambitions and further supporting CSG's continued development, guided by a strong governance framework, a deep understanding of our environmental impacts, and ongoing engagement with both internal and external stakeholders.



Serge Damian

Chief Sustainability Officer

How to Navigate Within the Consolidated Sustainability Statement

This Consolidated Sustainability Statement provides a comprehensive overview of CZECHOSLOVAK GROUP a.s.'s ("CSG" or "the Group") environmental, social, and governance (ESG) performance, structured in alignment with the European Sustainability Reporting Standards (ESRS) under the Corporate Sustainability Reporting Directive (CSRD) and prepared in accordance with the applicable provisions of Act No. 563/1991 Coll., on Accounting, as amended, which transposes the CSRD requirements into Czech law. 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 Chapters**
These outline CSG's general approach to this report including Governance, Strategy, Materiality and Risk Assessment.

— **Environmental Chapters**
These cover EU Taxonomy disclosures, climate change mitigation and adaptation, pollution, water and marine resources, circular economy, and resource use.

— **Social Chapters**
These address workforce-related matters, affected communities, and consumer responsibility.

— **Governance Chapters**
These provide insight into business ethics, compliance, and corporate governance structures.

How to Use This Consolidated Sustainability Statement

— **Materiality Information**
Each chapter contains information on a relevant **Sustainability Matter** (e.g. SM_S1-1: Own Workforce Management). Information about sectors for which the topic is material can be found in Annex 5–Index of the Material Disclosure Requirements, and a list of subsidiaries 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. Relevant policies, methodologies, and data sources are referenced in the respective sections to provide further clarification on specific topics.

1. General Information

This section provides the overall context for CSG's Consolidated Sustainability Statement and explains the foundations on which the report is prepared. It outlines the reporting scope, governance arrangements, sustainability strategy, and the processes used to identify and manage sustainability-related impacts, risks, and opportunities. The section also explains how sustainability considerations are integrated into CSG's governance structures, strategic decision-making, and risk management framework, as well as the methodologies applied to determine material sustainability matters in accordance with ESRS requirements.

1.1. Basis for Preparation

This section explains the methodological and organizational foundations used to prepare the Consolidated Sustainability Statement. It describes the sustainability reporting boundary, including the scope of consolidation, the classification of subsidiaries by sector and size, and the treatment of acquisitions, disposals, and value chain activities. It also outlines the assumptions, estimation approaches, reporting time horizons, and methodological refinements applied during the reporting period, as well as the regulatory frameworks and ESRS provisions relevant to the preparation of the sustainability disclosures.



ESRS2.BP-1

1.1.1. General Basis for Preparation of Consolidated Sustainability Statement

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 2025.

The scope of consolidation for this Consolidated Sustainability Statement is aligned with the scope used for the financial statements in all material respects. However, differences arise due to the application of an operational control approach for sustainability reporting. While the financial statements may include certain entities in which CSG holds an ownership interest, sustainability disclosures cover only those entities over which CSG exercises operational control.

The subsidiaries within the scope of consolidation have been assessed based on their operational profile and grouped into the following categories:

- Holding Companies
- Executive Companies
- Active SPVs
- Inactive SPVs

Holding companies, except for CZECHOSLOVAK GROUP a.s., are excluded from non-financial reporting obligations, while qualifying executive companies and active SPVs are included. Inactive SPVs, with minimal operations, are excluded. The consolidation scope of this Consolidated Sustainability Statement encompasses 59 subsidiaries, including CZECHOSLOVAK GROUP a.s. This approach reflects CSG's assessment that the excluded entities do not conduct operational activities and therefore do not contribute to material sustainability-related impacts, risks, or opportunities (IROs).

All subsidiary undertakings included in the consolidation are exempt from individual and consolidated sustainability reporting under Articles 19a(9) and 29a(8) of Directive 2013/34/EU, as none of them fulfil the applicable conditions required to qualify for compliance with the regulation.

59 subsidiaries were further categorized within the consolidation scope of this Consolidated Sustainability Statement according to the following criteria.

Sizes as defined by Directive (EU) 2022/2464 [1]

Subsidiaries Classified into a Given Size Category when they Meet at least Two of its Applicable Criteria

Table 1

Subsidiary Size	Total Assets (€ thousand)	Total Revenue (€ thousand)	Number of Employees
Small	450	900	10
Medium	5,000	10,000	50
Large	25,000	50,000	250

[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.

Sectors Based on the Subsidiaries' Main Business Focus

Subsidiaries Classified by Sector and Given the Nature of their Operations

Table 2

EFRAG Sector Code[2]	ESRS Sector Name	Sector	Sector Type	Subsectors	Description
MAD	Aerospace & Defence	Aerospace	●	Radar Systems Unmanned Aircraft System Maintenance, Repair, and Overhaul	Subsidiaries developing unmanned aerial systems (UAS), radar systems, propulsion, and advanced electronic technologies for defence and aerospace. Activities include the design and production of scalable UAS platforms, sensing, surveillance, navigation, and radar solutions, as well as maintenance, repair, and overhaul (MRO) services. This also includes ongoing research and development to support innovation, system integration, and operational readiness.
MAO	Automobiles & Other Transport Vehicles	Automotive	●	Heavy-Duty Trucks	Subsidiaries engaged in the design, production, marketing, and servicing of motor vehicles, including cars, trucks, motorcycles, and commercial vehicles. It also involves the development and manufacture of automotive parts and systems, such as engines, transmissions, and electronic systems.
MCP	Chemicals & Polymers	Chemicals	●	Nitrocellulose Production	Subsidiaries engaged in the production, formulation, and distribution of highly specialized chemical compounds such as nitrocellulose, used in sectors including coatings, inks, explosives, and propellants. This sector includes facilities focused on chemical synthesis involving nitration processes, the management of flammable and reactive substances, and strict compliance with safety and environmental regulations. Operations in this space require advanced risk controls and often support defence, industrial, and specialty manufacturing applications.
MAD	Aerospace & Defence	Defence	●	Ammunition Firearms Military Vehicles	Subsidiaries involved in the development, manufacturing, and supply of military equipment, a wide range of weaponry, and specialized manufacturing of large and small-caliber ammunition, systems, and services, including land, air, and naval platforms. This sector also encompasses the production of weapons and ammunition for sport shooting and recreational purposes.
MMP	Metal Processing	Metal Processing	●	Cutting & Bending Surface Treatment & Assembly	Subsidiaries engaged in the transformation of raw metals into intermediate or finished products. This includes activities such as surface treatment, assembly, machining, and fabricating metals for use in construction, manufacturing, automotive, and aerospace industries.
MAO	Automobiles & Other Transport Vehicles	Rolling Stock	●	Braking Systems	Subsidiaries involved in the movement of people across various modes, especially air.
MTA	Textiles, Apparels, Footwear & Accessories	Textiles, Apparels, Footwear & Accessories	●	Watchmaking	Subsidiaries involved in the design, production, and retail of clothing, textiles, shoes, and fashion accessories. This sector covers a wide range of activities from the manufacturing of raw textile materials to the creation of finished garments and the distribution of the latest fashion trends to consumers.
HHC	Health Care	Health Care	●	IVF Clinic	Subsidiaries involved in providing assisted reproductive services and fertility treatments through in-vitro fertilization (IVF) and related technologies. This includes specialized clinics, laboratories for embryo culture and genetic testing, and facilities offering diagnostics, counselling, and other support for individuals and couples seeking reproductive care.
SPC	Professional & Commercial Services	Professional & Commercial Services	●	Administration activities	Subsidiaries specialized in business services including legal, accounting, consulting, marketing, and facility management. This sector also covers firms providing outsourcing services in human resources, customer support, and administrative tasks, helping other businesses optimize their operations and focus on their core activities.
RRS	Real Estate & Services	Real Estate & Services	●	Operating of Real Estate	Subsidiaries involved in property development, sales, leasing, and management, covering residential, commercial, and industrial properties. This sector also encompasses real estate investment trusts (REITs) and firms providing related services such as property appraisal, brokerage, and facility management.
TSI	Software & IT Services	Software	●	Air Traffic Control	Subsidiaries that develop, manage, and distribute software solutions, as well as those providing information technology services such as consulting, system integration, and cloud computing. This sub-sector also focuses on supporting businesses with cybersecurity, data analytics, and IT infrastructure management.
TTR	Transportation	Transportation	●	Private Jet Operations	Subsidiaries involved in the movement of people across various modes, especially air.
WWR	Wholesale & Retail trade	Wholesale & Retail trade	●	Trade & Export Agency	Subsidiaries involved in the distribution and sale of goods to businesses and consumers. This includes wholesalers that manage large-scale sales to retailers or other businesses, and retailers who sell directly to the end consumer, encompassing both physical stores and online platforms.

● Manufacturing ● Non-Manufacturing

[2] The sector codes presented in this table are derived from the sector classification used in the European Financial Reporting Advisory Group's (EFRAG) technical guidance supporting the implementation of the European Sustainability Reporting Standards (ESRS). These abbreviations are not defined within the ESRS themselves but are used as reference codes within EFRAG technical materials to support sector identification and mapping.

A complete list of the subsidiaries within the scope of this Consolidated Sustainability Statement can be found below in Table 3, along with information on and their sizes, within each of the sectors. Information on the number of subsidiaries in each sector can be found in Chart 1 below.

The Complete List of Subsidiaries Within the Consolidation Scope of this Consolidated Sustainability Statement

Table 3

Subsidiary Name	Segment	Subsegment	Operational Profile	Subsidiary Size	Sector	Subsector
CZECHOSLOVAK GROUP a.s.	—	—	Holding Company	—	—	—
14. OKTOBAR d.o.o. Kruševac	Defence Systems	Medium & Large Calibre Ammunition	Operating Company	●	Defence	Ammunition
ABIENNALE s.r.o.	Other	—	Active SPV	●	Transportation	Private Jet Operations
Ammunition Operations LLC	Ammo+	—	Operating Company	●	Defence	Ammunition
Armi Perazzi S.p.A. *	—	—	Operating Company	●	Defence	Firearms
ARMY TRADE a.s.	Defence Systems	Land Systems	Active SPV	●	Wholesale & Retail Trade	Trade & Export Agency
ATLAN GROUP, spol. s r.o.	Defence Systems	Medium & Large Calibre Ammunition	Active SPV	●	Real Estate & Services	Real Estate Operations
ATRAK a.s.	Defence Systems	Aerospace & Defence Electronics	Operating Company	●	Software	Air Traffic Control
AVIA Motors s.r.o.	Other	—	Active SPV	●	Professional & Commercial Services	Administrative Services
AviaNera Technologies, a.s.	Defence Systems	Advanced Systems	Operating Company	●	Aerospace	Unmanned Aircraft Systems
CS SOFT a.s.	Defence Systems	Aerospace & Defence Electronics	Operating Company	●	Software	Air Traffic Control
CSE USA Inc.	Other	—	Operating Company	●	Wholesale & Retail Trade	Trade & Export Agency
CSG DEAL a.s.	Other Companies	—	Operating Company	●	Professional & Commercial Services	Administrative Services
CSGM a.s.	Other Companies	—	Operating Company	●	Professional & Commercial Services	Administrative Services
CZECHOSLOVAK EXPORT a.s.	Defence Systems	Advanced Systems	Operating Company	●	Wholesale & Retail Trade	Trade & Export Agency
CZG Aviation a.s.	Other	—	Active SPV	●	Transportation	Private Jet Operations
DAKO-CZ INDIA PRIVATE LIMITED *	—	—	Operating Company	●	Professional & Commercial Services	Administrative Services
DAKO-CZ, a.s. *	—	—	Operating Company	●	Rolling Stock	Braking Systems
DEFENCE TRADE SLOVAKIA, s.r.o.	Defence Systems	Land Systems	Active SPV	●	Wholesale & Retail Trade	Trade & Export Agency
DSP Germany N&B Real Estate GmbH & Co. KG	Defence Systems	Medium & Large Calibre Ammunition	Active SPV	●	Real Estate & Services	Real Estate Operations
ELDIS Pardubice, s.r.o.	Defence Systems	Aerospace & Defence Electronics	Operating Company	●	Aerospace	Radar Systems
ELTON hodinářská, a.s. **	—	—	Operating Company	●	Textiles, Apparels, Footwear & Accessories	Watchmaking
EXCALIBUR ARMY spol. s r.o.	Defence Systems	Land Systems	Operating Company	●	Defence	Military Vehicles
EXCALIBUR INTERNATIONAL a.s.	Defence Systems	Advanced Systems	Operating Company	●	Wholesale & Retail trade	Trade & Export Agency
FABRICA DE MUNICIONES DE GRANADA S.L.	Defence Systems	Medium & Large Calibre Ammunition	Operating Company	●	Defence	Ammunition
Federal Cartridge Company	Ammo+	—	Operating Company	●	Defence	Ammunition
Fiocchi Munizioni S.p.A.	Ammo+	—	Operating Company	●	Defence	Ammunition
Fiocchi of America LLC	Ammo+	—	Operating Company	●	Defence	Ammunition
GAMA OCEL, spol. s r.o.	Defence Systems	Land Systems	Operating Company	●	Metal Processing	Cutting & Bending
HYDRAULICS s.r.o.	Defence Systems	Land Systems	Operating Company	●	Metal Processing	Surface Treatment & Assembly
JOB AIR Technic a.s.	—	—	Operating Company	●	Aerospace	Maintenance, Repair, and Overhaul
JWL DAKO-CZ (INDIA) PRIVATE LIMITED *	—	—	Operating Company	●	Professional & Commercial Services	Administrative Services
KARBOX s.r.o.	Defence Systems	Land Systems	Operating Company	●	Defence	Military Vehicles
KARMONIKA AERO a.s.	—	—	Active SPV	●	Transportation	Private Jet Operations
Lyalvale Express Limited	Ammo+	—	Operating Company	●	Defence	Ammunition
Mechatronics Unmanned Systems & Technology Solutions d.o.o. Beograd-Palilula	Defence Systems	Aerospace & Defence Electronics	Operating Company	●	Aerospace	Unmanned Aircraft Systems
MSM EXPORT, s.r.o.	Defence Systems	Medium & Large Calibre Ammunition	Operating Company	●	Wholesale & Retail Trade	Trade & Export Agency
MSM GREECE Ltd.	Defence Systems	Medium & Large Calibre Ammunition	Active SPV	●	Professional & Commercial Services	Administrative Services
MSM LAND SYSTEMS s.r.o.	Defence Systems	Land Systems	Operating Company	●	Defence	Military Vehicles
MSM Services, s.r.o.	Defence Systems	Medium & Large Calibre Ammunition	Operating Company	●	Professional & Commercial Services	Administrative Services

● Small ● Medium ● Large

* Reported until 30.09.2025 due to sale of entity
** Reported until 30.06.2025 due to sale of entity

Subsidiary Name	Segment	Subsegment	Operational Profile	Subsidiary Size	Sector	Subsector
MSM Walsrode GmbH & Co. KG	Defence Systems	Medium & Large Calibre Ammunition	Operating Company	●	Chemicals	Nitrocellulose Production
Perazzi USA, Inc. *	—	—	Operating Company	●	Wholesale & Retail Trade	Trade & Export Agency
POCKET VIRTUALITY a.s.	Defence Systems	Aerospace & Defence Electronics	Operating Company	●	Software	Air Traffic Control
Prague Fertility Centre s.r.o. *	—	—	Operating Company	●	Health Care	IVF Clinic
RETIA, a.s.	Defence Systems	Aerospace & Defence Electronics	Operating Company	●	Aerospace	Radar Systems
SBS ZVS, s.r.o.	Defence Systems	Medium & Large Calibre Ammunition	Operating Company	●	Professional & Commercial Services	Administration Services
TATRA DEFENCE SYSTEMS s.r.o.	Defence Systems	Land Systems	Operating Company	●	Wholesale & Retail Trade	Trade & Export Agency
TATRA DEFENCE VEHICLE a.s.	Defence Systems	Land Systems	Operating Company	●	Defence	Military Vehicles
The Kinetic Group Operations LLC	Ammo+	—	Active SPV	●	Professional & Commercial Services	Administrative Services
The Kinetic Group Sales LLC	Ammo+	—	Active SPV	●	Wholesale & Retail Trade	Trade & Export Agency
TRUCK MACHINERY GROUP a.s. *	—	—	Operating Company	●	Automotive	Heavy-Duty Trucks
TRUCK SERVICE GROUP s.r.o.	Defence Systems	Land Systems	Operating Company	●	Automotive	Heavy-Duty Trucks
UpVision s.r.o.	Defence Systems	Aerospace & Defence Electronics	Operating Company	●	Software	Air Traffic Control
VOP Nováky, a.s.	Defence Systems	Medium & Large Calibre Ammunition	Operating Company	●	Defence	Ammunition
VÝVOJ Martin, a.s.	Defence Systems	Medium & Large Calibre Ammunition	Operating Company	●	Defence	Military Vehicles
Walsroder NC GmbH	Defence Systems	Medium & Large Calibre Ammunition	Active SPV	●	Wholesale & Retail Trade	Trade & Export Agency
ZVI a.s.	Defence Systems	Medium & Large Calibre Ammunition	Operating Company	●	Defence	Ammunition
ZVS holding, a.s.	Defence Systems	Medium & Large Calibre Ammunition	Operating Company	●	Defence	Ammunition
ZVS IMPEX, akciová spoločnosť	Defence Systems	Medium & Large Calibre Ammunition	Operating Company	●	Defence	Ammunition

● Small ● Medium ● Large

* Reported until 30.09.2025 due to sale of entity
** Reported until 30.06.2025 due to sale of entity

The table does not include certain entities that are treated as investments for sustainability reporting purposes. These entities are not included within the reporting scope because CSG does not exercise operational control over their activities. In accordance with CSG's reporting boundary, such entities are therefore excluded from operational ESG disclosures, and their environmental impacts are reflected, where relevant, through investment-related disclosures (Scope 3, Category 15 – Investments).

Further information regarding the change in treatment of certain entities is provided in chapter 1.1.2. Disclosure in Relation to Specific Circumstances.

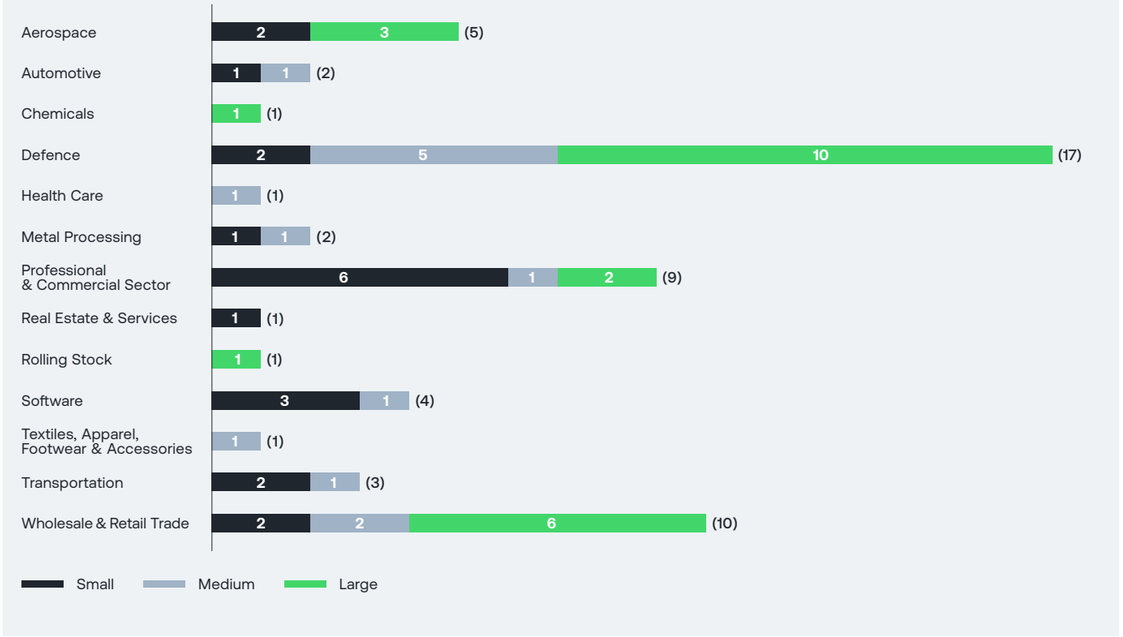
The relevant subsidiaries treated as investments are:

- Alzchem Group AG
- Milconn, a.s.
- TATRA EXPORT a.s.
- TATRA METALURGIE a.s.
- TATRA TRUCKS a.s.

To support transparency and enhance understanding of the "Wholesale and Retail" sector classification, CSG is providing the following additional context on the types of products sold by subsidiaries within this segment. The following entities are distributing defence-related products: ARMY TRADE a.s., CSE USA Inc., CZECHOSLOVAK EXPORT a.s., DEFENCE TRADE SLOVAKIA, s.r.o., EXCALIBUR INTERNATIONAL a.s., MSM EXPORT, s.r.o., Perazzi USA, Inc., TATRA DEFENCE SYSTEMS s.r.o. and The Kinetic Group Sales LLC. Additionally, Walsroder NC GmbH is supplying raw materials for the defence and ammunition industries.

Sector- and Size-based Overview of the Subsidiaries Consolidated in this Consolidated Sustainability Statement

Chart 1



Definition of Sustainability Matters

For the purposes of this statement, the term “sustainability matter” may refer either to a general sustainability-related topic area addressed in the report or to a specific “**Sustainability Matter**” defined by CSG. The latter represents an internally defined reporting category derived from CSG’s double materiality assessment (DMA) and used to organize identified impacts, risks, and opportunities (IROs) and related disclosures. Where a **Sustainability Matter** is referenced in this specific sense, it is identified through a dedicated code (e.g. SM_S1-1) to distinguish it from general references to sustainability topics.

Upstream and Downstream Value Chain Considerations

The value chain analysis covers CSG’s upstream activities, own operations, and downstream activities and is applied consistently across CSG, in line with the outcomes of the DMA. The analysis is designed to identify where material IROs arise across the value chain and to ensure that sustainability disclosures extend beyond CSG’s own operations where relevant. The level of detail reflects the scale and complexity of CSG and is structured to capture material value chain exposures without requiring mapping of every individual actor.

Upstream and downstream value chain activities are grouped into common activity categories that reflect operational, functional, and support roles across sectors. This approach allows material sustainability matters to be assessed at a level that is sufficiently granular to reflect differing business models and production processes, while remaining comparable across CSG. The mapping is informed by value chain analysis, peer review insights, and sector-specific characteristics, including the identification of sub-sectors within broader industries where differences in activities, inputs, or business relationships give rise to distinct sustainability considerations.

Stakeholders connected to each part of the value chain are identified and assessed based on their relationship to CSG’s activities. Direct relationships are understood as those involving stakeholders who are actively engaged in the product or service lifecycle, including customers, employees, suppliers, and partners that directly influence operations or receive products or services. Indirect relationships include stakeholders such as regulatory bodies, environmental groups, and other entities that influence CSG’s activities through regulatory oversight, monitoring, advocacy, or compliance expectations. This distinction supports the assessment of how impacts and dependencies arise and how sustainability matters are connected to different stages of the value chain.

The value chain mapping is used to determine where material sustainability matters occur and whether they originate from CSG’s own activities or through business relationships. Only those upstream and downstream activities where a sustainability matters is assessed as material are included in the scope of disclosures. A visual representation of this mapping can be seen on the next page.

Value Chain Overview

Table 4

Stream	Group	Impact Type	Affected Stakeholders
Upstream Activities	Policy Framework & Compliance	●	Regulators and Policymakers
	Raw Materials	●	Suppliers
		●	Environmental Groups
		●	Regulators and Policymakers
	Components & Sub-Systems	●	Suppliers
		●	Partners and Collaborators
		●	Regulators and Policymakers
	Equipment & Tooling	●	Suppliers
		●	Partners and Collaborators
		●	Regulators and Policymakers
	Inbound Logistics	●	Suppliers
		●	Partners and Collaborators
	Human Capital	●	Employees and Trade Unions
		●	Human Rights Defenders
	Land & Physical Assets	●	Government Entities
		●	Local Communities
Own Activities	Research & Development (R&D)	●	Academia
		●	Topic Experts
	Own Production / Services	●	Customers
		●	Employees and Trade Unions
		●	Regulators and Policymakers
	Servicing	●	Customers
		●	Suppliers
	Security & Data Protection	●	Customers
		●	Regulators and Policymakers
	Quality Assurance (QA)	●	Regulators and Policymakers
	Asset Management	●	Investors
		●	Regulators and Policymakers
	Marketing	●	Customers
		●	Media
	Sales	●	Customers
	Customer Service	●	Customers
	Waste Management	●	Environmental Groups
Downstream Activities	Outbound Logistics	●	Customers
	Regulatory Reporting	●	Regulators and Policymakers
	After-Sales Support & Updates	●	Customers
	End-of-Life Management	●	Customers
	Customer Feedback Loops	●	Customers
	Reverse Logistics	●	Customers

● Direct ● Indirect

Omission of Intellectual Property, Know-How, or Innovation

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 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.

Inherent limitations

This Consolidated Sustainability Statement is subject to inherent limitations due to the evolving nature of sustainability reporting, including the use of estimates and assumptions. Legislative requirements and related guidance continue to develop, and, in some areas, interpretation may be required where guidance is limited. The statement may also include forward-looking information that is subject to uncertainties related to future events and circumstances.



ESRS2.BP-2

1.1.2. Disclosures in Relation to Specific Circumstances

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 CSG, ensuring consistency between sustainability reporting and business decision-making.

Value Chain Estimation

CSG prioritizes the collection of primary data directly from its own operations and, where feasible, from business relationships within the defined reporting boundary to ensure a faithful representation of sustainability impacts. However, for certain activities where direct supplier or customer data is currently unavailable—most notably regarding Scope 3 greenhouse gas (GHG) emissions—CSG applies estimations using indirect sources.

The basis for preparation for these metrics involves a structured mapping of the upstream and downstream value chain, informed by subsidiary-level validation and the DMA. Where primary data gaps exist, CSG utilizes all reasonable and supportable information, including sector-average data and other proxies, to ensure the completeness of the sustainability statement.

While the resulting level of accuracy is assessed as high for own operations, metrics involving value chain estimations carry a moderate level of uncertainty. CSG is actively implementing actions to improve data accuracy for the future, including the development of a centralized internal knowledge base to standardize estimation methodologies, while also enhancing engagement with subsidiaries and third-party partners to increase the proportion of primary data over time.

Sources of Estimation and Outcome Uncertainty

Certain quantitative metrics and monetary amounts disclosed in this Consolidated Sustainability Statement are subject to a reasonable degree of measurement uncertainty. This uncertainty arises primarily in relation to value-chain-related data, including certain Scope 3 GHG emissions categories and other indicators that rely on third-party inputs, subsidiary reporting, or estimation methodologies.

The primary sources of measurement uncertainty identified during the reporting period include:

- **Data Gaps and Timing**
  Information provided by subsidiaries and, where relevant, external counterparties (such as energy providers) late in the reporting cycle may occasionally require the use of estimates and assumptions to ensure timely completion of disclosures.

- **Manual Input Risks**
  Despite significant improvements in internal control procedures and the implementation of new tools to reduce human error, residual risks related to manual data entry and process execution remain.

- **Use of Estimation and Professional Judgement**
  In certain cases, adequate data sources or standardized metrics have not yet been fully established across all subsidiaries, requiring the application of approximations and professional judgment. This applies in particular to the disclosure requirements presented in chapters 2.2.7. Gross Scopes 1, 2, 3 and Total GHG Emissions, 2.3.5. Pollution of Air, 2.3.7. Substances of Concern and Substances of Very High Concern, and 4.9 Payment Practices.

- **Proportional estimates for acquisitions and disposals**
  Where entities were acquired or disposed of during the reporting period, CSG included data only for the period during which the entity formed part of the reporting perimeter:

  - **Acquired Entities**
    Data is incorporated into all relevant disclosures only for the period during which the entity was owned or operationally controlled by CSG during the reporting year.

— **Disposed Entities**
For all ESRS-related disclosures, CSG reports only flow-type metrics (i.e. metrics measured over the reporting period), which relate to events or activities occurring during the reporting period (e.g., injuries, emissions, or other activity-based indicators) and which can be attributed to the period during which the entity remained within the reporting scope. Stock metrics (i.e. metrics measured at the reporting date) that depend on figures measured at the end of the reporting period (e.g., total number of employees) are not reported for disposed entities, as these figures no longer reflect the reporting perimeter at year-end. Refer to Annex 1 to see the full list of flow-type data points reported. This approach does not apply to GHG-related disclosures.

— **Disposed Entities Data Estimation**
As ELTON hodinářská, a.s. did not participate in CSG's sustainability data collection processes during the reporting period, all ESRS-related information for this entity has been estimated based on historical data from prior reporting periods, adjusted to reflect the period of ownership. Remaining subsidiaries that were disposed in September of the 2025 reporting period were included in the data collection process, but only for the period they were operationally controlled (see chapter 1.1.2. Disclosures in Relation to Specific Circumstances for further information).

— **Independent Verification**
The information in this Consolidated Sustainability Statement has not been subject to third-party verification other than the statutory limited assurance engagement performed by the external assurance provider.

Changes in the Preparation or Presentation of Sustainability Information

Methodological Refinements

Compared to the previous reporting period, CSG has refined estimation process and methodologies applied in relation to preparation and presentation of sustainability information. Updates have been made to the sustainability data collection and calculation methodologies. These methodological refinements were implemented to improve data quality. As part of these methodological refinements and adjustments to reporting scope and data availability, certain comparative disclosures for the 2024 and 2024 restated periods have been estimated. The specific disclosure requirements for which estimates have been applied to the 2024 and 2024 restated comparative figures are presented in Table 5 below.

Disclosure Requirements Subject to Estimation for the 2024 and 2024 Restated Periods

Table 5

Disclosure Requirement	Disclosure Title
S1-8_06	Percentage of employees in countries with significant employment in the EEA covered by workers' representatives
S1-15_03	Percentage of entitled employees that took family-related leave by gender
G1-6_01	Average number of days required to pay an invoice starting from the agreed payment period
G1-6_03	Percentage of payments aligned with standard payment terms

Sustainability Matters

The classification of **Sustainability Matters** was refined, and the value-chain mapping was updated to include additional sectoral granularity through the introduction of sub-sectors. These changes were implemented to better reflect differences in business activities, production processes, and value chain exposures, and to enhance the precision of IRO identification. **Strategic Sustainability Matters** have also been introduced as a classification overlay to highlight matters of heightened relevance for certain sectors, without altering the underlying ESRS materiality assessment.

E2 – Pollution of Air

The methodology and estimation process for air pollution emissions was updated in 2025 to improve the consistency and traceability of reported information. Historical data for 2024 was not available in a format that would allow retrospective application of the updated methodology.

Comparative figures for 2024 have not been recalculated to reflect these methodological refinements, as applying the updated methodology retrospectively was assessed as impracticable.

E3 – Water Consumption

During the 2025 reporting cycle, CSG refined the methodology used to measure and consolidate water consumption. The updated approach captures a broader range of water sources and improves the completeness and consistency of water consumption reporting across CSG's operations. These refinements form part of the ongoing development of CSG's sustainability data collection and reporting processes.

Comparative figures for 2024 have not been recalculated to reflect these methodological refinements, as applying the updated methodology retrospectively was assessed as impracticable.

E5 – Resource Use and the Circular Economy

Certain disclosure requirements disclosed in the ESRS E5 chapter were derived from GHG emissions data (including Scope 3 where relevant) using estimation approaches, rather than being directly collected from all subsidiaries. As a result, these E5 disclosure requirements may carry a higher degree of uncertainty than metrics based on primary operational data.

For entities acquired or divested during the reporting period, selected disclosure requirements in ESRS E5 were estimated where full-year 2025 data was not available. Depending on data availability, estimates were based on the most recent available historical data (e.g., prior-year information) and/or calculated proportionally for the period during which CSG owned or controlled the entity. These approaches may introduce additional uncertainty due to timing differences and changes in operational profiles.

Comparative figures for 2024 were not adjusted to reflect methodological refinements introduced in 2025, as retrospective application of these refinements was considered impracticable.

Disclosures Stemming from Other Legislation

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.

Annex 2 presents all disclosures deriving from other EU legislation as listed in Appendix B of ESRS 2. For each datapoint, the table indicates where the corresponding disclosure can be found in this Consolidated Sustainability Statement. Topics that have been assessed as not material following the outcome of the DMA are explicitly marked as "Not Material".

Incorporation by Reference

This Consolidated Sustainability Statement incorporates disclosure requirements S1-6_17 (Disclosure of cross-reference of information reported under paragraph 50 (a) to most representative number in financial statements) and SBM-1_07 (Revenue by significant ESRS Sectors) by reference.

Use of Phase-in Provisions

Even though ESRS S2 (Workers in the Value Chain), ESRS S3 (Affected Communities Management) and ESRS S4 (Consumers and End-Users Management) have been assessed as material for CSG at this time, CSG has applied a temporary phase-in period for certain topical ESRS disclosures during the reporting period in accordance with the "quick-fix" delegated act adopted in July 11 2025, which extended the availability of selected phase-in provisions for financial years 2025 and 2026[3].

The full list of ESRS disclosure requirements that are omitted due to "quick-fix" can be found in Table 6 below.

ESRS Disclosure Requirement Omissions in Accordance with "Quick-Fix"

Table 6

Chapter		Disclosure Requirement ID
2.2.10.	Anticipated Financial Effects from Material Physical Risks	E1-9_01 — E1-9_44
2.3.8.	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
2.6.7.	Anticipated Financial Effects from Material Resource Use and Circular-Economy-Related Risks and Opportunities	E5-6_01 — E5-6_06
3.2.	Value Chain Workers	S2-1_01 — S2-1_11 S2-2_01 — S2-2_09 S2-3_01 — S2-3_12 S2-4_01 — S2-4_18
3.3.	Affected Communities	S3-1_01 — S3-1_09 S3-2_01 — S3-2_09 S3-3_01 — S3-3_21 S3-4_01 — S3-4_19 S3-5_01 — S3-5_06
3.4.	Consumers and End-users	S4-1_01 — S4-1_09 S4-2_01 — S4-2_09 S4-3_01 — S4-3_13 S4-4_01 — S4-4_18 S4-5_01 — S4-5_06

Base Year for Greenhouse Gas Reduction Targets

CSG has designated 2025 as the base year for its long-term greenhouse gas reduction targets. While 2024 remains a reported and assured year, 2025 is the first year in which CSG applies a complete greenhouse gas accounting methodology covering Scopes 1, 2 and 3 on a consistent basis across the updated organizational structure. The 2025 baseline is therefore considered the earliest year that provides a fully scoped and decision-useful basis for measuring future progress against CSG's climate targets. This approach is aligned with the GHG Protocol principle that the base year should be selected on the basis of reliable and verifiable emissions data, and with ESRS E1, which requires disclosure of the current base year and baseline value for GHG emission reduction targets. CSG will use the 2025 baseline for tracking performance against its committed SBTi target, which is planned for verification in 2026.

[3] European Commission, Commission Delegated Regulation (EU) 2025/4812 amending Delegated Regulation (EU) 2023/2772 as regards targeted amendments to the first set of European Sustainability Reporting Standards (ESRS)

Reporting Adjustments to Prior Reporting Period

Reporting boundaries

During the reporting period, CSG redefined its application of the sustainability reporting boundaries. In the 2024 reporting period, the entities Milconn, a.s, TATRA EXPORT s.r.o, TATRA METALURGIE a.s, and TATRA TRUCKS a.s. were included within the reporting scope. Based on the review of corporate governance and operational criteria, it was determined that CSG does not exercise operational control over these entities as described in chapter 1.1.1 General Basis for Preparation of the Consolidated Sustainability Statement (ESRS 2 BP-1). While the relationship with these entities was disclosed in the 2024 report, their inclusion inthe sustainability reporting scope has been reconsidered to ensure full alignment with the applied consolidation principles in financial statements and ESRS requirements.

Accordingly, a reporting adjustments have been applied to the comparative information for 2024 presented in this Consolidated Sustainability Statement. These adjustments reflect the exclusion of these entities from the sustainability reporting perimeter. As a result, certain previously reported consolidated indicators, including environmental performance indicators such as greenhouse gas emissions and other ESRS-related quantitative disclosures derived from the reporting scope, have been recalculated. Comparative figures are therefore presented on a consistent basis with the reporting boundary applied in the current reporting period.

The restatement does not affect the outcome of CSG's DMA. CSG applies a sector-based approach to the identification and assessment of material sustainability matters. The exclusion of the above-mentioned entities does not alter the sector composition used in the assessment and therefore does not change the identification or prioritization of material IROs.

E1 – Energy Consumption

During the 2025 reporting cycle, CSG applied a reporting adjustment to the comparative information for the energy mix disclosure. The adjustment reflects the application of the current reporting approach for the calculation of consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources. To ensure consistency and comparability between reporting periods, the comparative figures for 2024 have been recalculated to reflect the full reporting scope of the disclosure as applied in the current reporting period.

E3 – Water Consumption

Additionally, during the 2025 reporting cycle, CSG applied a reporting adjustment to the comparative information for 2024 relating to water consumption. The adjustment reflects the application of the current reporting approach to prior-period data in order to ensure consistency and comparability between reporting periods. As a result, the 2024 figures presented in this Consolidated Sustainability Statement have been recalculated accordingly.

1.2. Governance

This section describes CSG's governance framework for managing **Sustainability Matters**. It explains the roles and responsibilities of administrative, management, and supervisory bodies in overseeing sustainability-related IROs. The section outlines how sustainability information flows within governance structures, how these bodies consider **Sustainability Matters** in strategic decision-making and risk management, and how internal controls and risk management systems support the reliability and integrity of sustainability reporting.

ESRS2.GOV-1

1.2.1. Role of Administrative, Management, and Supervisory Bodies

Composition of Members of Administrative, Management, and Supervisory Bodies

As of the reporting date, CSG's administrative, management, and supervisory bodies comprise 122 executive members and 64 non-executive members.

CSG distinguishes between executive and non-executive personnel based on the nature of their decision-making authority and operational responsibilities.

Executive Members

Those involved in the day-to-day management and strategic direction of CSG, including members of the Statutory Body (where performing executive functions), the Management Board and the Board of Directors.

Non-Executive Members

Those whose primary role is supervisory, oversight or control in nature and who are not involved in operational management, including members of the Supervisory Board, appointed Proxies acting in Auditing Body.

Number of Executive and Non-Executive Members in Administrative, Management, and Supervisory Bodies per Sector — Table 7

Disclosure Requirement	2024	2024 Restated	2025
Number of Executive Members	161	149	122
Number of Non-Executive Members	81	72	64

Variations in the reported number of executive and non-executive members compared with the prior reporting period primarily reflect changes in the composition of entities within CSG during the reporting year. Several subsidiaries were divested over the course of the reporting period, and therefore their governance structures, including executive and non-executive board members, are not reflected in the end-of-year reporting snapshot.

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. Employee representatives are not members of the CSG's administrative, management, or supervisory bodies.

CSG's administrative, management, and supervisory bodies comprise members with extensive experience across the sectors in which CSG 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 professional and geographically diverse experience ensures informed decision-making aligned with CSG's strategic objectives.

Diversity of Administrative, Management, and Supervisory Bodies

As of the reporting period, 82% of the members of CSG's administrative, management, and supervisory bodies are male, while 17% are female. While the current composition reflects the industry's traditional structure, CSG acknowledges the importance of greater gender balance in leadership and governance. CSG has two corporate members whose representation cannot be attributed to a specific gender. As a result, the gender distribution percentages presented in Table 8 do not sum to 100%.

Gender Distribution of Members in Administrative, Management, and Supervisory Bodies — Table 8

Disclosure Requirement	2024	2024 Restated	2025
Male	85%	84%	82%
Female	15%	16%	17%

The gender diversity ratio of CSG's boards, calculated as the average ratio of male to female board members, stands at 4.86:1 (for each 1 female board member there are 4.86 male board members).

Gender Diversity Ratio of Executive and Non-Executive Members in Administrative, Management, and Supervisory Bodies — Table 9

Disclosure Requirement	2024	2024 Restated	2025
Gender Diversity Ratio	8.47:1	5.09:1	4.86:1

The percentage of independent board members within CSG's administrative, management, and supervisory bodies stands at 3%. For the purpose of this disclosure, independent members are defined as members of the Auditing Body who meet the independence criteria and perform oversight functions without the involvement in the executive management of CSG.

Independent board members of Executive and Non-Executive Members in Administrative, Management, and Supervisory Bodies

Table 10

Disclosure Requirement	2024	2024 Restated	2025
Independent Board Members	2%	2%	3%

Roles and Responsibilities of Administrative, Management, and Supervisory Bodies

CSG's oversight of sustainability-related IROs 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. For the 2025 reporting period, this oversight function is performed by the Chief Financial Officer (CFO) of CSG.

To support informed decision-making in this area, the Board of Directors is advised by the Sustainability Committee. This body 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 sustainability 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 IROs 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 Sustainability Committee.
- 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 quarterly reports to the Sustainability Committee on material sustainability risks and opportunities, progress on ESG initiatives, and compliance with regulatory frameworks.
- Management oversees the execution of 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-related 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 CSG's broader governance and operational frameworks to ensure a cohesive approach to managing material IROs. 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 are incorporated in the Group Policy Framework, including procurement, human resources, and business ethics, ensuring sustainability principles are reflected across all business functions.

CSG has established a governance framework outlining how any potential targets are determined, overseen, and monitored. Within this framework, the Board of Directors and senior executive management play a central role in setting targets and ensuring accountability for material IROs. The target-setting process includes the following aspects:

- 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 the ESG HQ Team, a central function responsible for coordinating sustainability management and reporting across CSG, collect data, track performance, and ensure compliance with ESRS and CSRD requirements.
- The Sustainability Committee evaluates reports, ensures alignment with regulatory expectations, and discusses corrective actions if necessary.

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

CSG 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 the management of climate, social, and governance risks. Knowledge related to GHG emissions, labor rights, and compliance contributes to informed decision-making, effective risk mitigation, and alignment with regulatory requirements. This expertise is maintained and further developed through a combination of internal capability-building and targeted external advisory support.

ESRS2.GOV-2

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

Information Flow to Administrative, Management and Supervisory Bodies

The Board of Directors receives information on sustainability performance, due diligence processes, and the development and implementation of sustainability-related policies, actions, metrics and targets. Sustainability considerations are also reflected in Board-level discussions where relevant to governance oversight and internal decision-making.

Visualization of information flow

Visualization 1



During the reporting period, the Board of Directors addressed key **Sustainability Matters** related to regulatory preparedness, environmental and social risks, governance practices, and the development of sustainability policies. These matters were considered within existing governance and risk management frameworks to support oversight, compliance, and alignment with CSG's strategic direction.

Consideration of Sustainability Matters in Strategy, Major Decisions, and Risk Management

Material sustainability IROs are taken into consideration by administrative, management, and supervisory bodies as part of their oversight of CSG's strategy, risk management framework, and major decisions. The outcomes of the DMA support strategic awareness by highlighting sustainability-related exposures, dependencies, and opportunities across sectors and value chain stages.

While sustainability considerations do not currently trigger immediate structural changes to the business model, they inform long-term strategic planning, governance focus areas, and prioritization of management attention. This is particularly relevant for capital-intensive and regulated sectors in which environmental, social and governance performance influences operational continuity, compliance obligations, and stakeholder trust.

The newly introduced **Strategic Sustainability Matters** provide additional context for governance oversight by identifying sustainability topics that carry heightened significance for specific sectors based on sectors' characteristics. In this context, **Strategic Sustainability Matters** refer to sustainability topics that are inherently linked to the nature of CSG's operations and are, by their characteristics, fundamental to how CSG conducts its business (refer to chapters, 1.1.1. General Basis for Preparation of Consolidated Sustainability Statement and 1.3.1. Strategy, Business Model, and Value Chain). These matters typically arise from the manufacturing profile of CSG, including aspects such as resource use, energy consumption, environmental compliance, and workforce safety. They are identified through internal assessment and management judgement, taking into account operational realities, sector characteristics and their relevance to long-term value creation, as well as their connection to CSG's Sustainability Strategy. These matters support alignment between sustainability priorities, strategic direction, and future target-setting.

Material Impacts, Risks, and Opportunities Addressed During the Reporting Period

During the reporting period, the Board of Directors addressed material IROs identified through the DMA. These IROs were identified through a structured process involving subsidiary management and validated at the CSG level, ensuring that material sustainability topics relevant to CSG's activities and business relationships were consistently recognized and assessed.

The IROs addressed were considered at the level of **Sustainability Matters**, reflecting recurring patterns of impacts, risks, and opportunities across CSG's operations and value chain rather than isolated events. This aggregated perspective supports effective governance oversight and enables sustainability considerations to be integrated into broader risk management and strategic discussions at the level of CSG overall.

ESRS2.GOV-3

1.2.3. Integration of Sustainability-Related Performance in Incentive Schemes

Sustainability-Related Performance in Incentive Schemes

For the 2025 reporting period, sustainability-related considerations, including climate-related performance criteria, are not reflected in the remuneration of members of the administrative, management, or supervisory bodies of CZECHOSLOVAK GROUP a.s. Accordingly, no portion of remuneration recognized in the reporting period is linked to sustainability performance, including greenhouse gas emissions, energy efficiency, or other environmental indicators.

As a result, these bodies' performance has not been assessed against climate-related or other sustainability targets during the reporting period, and no variable remuneration components are contingent upon the achievement of sustainability-related objectives.

Forward-Looking Considerations

Sustainability-related incentive mechanisms, including the potential linkage of remuneration to climate-related performance, are expected to be addressed under the governance framework once formally approved and implemented (further information relating to matters addressed in this chapter in connection with the IPO is described in chapter 5. Significant Subsequent Events). Relevant disclosures will be provided in future sustainability statements when such incentive schemes become applicable to the reporting entity and measurable against established baselines and targets.

ESRS2.GOV-4

1.2.4. Statement on Due Diligence

Mapping of Information Provided about the Due Diligence Process

The Consolidated Sustainability Statement includes information on how material sustainability IROs are identified, assessed, and managed. Relevant disclosures on due diligence are integrated across various chapters, including those for governance, stakeholder engagement, risk management, and value chain assessments.

Cross-Reference of Due Diligence Requirements to Disclosures in the Consolidated Sustainability Statement

Table 11

Core elements of due diligence	References within the Consolidated Sustainability Statement
Embedding due diligence in governance, strategy and business model	1.2.2. Sustainability Matters Addressed by CSG Administrative, Management, and Supervisory Bodies (ESRS2.GOV-2) 1.2.3. Integration of Sustainability-Related Performance in Incentive Schemes (ESRS2.GOV-3) 1.3.3. Material Impacts, Risks, and Opportunities and Their Interaction with Strategy and Business Model (ESRS2.SBM-3)
Engaging with affected stakeholders in all key steps of the due diligence	1.2.2. Sustainability Matters Addressed by CSG Administrative, Management, and Supervisory Bodies (ESRS2.GOV-2) 1.3.2. Interests and Views of Stakeholders (ESRS2.SBM-2) 1.4.1. Process to Identify and Assess Material Impacts, Risks, and Opportunities (ESRS2.IRO-1) 4.4. Business Conduct Policies and Corporate Culture (G1-1)
Identifying and assessing adverse impacts	1.3.3. Material Impacts, Risks, and Opportunities and Their Interaction with Strategy and Business Model (ESRS2.SBM-3) 1.4.1. Process to Identify and Assess Material Impacts, Risks, and Opportunities (ESRS2.IRO-1)
Taking actions to address those adverse impacts	2.2.4. Actions and Resources in Relation to Climate Change Policies (E1-3) 2.3.3. Actions and Resources Related to Pollution (E2-2) 2.4.3. Actions and Resources Related to Water and Marine Resources (E3-2) 2.6.3. Actions and Resources Related to Resource Use and the Circular Economy (E5-2) 3.1.5. Taking Action on Material Impacts on Own Workforce (S1-4)
Tracking the effectiveness of these efforts and communicating	2.3.4. Targets Related to Pollution (E2-3) 2.4.4. Targets Related to Water and Marine Resources (E3-3) 2.6.4. Targets Related to Resource Use and the Circular Economy (E5-3) 3.1.6. Targets Related to Own Workforce (S1-5)

ESRS2.GOV-5

1.2.5. Risk Management and Internal Controls over Sustainability Reporting

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. This system applies to all 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 subsidiaries 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 2025 reporting cycle, CSG significantly strengthened its internal control processes over sustainability data collection and consolidation. Major improvements were achieved through the implementation of new tools and procedures designed to reduce human error and process-related mistakes. In particular, CSG introduced a centralized internal knowledge base that provides clear guidance on data collection requirements, example responses, supporting documentation, and approved estimation meth-

odologies where primary data is not available. This has enabled more consistent application of methodologies across sectors and regions, improving data comparability, integrity, and overall reliability.

Despite these improvements, CSG continues to face residual risks related to manual inputs and process execution, which may affect data accuracy and completeness. The availability of primary upstream and downstream value chain data also remains a challenge, although notable progress has been made through ongoing stakeholder engagement and improved data requests. A persistent constraint relates to the timing of data availability, particularly where information is provided by third parties late in the reporting cycle. In such cases, estimations continue to be required to ensure completeness of sustainability reporting, while maintaining a reasonable level of accuracy and transparency.

Description of Risk Assessment Approach Followed

CSG applies a structured risk assessment approach focused specifically on risks that could affect the quality, completeness, integrity, and reliability of sustainability reporting.

Risk prioritization is informed by feedback from subsidiaries and internal data owners. Particular attention is given to recurring themes identified during the reporting cycle, including data quality, methodological consistency across sectors and regions, adherence to reporting timelines, audit trail documentation, and traceability of figures to underlying systems.

Risks are prioritized based on their potential to compromise the reliability of disclosures, the level of judgement or estimation involved, and the complexity of data consolidation. Areas requiring higher levels of estimation, cross-entity consolidation, or value chain input are treated as higher priority from a control perspective.

Description of Main Risks Identified and their Mitigation Strategies

The main risks identified in relation to the sustainability reporting process include:

- **Incompleteness of Data**
  Including the risk that relevant subsidiaries, activities or value chain elements are not fully captured.
- **Integrity and Consistency of Data Flows**
  Including consolidation risks and potential duplication.
- **Low Accuracy of Estimates**
  Particularly where proxies, modelling or proportional allocations are used.
- **Poor Availability and Timing of Information**
  Especially from upstream and downstream value chain participants.
- **Manual Processing Risks**
  Including data input errors or inconsistent application of methodologies across entities.
- **IT and System Limitations**
  Where reporting relies on decentralized accounting or operational systems.

To mitigate these risks, CSG implemented several internal projects and control enhancements during the reporting period, including:

- The establishment of an internal knowledge database defining unified methodologies for data collection, calculation rules, and documented estimation approaches.
- The introduction of automation tools to reduce manual handling of data and improve traceability.
- Regular training sessions for responsible personnel at the subsidiary level to ensure consistent application of methodologies.
- Designation of a central ESG point of contact to coordinate reporting questions and methodological interpretation.
- Strengthened reconciliation procedures to align sustainability data with financial and controlling systems.

These measures are designed to reduce variability in data interpretation, enhance auditability, and improve overall data reliability.

Integration of Risk Assessment Findings into Internal Functions and Processes

Findings from the reporting risk assessment are integrated into CSG's governance and oversight framework.

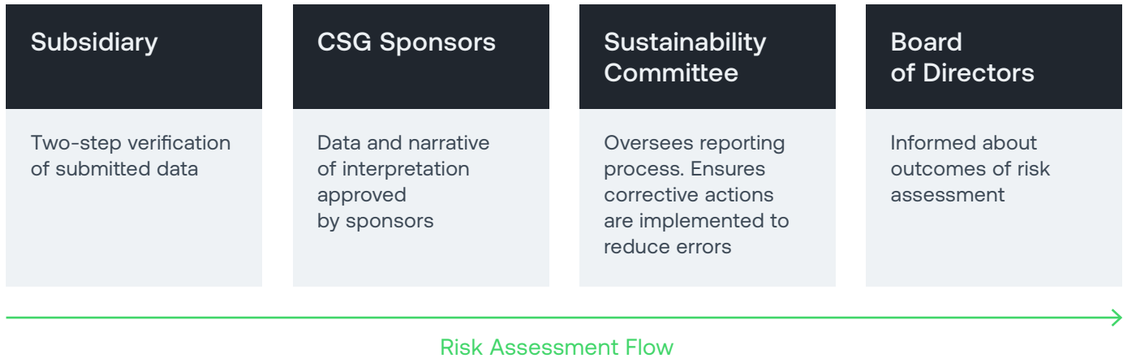
All collected sustainability data must undergo a two-step validation process at subsidiary level before consolidation. Subsidiaries are required to review and formally confirm submitted data. At CSG, each ESRS topic is assigned a designated sponsor, who is responsible for reviewing and formally approving both the narrative disclosures and the associated quantitative data.

The Sustainability Committee oversees the overall reporting process and ensures that identified control weaknesses are addressed through corrective actions. The outcomes of the risk assessment and control reviews are communicated to senior management and the Board of Directors.

This structured integration of risk assessment results into operational processes strengthens internal accountability, improves consistency across entities, and enhances the reliability of the Consolidated Sustainability Statement.

Risk Assessment Flow

Visualization 2



1.3. Strategy

This section explains how sustainability considerations are integrated into CSG's strategy, business model, and value chain. It describes CSG's strategic approach to sustainability, including its sustainability strategy pillars and their connection to **Strategic Sustainability Matters** and Sustainable Development Goals. The section also outlines how stakeholder engagement informs strategic decision-making and how material IROs interact with CSG's business model, operations, and long-term strategic direction.

ESRS2.SBM-1

1.3.1. Strategy, Business Model, and Value Chain

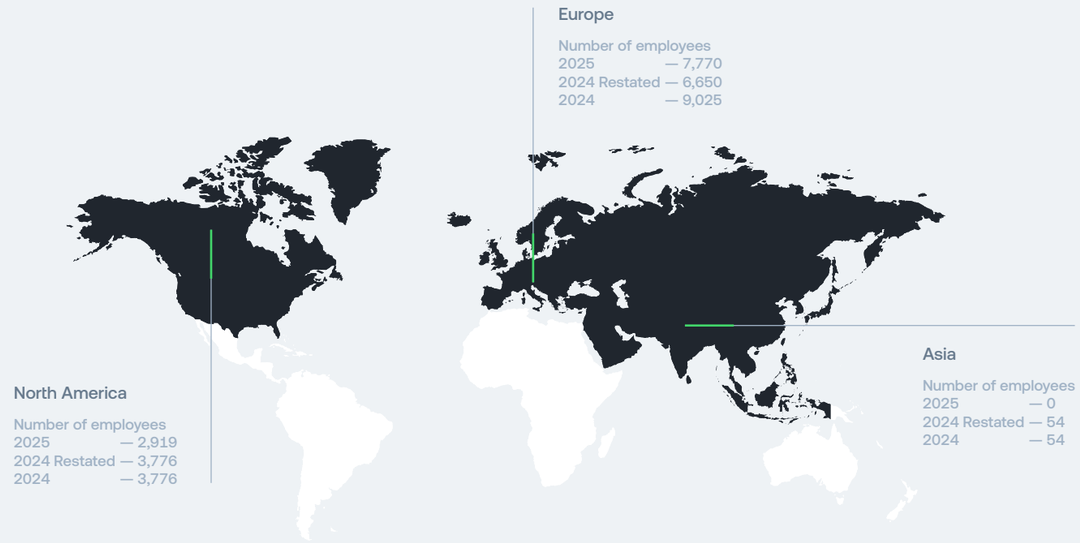
Elements of Strategy That Relate to or Impact Sustainability Matters, Business Model and the Value Chain

Information on the groups of products and services offered by CSG is provided in chapter 1.1.1 General Basis for Preparation of the Consolidated Sustainability Statement (ESRS 2 BP-1), in Table 3. The table presents CSG's sectors and activities and includes sector and sub-sector codes reflecting the nature of its operations. The information provided covers all sectors and activities, not only those assessed as significant. During the reporting period, a new sector, Chemicals, was added to CSG following the acquisition of MSM Walsrode GmbH & Co. KG.

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

As of the end of the reporting period, CSG's total workforce was distributed across key geographical regions as follows: Europe—7,770 employees, North America—2,919 employees, and Asia—0 employees.

CSG's Total Workforce Distribution Visualization 3



There are no products or services produced or provided by CSG that are banned in particular 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. The total revenue for 2025 is €6,741 million. A breakdown of total revenue, as included in CSG's financial statements (refer to Section 8 (Revenues) of the Consolidated Financial Statement), by ESRS sectors is presented in Table 12 below. The information is structured by sector to reflect the nature of CSG's operations.

CSG's Total Revenues Table 12

	2024 (€ million)	2025 (€ million)
Revenue	4,008	6,741

CSG's business activities have been assessed, and no additional significant ESRS sectors were identified beyond those already reflected in its primary sectors of operation. CSG's materiality assessment and reporting focus on its core sectors, which are listed in chapter 1.1.1 General Basis for Preparation of the Consolidated Sustainability Statement (ESRS 2 BP-1). These sectors cover CSG's key revenue-generating activities and material sustainability impacts comprehensively, with no additional significant activities requiring separate sector classification.

CSG is not engaged in and does not derive revenues from:

- Activities related to the fossil fuel sector as defined in the applicable requirements.
- Activities related to exploration, mining, extraction, production, processing, storage, refining, distribution, transportation, storage, or trade of fossil fuels, including coal, oil, or gas, as defined in Article 2(62) of Regulation (EU) 2018/1999.
- Activities related to coal, oil, or gas, nor from Taxonomy-aligned economic activities related to fossil gas as referred to in Article 8(7)(a) of Commission Delegated Regulation (EU) 2021/2178.
- Activities related to tobacco growing, processing, or manufacturing.

CSG is engaged in chemical production through its subsidiary MSM Walsrode GmbH & Co. KG, which specializes in the manufacturing of nitrocellulose—a chemical polymer obtained by treating cellulose with acids and used in a wide range of industrial applications such as inks, coatings and other cellulose-derived products. This activity falls within the chemicals production category referenced in ESRS, corresponding to economic activities under Division 20.2 of Annex I to Regulation (EC) No 1893/2006. Total revenue from chemicals production in the reporting year was €55.8 million.

CSG and its subsidiaries do not design, develop, manufacture, distribute, or provide any financial or other support for controversial weapons, as defined under Annex I, Table I, Indicator #14 of Commission Delegated Regulation (EU) 2022/1288 supplementing Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial sector. This includes, but is not limited to:

- Anti-personnel mines (Ottawa Treaty);
- Cluster munitions (Oslo Convention);
- Chemical weapons (Chemical Weapons Convention);
- Biological weapons (Biological Weapons Convention);
- Weapons containing depleted uranium; and
- Weapons containing white phosphorus.

In addition, CSG is not involved in any aspect of nuclear weapons manufacturing, whether directly or through its subsidiaries or joint ventures.

CSG does not engage in any activities related to these weapons, nor does it intend to do so in the future. As a result, it does not have any exposure to Principal Adverse Impact (PAI) Indicator #14 under the Sustainable Finance Disclosure Regulation (SFDR). This statement is provided to support the information needs of financial market participants subject to Regulation (EU) 2019/2088.

No specific sustainability-related goals have been set for products and services, customer categories, or geographical areas.

Sustainability Strategy

CSG's sustainability strategy is structured around six interlinked pillars that reflect its approach to governance, environmental stewardship, social responsibility, reporting, stakeholder engagement, and innovation. Each pillar is connected to specific Sustainable Development Goals (SDGs) and is composed of specific topics that translate strategic intent into operational focus areas. Selected topics are explicitly linked to **Sustainability Matters**, and where these matters are identified as critical to CSG's long-term value creation, risk management, and impact profile, they are classified as **Strategic Sustainability Matters**.

Sustainability Strategy Pillars

Visualization 4



Each pillar of the Sustainability Strategy is directly connected to identified **Strategic Sustainability Matters**, which in turn are systematically linked to CSG's defined IROs. This creates a structured alignment between strategy, materiality assessment, and risk management. Through this approach, strategic priorities are anchored in identified IROs, ensuring that governance oversight, management actions and future target-setting are informed by the specific IROs relevant to CSG's operations. The detailed mapping between **Strategic Sustainability Matters** and corresponding IROs is presented in Annex 3.

CSG's Sustainability Strategy Pillars and Linkage to Strategic Sustainability Matters and SDGs

Table 13

Pillars	SDGs	Priority	Strategic Sustainability Matters
Sustainability Reporting	12	Policies	
		Actions	
		Targets	SM_E1-1: Transition Plan for Climate Change Mitigation SM_E1-2: Management of Climate Change Mitigation & Adaptation
		Independent Assurance	
		Reporting Standards	
Governance	12 16	Management Expertise and Incentive Schemes	
		Supply Chain Management	SM_G1-2: Management of Relationships With Suppliers
		Corruption and Bribery Prevention	SM_G1-3: Prevention & Detection of Corruption & Bribery
		Responsible Policy Engagement	SM_G1-5: Political Influence & Lobbying Activities
		Internal Control and Risk Management	SM_E1-9: Climate Risk Management SM_G1-1: Business Conduct & Corporate Culture
		Cybersecurity	
Social Impact	5 8	Workforce Composition	SM_S1-6: Characteristics of Own Workforce SM_S1-1: Own Workforce Management SM_S1-9: Diversity Metrics
		Collective Bargaining	SM_S1-8: Collective Bargaining & Social Dialogue
		Fair Compensation	SM_S1-10: Adequate Wages
		Training and Skills Development	SM_S1-13: Training & Skills Development
		Health and Safety	SM_S1-14: Health & Safety
		Grievance and Human Rights	SM_S1-17: Own Workforce Grievance Management
Environment	12 13	Carbon Footprint	SM_E1-6: GHG Emissions
		Energy	SM_E1-5: Energy Consumption
		Water	SM_E3-4: Water Consumption SM_E3-1: Water & Marine Resources Management
		Pollution Prevention	SM_E2-1: Pollution Management SM_E2-A: Pollution of Air
		Hazardous Substances	SM_E2-5: Substances of Concern & Very High Concern
		Resource Inflows	SM_E5-4: Resource Inflows SM_E5-1: Resource Use Management
		Waste	SM_E5-E: Waste Management SM_E5-F: Hazardous Waste Management
Stakeholder Engagement	17	Internal Stakeholders	
		External Stakeholders	
Research & Development	9	Promotion of Sustainable Solutions	

CSG has defined a structured target roadmap as a part of its sustainability strategy in order to support measurable progress over the 2025–2027 period. The biggest milestones are following:

2025

In 2025, CSG focused on baseline understanding and applied to become a member of the United Nations Global Compact, committing to operate in line with its Ten Principles and to report progress annually.

2026

In 2026, CSG aims to commit to and develop subsidiary-wide emission reduction targets aligned with climate science (1.5°C goal) based on the 2025 baseline, covering both decarbonization and supply chain emissions, and to submit these targets for validation with the Science Based Targets initiative (SBTi). During the same year, CSG also plans to submit the CDP questionnaire and formulate broader sustainability targets.

2027

In 2027, CSG intends to set SBTi-validated targets for decarbonization and supply chain emissions (based on the 2025 baseline) and define additional sustainability targets, and from that year onwards to communicate progress toward achieving these targets over time. Obtaining a CDP rating is expected.

Business Model and Value Chain

CSG's operations are supported by a range of strategic inputs that enable its activities across various industries. These include not only materials and components but also technological expertise and skilled human capital. CSG applies a structured approach to procurement and operational planning, emphasizing compliance, quality standards, and long-term business continuity.

The main product groups CSG delivers are defence products, automotive components, rolling stock solutions, metal processing services, and aerospace maintenance (refer to chapter 1.1.1. General Basis for Preparation of the Consolidated Sustainability Statement (ESRS 2 BP-1) for a description of the main product groups in Table 3). 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 component manufacturing, raw material sourcing, 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. For detailed value chain mapping, refer to Table 4 of chapter 1.1.1 General Basis for Preparation of the Consolidated Sustainability Statement (ESRS 2 BP-1).

ESRS2.SBM-2

SDGs 17

1.3.2. Interests and Views of Stakeholders

Purpose of Stakeholder Engagement

The purpose of stakeholder engagement is to ensure that the interests, expectations, and concerns of stakeholders are duly considered and reflected in CSG's sustainability strategy and, where relevant, in the overall CSG strategy and business model. Stakeholder engagement supports informed decision-making and contributes to the consistent integration of sustainability priorities across CSG subsidiaries.

Stakeholder input is used in the identification and assessment of sustainability-related IROs and forms part of CSG's DMA.

Organization and Information Flow of Stakeholder Engagement

Stakeholder engagement is conducted within a structured and transparent framework guided by CSG's publicly available Stakeholder Engagement Policy. Engagement activities are coordinated centrally by the ESG HQ Team to ensure consistency across subsidiaries, while remaining responsive to local, national, and supranational contexts. CSG seeks open and constructive dialogue with stakeholders and facilitates engagement where appropriate and in the legitimate interests of the business.

Stakeholder engagement is carried out by members of Sustainability Operations, led by the Chief Sustainability Officer of CSG and overseen by the Sustainability Committee. The ESG HQ Team is responsible for following:

- Maintaining and developing CSG's stakeholder engagement framework;
- Coordinating stakeholder mapping and engagement processes;
- Consolidating and analyzing stakeholder engagement outcomes;
- Conducting annual reviews to ensure alignment with sustainability objectives;
- Coordination of engagement activities across relevant CSG subsidiaries; and
- Ensuring consistency, transparency, and responsiveness to stakeholder needs.

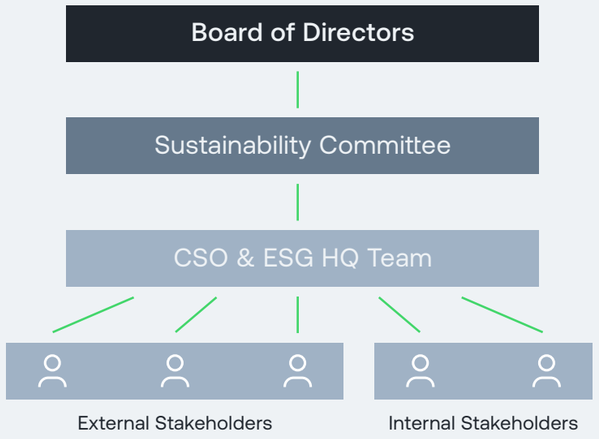
The ESG HQ Team manages stakeholder engagement at local, national, and supranational levels. Engagement at supranational level is conducted strictly for the purpose of obtaining governmental, regulatory, or institutional insights relevant to sustainability and ESG developments. The ESG HQ Team provides updates to the Sustainability Committee on stakeholder feedback, key issues, and progress toward engagement objectives.

The Sustainability Committee, led by the Chief Sustainability Officer and composed of senior CSG leaders, meets regularly to validate the direction of CSG's sustainability goals and oversee the delivery of the overarching sustainability strategy. It provides strategic oversight and reviews the effectiveness of stakeholder engagement on a quarterly basis. It reviews the reports submitted by The ESG HQ Team, identifies emerging issues, and ensures that engagement outcomes are passed to the relevant subsidiary or, where necessary, communicated to the Board of Directors which oversee strategic decisions across CSG.

This governance reporting structure ensures that the views and interests of affected stakeholders are considered at the appropriate decision-making level in relation to CSG's sustainability-related IROs, and that stakeholder perspectives can inform strategic direction and the ongoing development of CSG's business model.

Stakeholder Engagement Process

Visualization 5



Description of Key Stakeholders, Categories of Stakeholders for which Engagement Occurs, and Stakeholder Prioritization

Engagement occurs with stakeholders who influence, are affected by, or have a legitimate interest in CSG's activities and sustainability performance. Stakeholders are classified using a two-level approach. First, they are categorized as internal or external depending on their relation to CSG. This distinction supports targeted engagement across stakeholder groups and ensures that both internal perspectives relevant to governance and implementation and external perspectives relevant to CSG's value chain and operating environment are appropriately considered.

Division of Internal and External Stakeholders

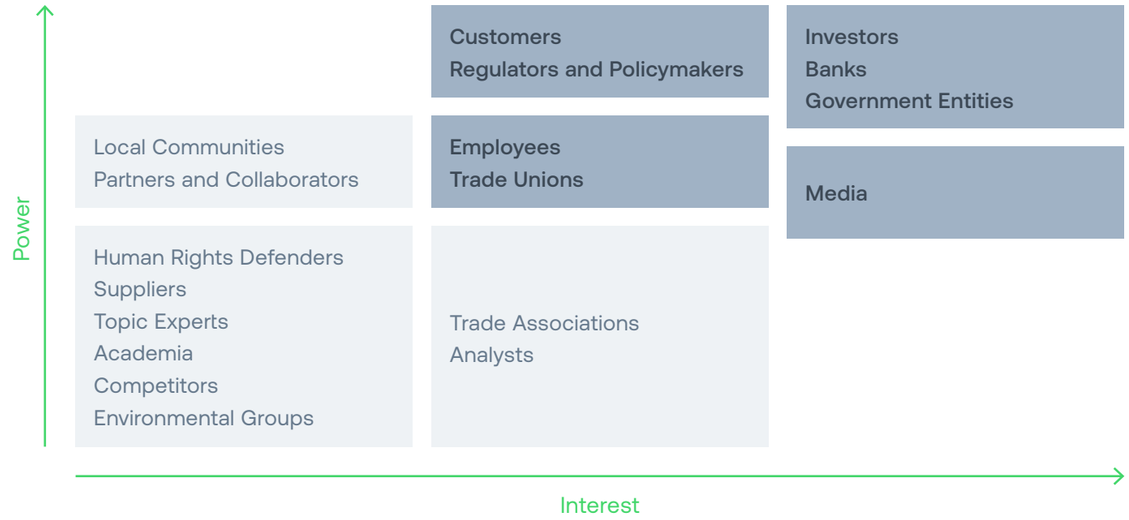
Table 14

Internal Stakeholders	External Stakeholders	
Sustainability Committee	Investors	Local Communities
Employees	Banks	Partners and Collaborators
Board of Directors	Government Entities	Human Rights Defenders
Trade Unions	Media	Suppliers
	Customers	Academia
	Regulators and Policymakers	Topic Experts
	Trade Associations	Competitors
	Analysts	Environmental Groups

Secondly, CSG applies a Power–Interest Matrix (Power–Interest Model), to prioritize stakeholders and determine the appropriate level and frequency of engagement. Under this structured analysis, stakeholders are assessed according to their Power (Influence), meaning their ability to affect CSG's strategic or operational decisions, and their Interest (Significance), which means the degree to which they are affected by or concerned with CSG's activities and sustainability performance. The outcome of this assessment is CSG's Stakeholder Map, which guides engagement planning and supports systematic allocation of engagement efforts.

CSG's Stakeholder Map Visualized in a Power–Interest Matrix

Visualization 6



Stakeholders are grouped into the following categories based on the Power–Interest Matrix:

- **Key Stakeholders** (high power and high interest)
  This stakeholder category includes customers, regulators and policymakers, investors, banks, and government entities. These stakeholders are prioritized for active and regular engagement, with a focus on inclusion in strategic discussions and decision-making related to **Sustainability Matters**.

- **Maintain Engagement** (high power and moderate interest)
  This stakeholder category includes employees, trade unions, and media. Engagement with them focuses on keeping them informed, engaged on critical sustainability topics and ensuring awareness of key sustainability developments relevant to CSG.

- **Support and Consult** (moderate power and moderate interest)
  This stakeholder category includes trade associations and analysts. Engagement with these stakeholders is conducted periodically to collect insights, raise awareness, and support informed dialogue on sustainability-related topics.

- **Monitor** (low power and moderate interest)
  This stakeholder category includes local communities, partners, human rights defenders, suppliers, academia, topic experts, competitors and environmental groups. Engagement with this group focuses on maintaining observation and engaging where relevant to specific sustainability topics or emerging issues.

Stakeholders with higher Power–Interest scores receive proportionally greater engagement attention, and their feedback is given greater weight, reflecting their strategic relevance and potential influence on, or exposure to, CSG's sustainability performance and decision-making. This prioritization influences the results of the DMA.

Although CSG facilitates constructive dialogue, it may decide not to enter into engagement or may set conditions for engagement with specific stakeholders where such

engagement is not considered to be in its own legitimate interests of CSG or those of its business operations.

The Sustainability instead of ESG HQ Team reviews and updates the Stakeholder Map annually to reflect changes in CSG's operational structure, business context, and regulatory environment, and the updated Stakeholder Map is validated by the Sustainability Committee.

Forms of Engagement

The ESG HQ Team uses engagement methods selected according to the stakeholder type, context, and engagement objectives. The form and depth of an engagement depend on the topic discussed, the stakeholder involved, and the relevance of engagement to CSG's sustainability objectives.

These methods may include, but are not limited to:

- **Surveys and Questionnaires**
  Structured tools for gathering comparable quantitative and qualitative feedback.
- **Focus Groups and Consultations**
  Targeted discussions or interviews enabling more detailed exploration of stakeholder perspectives, including, where relevant, sessions with trade unions.
- **Industry Platforms and Regulatory Dialogues**
  Participation in relevant forums and exchanges with sectoral bodies and institutions, such as the European Commission or NATO, to obtain and share sustainability-related insights.
- **Customer or Supplier Reviews**
  Structured exchanges with key business partners on sustainability-related topics, performance expectations, and opportunities for mutual development.
- **Roadshows**
  Structured meetings or presentations in which CSG provides investors with updates on its sustainability approach, performance, and strategic priorities across relevant geographic and sector contexts.

These methods are intended to ensure that stakeholders are appropriately informed and actively involved, and that their perspectives can contribute to the development, implementation, and continuous improvement of CSG's ESG initiatives.

Description of how Outcomes of Stakeholder Engagement are Taken into Account

Outcomes of stakeholder engagement are consolidated, analyzed, and assessed by The ESG HQ Team. Stakeholder feedback is used as a key input into CSG's DMA and supports the identification and prioritization of **Sustainability Matters**, including related IROs. Stakeholders are approached through a structured form covering ESRS topics and can indicate whether topics are material to CSG overall or primarily relevant to specific sectors.

Stakeholder outcomes inform the development and refinement of CSG's sustainability strategy, including the definition of focus areas and the setting or adjustment of sustainability-linked targets, alongside regulatory developments and business priorities. Relevant findings are escalated to the Sustainability Committee and, where suitable, communicated to relevant subsidiaries to support consistent integration into strategic planning, sustainability management, and reporting processes across CSG.

Connection of Sustainability Strategy to Stakeholders

Based on stakeholder engagement outcomes, regulatory developments, and business priorities, CSG introduced a new sustainability strategy in 2025. Stakeholder engagement outcomes have therefore contributed to shaping the strategic direction of CSG and strengthening the integration of sustainability considerations into the business model, including how **Sustainability Matters** are prioritized, governed, and implemented across CSG's sectors and value chain.

In 2025, key stakeholders mainly expressed interest in CSG reassessing its previous sustainability strategy and linking it to measurable, trackable targets with defined timelines. Stakeholders also raised expectations related to membership in internationally recognized sustainability-related organizations. Further expectations concerned the strengthening of CSG policies and enhancing governance arrangements to improve robustness and resilience. CSG addressed these expectations by developing and refining its sustainability strategy and governance framework.

CSG expects that its sustainability strategy and business model will continue to evolve in response to stakeholder interests and views, regulatory expectations, and material sustainability IROs. Stakeholder perspectives may therefore influence future amendments to CSG's business model and strategic direction over time. Stakeholder input will be taken into account in strategic planning processes, including the development of targets, refinement of sustainability governance structures, and adjustments to engagement priorities across CSG subsidiaries. The strategy may be further amended following the next round of stakeholder engagement in 2026.

Further steps are expected to include the introduction of internal partial targets to ensure continued fulfillment of the sustainability strategy. CSG is also committed to progressively enhancing the inclusiveness of its stakeholder engagement. Over time, The Sustainability instead of ESG HQ Team will seek to broaden the scope of engagement to encompass a wider range of stakeholder groups and deepen dialogue where relevant.

The planned enhancement of stakeholder engagement, together with the continued implementation of the sustainability strategy and the introduction of additional internal targets, is expected to strengthen relationships with stakeholders through increased transparency, responsiveness, and consistency of communication across CSG.

ESRS2.SBM-3

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

Material Impacts, Risks, and Opportunities and Interaction with Business Model

IROs have been identified across CSG's own operations, business model, and value chain. Annex 3 presents the IROs identified across all **Sustainability Matters** covered in this Consolidated Sustainability Statement. **Strategic Sustainability Matters** are indicated based on their direct linkage to CSG's Sustainability Strategy (refer to chapter 1.3.1. Strategy, Business Model, and Value Chain (SBM-1)). Each impact is classified according to its nature as actual/potential, positive/negative, and by its respective impact type. For each IRO, the applicable time horizon (short-, medium-, or long-term) and the position in the value chain (upstream, own activities or downstream) are specified. Sustainability matters assessed as not material are clearly marked as "Immaterial".

Material 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 and circular-economy adoption, 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 developed and introduced the structured CSG Policy Framework to align with sustainability-related requirements. Additionally, enhanced stakeholder engagement mechanisms have been implemented to address stakeholders' concerns, ensuring greater transparency and accountability.

CSG's material impacts have direct and indirect effects on people and the environment across its value chain. On the negative side, greenhouse gas emissions and waste generation contribute to environmental pressures, including climate change and resource depletion. Workforce-related impacts, such as skills gaps, uneven access to development opportunities, and diversity challenges, can affect employee well-being, inclusion and long-term employability. Compliance and business conduct shortcomings, where they occur, may also negatively affect trust and expose stakeholders to legal and reputational harm.

CSG's material impacts also include positive effects. Investments in workforce training, occupational health and safety practices, and employee development strengthen skills, job quality and resilience across the workforce. Measures to promote diversity and inclusion support equal opportunity and more inclusive workplaces. Governance and ethical

business conduct initiatives reinforce transparency and responsible decision-making, supporting fair business practices across business relationships. Community and stakeholder engagement activities can strengthen dialogue, trust and social acceptance, supporting more stable operations and improved relationships with affected stakeholders over time.

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

- **Short-term (1 year)**
  Mainly relate to areas where regulatory compliance, operational controls, or governance practices can lead to immediate consequences. These include risks associated with business conduct and corporate culture, anti-corruption and anti-bribery matters, grievance management, health and safety incidents, pollution management, hazardous waste handling, energy efficiency, workforce management, supplier compliance, and consumer protection. In these areas, deficiencies may result in prompt regulatory action, financial penalties, operational disruption, or reputational damage.

- **Medium-term (2–5 years)**
  These primarily arise from **Sustainability Matters** requiring structural adjustments, investment, or behavioral change. They include climate change mitigation and adaptation management, energy consumption and emissions reduction, water consumption and water resource management, resource inflows, waste management, training, and skills development, diversity, and inclusion, collective bargaining, supplier relationship management, and value chain labor practices. Opportunities in this timeframe relate to operational efficiency gains, improved resilience, stronger stakeholder trust, and enhanced market positioning resulting from the implementation of effective management systems and controls.

- **Long-term (5+ years)**
  Predominantly linked to climate-related physical risks, long-term emissions reduction pathways, transition planning, hazardous waste management, biodiversity-related impacts (where applicable), workforce capability development, and broader circular economy outcomes. These impacts may affect CSG's long-term competitiveness, cost structure, access to capital and markets, and the resilience of its operations and value chain. Opportunities in the long term arise from sustained climate resilience, low-carbon operations, secure resource strategies, and a skilled and adaptable workforce.

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 and pollution mitigation, 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. Grievance mechanisms and ethical business conduct impact downstream stakeholders, including customers and end-users, emphasizing the importance of robust compliance, 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 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.

CSG'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 materiality assessment has highlighted the need for further integration of sustainability risks into financial planning and operational decision-making.

The value chain mapping has been expanded to include more granular sub-sector definitions, improving the accuracy of impact and risk identification. These changes enhance the precision of materiality outcomes but do not represent a fundamental shift in CSG's overall sustainability risk profile.

During this reporting period, CSG updated its set of **Sustainability Matters**, introducing revised names to replace those used in previous reporting cycles. This update reflects the process of alignment with the current ESRS structure and terminology. While the naming and structuring of **Sustainability Matters** have changed, the scope of data collection for the underlying topics remains broadly consistent.

In addition, CSG updated its IRO set and introduced new IROs to better reflect changes in CSG's activities, the evolving regulatory and stakeholder context, and improvements in the assessment methodology. These updates were introduced to improve the completeness, consistency, and traceability of the IRO assessment and its outcomes.

To support transparency and enable comparability over time, CSG provides a bridging table mapping the **Sustainability Matters** used in previous statements to the updated **Sustainability Matters** applied in this Consolidated Sustainability Statement. The detailed list of previous and current **Sustainability Matters** is presented in Annex 4.

All disclosed IROs are covered by ESRS disclosure requirements, with no additional entity-specific disclosures included.

1.4. Impact, Risk, and Opportunity Management

This section describes the processes used by CSG to identify, assess, prioritize, and monitor sustainability-related IROs through its DMA. It explains the methodologies, scoring criteria, and thresholds applied to determine material sustainability matters and outlines how stakeholder input, value chain analysis, and internal validation processes contribute to the assessment. The section also clarifies how the outcomes of the assessment inform sustainability disclosures and how they are integrated into CSG's broader risk management and decision-making frameworks.

ESRS2.IRO-1

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

Methodologies and Assumptions Applied

CSG's methodology for identification of its IROs and assessment of materiality is applied consistently across all operations and combines structured expert judgment with defined quantitative assessment parameters. This process begins with the definition of sustainability matters aligned with ESRS requirements. For each sustainability matter, relevant IROs are then identified and assessed.

The IRO set is consistent across sectors and sub-sectors. IROs do not change depending on the sector; instead, applicability is determined based on whether the sustainability matter is relevant to the activities performed. Where an IRO applies across multiple sectors, it is assessed using the same scoring framework and is not assigned separate sector-specific scores.

The table below sets out the quantitative assessment parameters applied in CSG's DMA methodology. For each parameter, it provides the corresponding qualitative description for the numerical values used in the assessment of IROs. Table 15 also specifies which parameters are applied depending on the classification of an impact as negative or positive, and as actual or potential, thereby ensuring a consistent, transparent, and methodologically robust assessment process across all sustainability matters.

Quantitative Assessment Parameters Applied in CSG's DMA

Table 15

Item	Negative / Positive	Actual / Potential	Scale	Scope	Irremediability	Magnitude	Likelihood / Probability
Impact	Negative	Actual	(1) Negligible: impact is minimal and would have little to no effect on the organization (2) Minor: impact is small and might cause some inconvenience (3) Moderate: impact is noticeable and may affect the organization's performance, requiring some extra efforts (4) Significant: impact is substantial and would likely disrupt operations or finances (5) Catastrophic: impact is severe and could threaten the organization's viability, leading to major financial losses	(1) Limited: impact is limited to a small, specific part of the organization, such as a single department (2) Localized: impact is more widespread but still limited to a particular region, division, or segment of the organization (3) Broad: impact extends across multiple areas or departments within the organization (4) Widespread: impact affects the entire organization, crossing all departments, regions, or product lines (5) Global: impact extends beyond the organization, affecting suppliers, distributors, customers, and possibly even the broader industry or market	(1) Reversible: impact can be completely reversed with minimal effort or cost (2) Mostly Reversible: impact can be largely reversed, but it may require some effort, time, and resources (3) Partially Irreversible: Only some aspects of the impact can be reversed. Significant effort, time, and resources are required for recovery, and the organization may not fully return to its original state (4) Largely Irreversible: impact is difficult to reverse, and most of the consequences will be permanent (5) Irreversible: impact is completely irreversible, organization cannot return to its previous state	—	—
		Potential				—	(1) Very Unlikely (0–10% chance): impact is highly improbable (2) Unlikely (10–30% chance): impact is not expected to occur, but there is a small possibility (3) Possible (30–50% chance): impact could occur, and there is a reasonable chance of it happening (4) Likely (50–70% chance): impact is more likely to happen than not (5) Very Likely (70–100% chance): impact is almost certain to occur
	Positive	Potential			—	—	
		Actual			—	—	—
Risk	—	—	—	—	—	(1) Negligible: risk impact is minimal and would have little to no effect on the organization (2) Minor: risk impact is small and might cause some inconvenience (3) Moderate: risk impact is noticeable and may affect the organization's performance, requiring some efforts (4) Significant: risk impact is substantial and would likely disrupt operations or finances (5) Catastrophic: risk impact is severe and could threaten the organization's viability, leading to major financial losses	(1) Very Unlikely (0–10% chance): risk / opportunity is highly improbable (2) Unlikely (10–30% chance): risk / opportunity is not expected to occur, but there is a small possibility (3) Possible (30–50% chance): risk / opportunity could occur, and there is a reasonable chance of it happening (4) Likely (50–70% chance): risk / opportunity is more likely to happen than not (5) Very Likely (70–100% chance): risk / opportunity is almost certain to occur
Opportunity	—	—	—	—	—	(1) Negligible: The opportunity provides minimal benefit and is unlikely to influence the organization's performance or sustainability outcomes (2) Minor: The opportunity offers small, localized, or short-term advantages, such as minor cost savings or efficiency improvements, but has limited strategic value (3) Moderate: The opportunity has a noticeable positive effect, such as opening new markets, enhancing stakeholder relationships, or contributing to sustainability targets, requiring moderate investment or coordination (4) Significant: The opportunity provides substantial benefit to the organization, such as major revenue potential, strong alignment with long-term strategy, or a competitive advantage in sustainability (5) Transformational: The opportunity could fundamentally improve the organization's market position, financial performance, or impact on people and planet, potentially shaping core strategy and long-term viability	

Materiality of respective sustainability matters is determined based on the quantitative values assigned to each IRO. For the purpose of the materiality assessment, a sustainability matter is considered material when the maximum value assigned to the impact or financial materiality assessment parameters of respective IRO exceeds 2.33.

The threshold of 2.33 represents one third of the assessment scale between the minimum value of 1 and the maximum value of 5. From a mathematical perspective, this threshold marks the transition from low-level effects to IROs of at least moderate relevance, ensuring that IROs assessed as more than marginal are captured. Methodologically, applying this threshold supports a balanced and proportionate materiality assessment by filtering out low-severity or low-likelihood IROs while ensuring that IROs with meaningful parameters are identified as material. This approach promotes consistency across sustainability matters and avoids undue concentration on immaterial effects, while remaining sufficiently sensitive to capture emerging or escalating sustainability issues.

CSG applies a structured risk assessment approach to identify and prioritize sustainability-related risks arising from actual and potential negative impacts across all relevant sustainability matters. Risks are identified based on both actual and potential negative impacts as well as broader sustainability-related risk exposures, and are assessed using a consistent methodology applied across CSG.

For each identified risk, CSG assigns qualitative and quantitative attributes, including the type of risk, the relevant time horizon (short-, medium-, or long-term), and the part of the value chain affected (upstream, own activities, or downstream). Risk prioritization is performed through a scoring process in which both the magnitude of the impact and the likelihood of its occurrence are assessed on a scale from 1 to 5, based on predefined criteria. The combined assessment of magnitude and likelihood is used to prioritize risks and to determine areas requiring enhanced management attention, mitigation measures, or monitoring.

Magnitude Score Explanation

Table 16

Magnitude Score	Explanation
(1) Negligible	Risk is minimal and would have little to no effect on the organization.
(2) Minor	Risk is small and might cause some inconvenience.
(3) Moderate	Risk is noticeable and may affect the organization's performance, requiring some extra efforts.
(4) Significant	Risk is substantial and would likely disrupt operations or finances.
(5) Catastrophic	Risk is severe and could threaten the organization's viability, leading to major financial losses.

Likelihood Score Explanation

Table 17

Likelihood Score	Explanation
(1) Very Unlikely (0–10% chance)	Risk is highly improbable.
(2) Unlikely (10–30% chance)	Risk is not expected to occur, but there is a small possibility.
(3) Possible (30–50% chance)	Risk could occur, and there is a reasonable chance of it happening.
(4) Likely (50–70% chance)	Risk is more likely to happen than not.
(5) Very Likely (70–100% chance)	Risk is almost certain to occur.

Table 18 provides an overview of the main sustainability-related risks identified, the associated **Sustainability Matters**, and the corresponding mitigation strategies and related controls applied across CSG. The risks presented below were identified as the main sustainability-related risks due to either the magnitude of the impact being assessed as catastrophic, with the potential to threaten the organization's viability and lead to major financial losses, or the likelihood of occurrence being assessed as very likely, with an estimated probability of 70–100%.

Main Sustainability-Related Risks and Mitigation Measures

Table 18

Main Risk	Sustainability Matter	Mitigation Strategy (incl. related controls)	
		Preventive controls	Detective controls
Injuries leading to permanent disabilities of own workforce	SM_S1-14: Health & Safety Strategic	Health and safety policies, mandatory training, workplace risk assessments, safety procedures and protective equipment requirements.	Incident reporting systems, periodic site inspections, internal audits, and management review of health and safety performance.
Scandals or investigations due to governance failures	SM_G1-1: Business Conduct & Corporate Culture Strategic	Code of Conduct, defined governance structures, segregation of duties, and management accountability frameworks.	Compliance monitoring, internal audits, escalation procedures, and board-level oversight.
Fines, legal sanctions, or contract loss due to corruption exposure	SM_G1-3: Prevention & Detection of Corruption & Bribery Strategic	Anti-corruption and bribery policies, mandatory ethics training, third-party due diligence, and contractual compliance clauses.	Whistleblowing mechanisms, transaction monitoring, investigations, and periodic compliance reviews.
Legal or reputational damage due to human rights incidents and mishandled grievances	SM_S1-17: Own Workforce Grievance Management Strategic	Formal grievance procedures, employee awareness initiatives, confidentiality safeguards, and defined remediation processes.	Monitoring of grievance cases, trend analysis, escalation mechanisms, and periodic effectiveness reviews.
Fines, production halts, or loss of license due to substances of concern & very high concern violations	SM_E2-5: Substances of Concern & Very High Concern Strategic	Compliance with applicable chemical regulations, controlled use and storage procedures, supplier requirements, and employee training.	Compliance checks, inspections, documentation reviews, and management oversight.
Poor management leading to pollution incidents impacting the environment	SM_E2-1: Pollution Management Strategic	Environmental management systems, operational controls, maintenance procedures, and pollution prevention measures.	Monitoring of emissions and discharges, incident reporting, audits, and corrective action tracking.
Inadequate handling of substances of concern causing environmental contamination	SM_E2-5: Substances of Concern & Very High Concern Strategic	Standardized handling, storage and disposal procedures, technical safeguards, and supplier engagement.	Environmental monitoring, periodic risk assessments, inspections, and review of incidents.
Inadequate measures preventing air pollution	SM_E2-A: Pollution of Air Strategic	Emissions reduction measures, equipment maintenance programs, and compliance with permit conditions.	Continuous or periodic air emission monitoring, reporting, and corrective actions in case of exceedances.
Over-withdrawal of water in high-water stress areas	SM_E3-4: Water Consumption Strategic	Water management plans, efficiency measures, site-level withdrawal controls, and operational procedures.	Monitoring of water use and withdrawal, internal reporting, and management review.
Mismanagement of hazardous waste impacting environment and communities	SM_E5-F: Hazardous Waste Management Strategic	Hazardous waste classification, secure storage, licensed disposal partners, and employee training.	Waste tracking systems, audits of waste contractors, inspections, and compliance reviews
Lack of visibility into value chain enabling human rights abuses	SM_S2-1: Value Chain Workers Management	Supplier codes of conduct, risk-based due diligence, contractual requirements, and onboarding controls.	Supplier assessments, audits where feasible, grievance mechanisms, and ongoing monitoring.
Pollution of water affecting environment and communities	SM_E2-B: Pollution of Water	Wastewater treatment processes, discharge controls, and operational procedures aligned with permits.	Discharge monitoring, incident reporting, inspections, and corrective action management.

Identification, Assessment, Prioritization, and Monitoring of Impacts, Risks, and Opportunities

The identification and assessment of impacts on people and the environment is informed by value chain mapping, peer benchmarking, and stakeholder input. Where impacts are assessed as highly severe (in terms of scale, scope, and irremediability), they are prioritized even if their likelihood is low, particularly in relation to potential environmental and human rights impacts. Similarly, risks with high magnitude are prioritized regardless of low likelihood, especially where they may result in environmental damage or human rights impacts. Monitoring of impacts and associated IROs is supported through periodic reassessment, internal validation with subsidiaries, and updates to the centralized IRO register.

CSG applies a structured process so as to identify, assess and prioritize sustainability-related risks and opportunities that may have financial effects. The assessment follows the prescribed methodology, which explicitly links identified impacts and dependencies to potential financial risks and opportunities arising from those impacts and dependencies. Risks and opportunities are assessed using defined qualitative and quantitative parameters and are evaluated with regard to their potential financial effects, such as cost increases, revenue impacts, asset impairment, access to capital, or changes in market position.

Focus on Activities, Business Relationships, and Geographies

The DMA focuses on activities, business relationships, and geographic contexts that may give rise to heightened risks of adverse impacts. This focus is enabled through the companies clustering process, which classifies entities by sector, sub-sector, size, and business activity, and through detailed value chain mapping for each sector and sub-sector. Value chains are structured to distinguish upstream, own operations, and downstream activities. This allows CSG to identify where impacts are most likely to occur and to reflect sector-specific operational realities, including differences between manufacturing and service activities and variations across geographic locations.

Consideration of Own Operations and Business Relationships

This process considers impacts with which CSG is involved both through its own operations and as a result of its business relationships. Impacts arising upstream or downstream are assessed wherever CSG's activities, products, or services may contribute to, be linked to, or depend upon those impacts.

In addition, CSG has engaged with affected stakeholders, including trade unions and customers, to obtain their perspectives on identified impacts, risks and opportunities and to provide an opportunity for feedback.

Stakeholder Consultation and External Input

Consultation with affected stakeholders is an integral part of the DMA. Stakeholder engagement supports the validation of material sustainability matters, confirms where IROs occur within the value chain, and provides insight into stakeholder expectations.

Engagement is based on a validated Power–Interest Model and structured assessment tools, with a focus on high-power, high-interest stakeholders. Feedback from these engagements is used to refine sustainability matters, validate IRO placement, and inform assessments of strategic relevance.

A detailed description of the stakeholder engagement process is provided in chapter 1.3.2. Interests and Views of Stakeholders (ESRS 2 SBM-2).

Prioritization of Sustainability-Related Risks

The sustainability-related risks and opportunities identified through the IRO assessment were developed in consideration of other risk categories addressed in the Consolidated Sustainability Statement, in particular transition risks and climate risks. These risk frameworks are interlinked and naturally span both operational and financial dimensions, reflecting their relevance across the full scope of CSG's business activities.

The IRO assessment, transition risk assessment and climate risk assessment each apply their respective prescribed qualitative and quantitative methodologies to ensure comparability, consistency and continuity across risk categories. This approach enables sustainability-related risks and opportunities to be assessed alongside other operational and financial risks using aligned risk-assessment tools, such as scoring models and prioritization matrices. Further details on the specific models, parameters and assumptions applied within each framework are provided in the relevant chapters of this Consolidated Sustainability Statement.



Decision-Making Process and Internal Controls

The DMA includes defined validation and review steps to ensure outcomes' reliability and integrity. Sector-level assessments and IROs are validated with subsidiaries using structured tools, and supporting documentation and confirmations are retained for audit purposes. DMA outcomes—including IROs, material sustainability matters, methodologies, and **Strategic Sustainability Matter** designations—are then ultimately reviewed and verified by the Sustainability Committee.

Integration into Risk Management and Management Processes

The DMA is designed to support CSG's broader risk management framework and strategic decision-making by providing a structured and systematic assessment of sustainability-related impacts, risks and opportunities. The outcomes of the DMA are used to inform the evaluation of CSG's overall risk profile and to support the integration of sustainability considerations into existing risk management processes.

All work related to the identification, assessment and prioritization of IROs is formally presented to the Board of Directors by the Sustainability Committee. Based on these outcomes, the Board exercises its oversight responsibilities by involving the relevant management functions and assigning clear responsibilities for the management, mitigation, and monitoring of identified sustainability-related IROs.

Input Parameters Used

The DMA relies on the following: defined input parameters, including value chain mappings by sector and sub-sector; peer benchmarking; stakeholder engagement inputs; qualitative scoring criteria for IROs; and assumptions related to scope, likelihood, and strategic relevance. These inputs support transparency, traceability, and methodological consistency.

Changes Compared to Prior Reporting Period

The DMA process applied in 2025 reflects several improvements relative to the prior reporting period. Key enhancements include: the introduction of a unified assessment approach applied consistently across sectors and sub-sectors; stronger integration of value chain mapping into the identification and assessment of IROs; and expanded incorporation of stakeholder input, including feedback from affected stakeholders.

In addition, the scoring logic used in the DMA was refined to improve clarity and consistency. In particular, the qualitative descriptions underpinning the quantitative scoring values were significantly enhanced to provide a clearer and more precise interpretation of each score, thereby reducing subjectivity and improving comparability across sustainability matters and reporting periods.

Furthermore, changes in the structure of **Sustainability Matters** and their mapping to individual ESRS disclosure requirements resulted in certain data points being reported for the first time in the 2025 reporting cycle. The table below presents respective disclosure requirements.

Disclosure Requirement without Previous Year Comparatives — Table 19

ID	Disclosure Requirement
E3-4_03	Total water recycled and reused
E3-4_04	Total water stored
E3-4_05	Changes in water storage
E5-4_02	Overall total weight of products and technical and biological materials used during the reporting period
E5-4_03	Percentage of biological materials (and biofuels used for non-energy purposes)
E5-4_04	The absolute weight of secondary reused or recycled components, secondary intermediary products and secondary materials used to manufacture the undertaking's products and services (including packaging)

These changes were last implemented for the 2025 reporting cycle. The DMA methodology is subject to periodic review and will be updated in future reporting periods where necessary to reflect changes in CSG's activities, risk profile, regulatory requirements, or further methodological improvements.

ESRS2.IRO-2

1.4.2. Disclosure Requirements in ESRS Covered by Consolidated Sustainability Statement

ESRS Disclosure Requirements Complied with in this Consolidated Sustainability Statement

In line with ESRS requirements, Annex 5 presents a content index of the material disclosure requirements complied with in preparing this sustainability statement following the outcome of the DMA. The index shows, for each **Sustainability Matter** and relevant sector, the applicable Disclosure Requirement and the chapter in which the related disclosures are located in the sustainability statement.

Annex 6 presents disclosure requirements that have been assessed as not material following the outcome of the materiality assessment, as well as disclosure requirements that are not reported due to the application of the ESRS "quick fix" amendments or have been assessed as non-applicable. For each sustainability matter, the table provides the reasoning for non-inclusion, identifies the relevant disclosure requirement, and indicates the chapter where the assessment or reference is addressed in this Consolidated Sustainability Statement.

Annex 2 presents all disclosure requirements deriving from other EU legislation as listed in Appendix B of the CSRD. For each datapoint, the table indicates where the corresponding disclosure can be found in this Consolidated Sustainability Statement. Disclosure requirements that have been assessed as not material following the outcome of the DMA are explicitly marked as "Not Material".

An explanation of how CSG has determined the material information to be disclosed in relation to the IROs assessed as material, including the thresholds applied and the implementation of the criteria set out in ESRS 1 section 3.2, is provided in chapter 1.4.1. Process to Identify and Assess Material Impacts, Risks, and Opportunities (ESRS 2 IRO-1).

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Business Sectors

Capturing all sectors reporting subsidiaries operate in

2. Environmental Information

This section explains how CSG identifies, manages, and monitors environmental IROs across its operations and value chain. It describes how environmental matters are addressed through governance structures, policies, risk management processes, and strategic decision-making. The section outlines CSG's approach to key environmental topics, including climate change, pollution, water and marine resources, biodiversity and ecosystems, and resource use and circular economy. It also presents relevant targets, actions, and performance metrics in accordance with the ESRS environmental disclosure requirements.



2.1. EU Taxonomy Disclosures

EU Taxonomy Framework

The EU Taxonomy serves as a standardized classification system that identifies environmentally sustainable economic activities. 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

This section:

- Reflects CSG'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 Social 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.

EU Taxonomy Conditions Visualization 7



The following sections detail how CSG'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 utilized a structured approach to determine which economic activities within CSG align with the EU Taxonomy framework. This process ensured that all potential sustainable activities were evaluated systematically and consistently across CSG. The following steps outline its approach:

Eligibility Assessment Process

Visualization 8

Process of Eligibility Assessment

Review of the EU Taxonomy Framework

All activities listed in the EU Taxonomy framework were reviewed. Because new activities are added regularly, a comprehensive assessment was completed, by the end of the reporting period, 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 descriptions' objectives and scope. This step focused on determining which descriptions could be applicable to subsidiaries within CSG based on their operational profiles.

Selection of Potentially Relevant Activities

Based on this analysis, potentially relevant activities were shortlisted. This initial selection focused on the activities most likely to align with CSG's operational realities and sustainability goals.

Comparison with NACE Codes

The shortlisted activities were compared with the NACE codes already associated with each subsidiary within CSG. This step served as initial guidance to validate the relevance of each activity and to streamline the eligibility assessment process.

Subsidiary Confirmation and Data Collection

The identified potentially eligible activities were confirmed with the respective subsidiaries. A self-assessment online tool was deployed to standardize data collection and streamline subsequent validation steps. This 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. This assessment focused on three critical criteria:

Alignment Assessment criteria

Visualization 9

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 would be thoroughly reviewed.

Data was collected from the subsidiaries to assess whether they complied with these criteria. The data gathering process involved direct engagement with subsidiaries to confirm compliance levels.

The online self-assessment tool was used to streamline the data collection process, ensuring data consistency across all participating subsidiaries.

Do No Significant Harm Criteria

For each identified eligible activity, all DNSH criteria related to the specific activity and associated environmental objectives was extracted and reviewed. Detailed reasoning for compliance or non-compliance was provided based on the collected data.

Data was collected from the subsidiaries to determine their compliance with the DNSH criteria, ensuring that no activity undermined other environmental objectives. The online self-assessment tool ensured data consistency and streamlined the reporting process

Minimum Social Safeguards

For the Minimum Social Safeguards (MSS) criteria, CSG 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 subsidiaries to determine compliance with these social safeguards, ensuring that CSG 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.

For the reporting period, CSG did not meet MSS criteria.

Appendices Assessment

In assessing the applicability of the EU Taxonomy, including the criteria set out in the relevant appendices, CSG conducted a detailed analysis of its operations to determine whether its subsidiaries meet the conditions defined in the individual appendices. The level of analytical depth applied reflects the current stage of implementation of reporting processes across CSG, with most respective subsidiaries not yet performing in-depth analyses designed to generate highly granular data.

Appendix A: Generic Criteria for DNSH to Climate Change Adaptation

For the purposes of Appendix A of the EU Taxonomy Climate Delegated Act, CSG carried out a structured assessment of physical climate risks in line with the requirements of Appendix A and relevant best practices referenced therein.

The physical climate risk assessment applied for EU Taxonomy purposes is consistent with the methodology used for the identification and assessment of physical climate-related risks disclosed under section 2.2.1. General Disclosures Related to Climate Change (ESRS E1). That section provides a more detailed description of the underlying methodology, hazard categories, scenario assumptions, and risk scoring framework applied across CSG's operations.

Notably, CSG carried out a more granular physical climate risk assessment at the level of individual locations, taking

into account the specific economic activity performed at each site and the expected lifespan of the underlying assets. The assessment considered multiple climate risk scenarios, including RCP2.6, RCP4.5, RCP6.0, and RCP8.5, to support a forward-looking and scenario-based evaluation in line with EU Taxonomy requirements. These scenarios represent different possible future climate pathways, ranging from strong global mitigation efforts to higher-emissions trajectories, and they are used to assess how climate-related risks may evolve over time.

The assessment was based on publicly available scientific and climate data, including datasets aligned with the latest Intergovernmental Panel on Climate Change (IPCC) reports and peer-reviewed scientific literature. Using these sources, CSG developed an internal physical climate risk database, in which identified risks were evaluated using a standardized quantitative scale from 1 to 5, enabling consistent classification and comparability across entities and locations.

No fixed numerical threshold was defined for determining material climate risks. The scoring system is applied solely as an internal screening tool to support the organizing and structuring of further analytical work at the location and asset level. The determination of climate risks is based on publicly and internally available data, taking into account the likelihood and severity of impacts as well as asset sensitivity. The approach contained the following steps:

Process of Physical Climate Risk Assessment

Visualization 10

Process of Physical Climate Risk Assessment

Definition of Scope and Asset Mapping

All economic activities with a physical presence were identified. Each facility or operational site was assigned a unique internal identifier and geospatial coordinates (latitude and longitude), enabling location-specific risk analysis and traceability.

Initial Climate Risk Screening

Each location was screened against the full set of physical climate hazards listed in Section II of Appendix A, including temperature-related, water-related, wind-related, solid mass-related, chronic and acute hazards, to identify plausible exposures over the activity's expected lifetime.

Climate Risk and Vulnerability Assessment

Where potential exposure was identified, a proportionate risk and vulnerability assessment was performed. The depth of analysis reflected both the asset's expected and the potential impact of different climate scenarios:

- For activities with an expected lifetime of less than 10 years, climate projections at the smallest appropriate geographic scale were applied.
- For activities with an expected lifetime of 10 years or more, forward-looking climate projections covering multiple warming scenarios were used.

Risk Classification and Documentation

Identified physical climate risks were documented at the facility level, including hazard type, geographic exposure, relevant timeframe (current climate versus worst-case scenario), and an assessment of risk severity using the standardized scoring scale.

No adaptation or protective measures were implemented throughout CSG based on the physical climate risk assessment performed for the reporting period. While physical climate risks were identified and evaluated at the facility level, CSG currently does not have sufficient operational capacity or governance structures in place to design and implement adaptation measures consistently across all assessed entities within a single reporting cycle. As a result, the assessment was completed up to and including the identification and evaluation of material physical climate risks, in line with the Appendix A requirements.

The results of this assessment will serve as a foundational input for future decision-making. Going forward, CSG intends to use the assessment outputs to prioritize entities and locations with the highest exposure to material physical climate risks, progressively integrate climate adaptation considerations into investment planning, asset management, and risk governance processes, and evaluate feasible adaptation options in line with EU Taxonomy criteria.

Appendix B: Generic Criteria for DNSH to Sustainable Use and Protection of Water and Marine Resources

For the purposes of Appendix B of the EU Taxonomy, CSG assessed the applicability of water-related criteria by evaluating a defined set of questions covering potential impacts on water quality, water availability, and aquatic and marine ecosystems. The assessment considered, among other aspects, the discharge of pollutants into water, thermal pollution, impacts on ecological potential, contribution to water stress, sedimentation and erosion risks, and the potential for over-abstraction of water.

In addition, the assessment reviewed whether CSG's activities were currently evaluated against official water management or protection plans, whether risks to water bodies were identified through Environmental Impact Assessments (EIAs), and whether permits or marine environmental checks were required. Where relevant, the process also considered engagement with competent authorities and local stakeholders in relation to water-related impacts.

Appendix C: Generic Criteria for DNSH to Pollution Prevention and Control Regarding Use and Presence of Chemicals

For the purposes of Appendix C of the EU Taxonomy, CSG assessed the applicability of criteria related to the use of hazardous and restricted substances by evaluating a defined set of screening questions across its subsidiaries. The assessment covered, among other aspects, the use or presence of substances restricted under REACH Annex XVII, substances classified under CLP as CMR, PBT, vPvB or endocrine disruptors, substances of very high concern (SVHC), mercury and mercury compounds, ozone-depleting substances, Persistent Organic Pollutants (POPs), and substances restricted under the RoHS Directive.

In addition, where the use of restricted or hazardous substances was identified, the assessment considered whether such use takes place under controlled conditions, whether the absence of suitable alternatives has been documented, and whether appropriate justification exists, including essential-use considerations. The assessment also reviewed whether any final products, outputs, or components contain restricted or hazardous substances above applicable concentration thresholds.

Appendix D: Generic Criteria for DNSH to Protection and Restoration of Biodiversity and Ecosystems

For the purposes of Appendix D of the EU Taxonomy, CSG assessed the applicability of biodiversity- and ecosystem-related criteria by evaluating a defined set of screening questions across its subsidiaries. The assessment considered whether EIAs or EIA screenings were carried out, whether such assessments were reviewed or approved by competent authorities, and whether biodiversity and ecosystem risks were identified.

Where applicable, the assessment reviewed the nature of any identified biodiversity and ecosystem risks, including potential impacts such as habitat loss, species disturbance, ecosystem fragmentation, water impacts, soil degradation, or the introduction of invasive species. It also considered whether mitigation or compensation measures were identified and implemented, and whether projects or sites were located in or near biodiversity-sensitive or protected areas, such as Natura 2000 sites and other designated habitats. The assessment additionally evaluated whether potential impacts on protected habitats and species were assessed.

Appendix E: Technical Specifications for Water Appliances

For the purposes of Appendix E of the EU Taxonomy, CSG assessed the applicability of water-efficiency-related criteria by reviewing a defined set of technical screening questions across its subsidiaries. The assessment considered whether relevant products or installations meet flow rate and pressure performance requirements under specified testing conditions, including reference pressures and temperatures, and whether flow-limiting features operate as intended.

Where applicable, the assessment also reviewed whether flow-rate testing was conducted in accordance with the relevant pressure conditions for low-pressure and standard-pressure products, and whether appropriate EU technical standards were being applied for testing and compliance.

Results of Eligibility and Alignment Assessment

The results of the eligibility and alignment assessment revealed that, out of all the activities reviewed, five remained as eligible under the EU Taxonomy framework, from the 2024 reporting period:

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

In addition to the activities previously disclosed, the four following activities were newly identified in the 2025 reporting period:

- CCM / CCA 6.5: Transport by motorbikes, passenger cars and light commercial vehicles
- CCM / CCA 7.1 / CEY 3.1: Construction of new buildings
- CCM / CCA 7.7: Acquisition and ownership of buildings
- WTR 2.2: Urban waste water treatment

This brings the total eligible activities to nine, under the EU Taxonomy framework. Despite these activities being assessed as eligible, none were classified as aligned. The absence 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.

Introduction to KPI Reporting for 2025

For the 2025 reporting period, CSG further improved upon its EU Taxonomy methodological approach, building on the refinements introduced in 2024. The enhancements focused on achieving a higher level of detail and consistency, in particular in relation to the assessment of EU Taxonomy appendices and the robustness of supporting data.

In parallel, the financial data collection process was further strengthened through the introduction of a unified data collection approach across subsidiaries. This enabled improved consistency in the identification and allocation of revenue, CapEx, and OpEx to individual economic activities, while maintaining full reconciliation with financial reporting systems. As in prior periods, EU Taxonomy KPIs are based on data sourced from controlling and accounting systems at the subsidiary level and aggregated at the level of CSG, ensuring completeness, traceability, and the avoidance of double counting.

Entities that are not fully consolidated continue to be excluded from the analysis. Overall, these methodological improvements enhance the reliability, transparency, and comparability of the EU Taxonomy disclosures presented in this Consolidated Sustainability Statement and reflect the continued maturation of CSG's sustainability reporting processes.

Year-on-Year Comparisons and Strategic Adjustments

In the 2025 reporting year, CSG continued to experience strong overall growth driven by sustained demand for its products and services as well as targeted acquisitions that expanded CSG's operational footprint. Most notably, the acquisition of MSM Walsrode GmbH & Co. KG introduced the Chemicals sector into CSG's portfolio, further diversifying CSG's activities across sectors and markets.

In addition to acquisition-driven growth, the year-on-year comparability was also influenced by internal restructuring within the CSG. During the reporting period, CSG completed the carve-out of certain activities previously reported within the Mobility and Business projects divisions, primarily the railway brake systems business, as well as the divestment of the Armi Perrazi entities. These structural changes affected the composition of CSG's activities and therefore also the distribution of revenues, CapEx and OpEx across Taxonomy-eligible and non-eligible activities.

As a result of these developments, a significant share of CSG's growth in 2025 originated from activities that are not currently eligible under the EU Taxonomy. While total revenues, capital expenditure (CapEx) and operating expenditure (OpEx) increased, the relative proportion attributable to Taxonomy-eligible activities decreased compared to the prior reporting period. This reflects both the scale of growth in newly added sectors and continued investment in business areas that fall outside the scope of the current Taxonomy framework.

Total revenues increased significantly compared to the prior year. Taxonomy-eligible revenues also increased in absolute terms, however, their share of total revenues slightly decreased. This reflects the faster growth of activities that are currently outside the scope of the EU Taxonomy, particularly within defence-related industrial activities and newly integrated business.

A similar dynamic can be observed in OpEx. While OpEx related to Taxonomy-eligible activities increased in absolute terms compared to the prior reporting period, the overall share of eligible OpEx declined as total operating expenditures grew in line with the expansion of CSG's broader business activities.

CapEx related to Taxonomy-eligible activities decreased both in absolute terms and as a share of total CapEx. This development was primarily driven by the absence of certain investments recognized in the prior reporting period, most notably aircraft leasing activities reported in 2024. In addition, the evolving investment profile of CSG and structural changes in its portfolio contributed to the lower proportion of CapEx associated with Taxonomy-eligible activities.

During the reporting period, CSG further enhanced its approach to measuring and reporting EU Taxonomy KPIs by applying a more granular classification of economic activities and improving data disaggregation at subsidiary and activity level. This refined approach provides greater transparency regarding the drivers of CSG's Taxonomy KPIs, while also increasing the complexity of direct year-on-year comparisons due to changes in scope and activity classification.

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).

The denominator for the EU Taxonomy turnover KPI is determined in line with the definition of net revenues presented in the consolidated financial statements.

For the 2025 reporting year, revenues relating to activities identified as eligible under the EU Taxonomy are classified according to the relevant economic activities defined in the EU Taxonomy Regulation. The classification is performed at the level of products, services or operational business lines using information derived from CSG's financial reporting systems and internal management reporting.

The assessment of Taxonomy eligibility is performed through a review of the nature of the underlying activities and their alignment with the definitions of economic activities included in the EU Taxonomy. Each revenue stream is assigned to a single economic activity based on its primary economic substance. Where activities could potentially fall under more than one Taxonomy category, revenues are allocated to the activity that most accurately reflects the nature of the underlying business activity.

This methodology ensures that revenues are reported only once within the numerator of the turnover KPI and that double counting across Taxonomy activities is avoided.

The denominator used for the turnover KPI is fully reconcilable to CSG's consolidated revenues reported in the financial statements. 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 denominator for the CapEx KPI is determined in accordance with the EU Taxonomy Regulation and includes additions to tangible and intangible assets recognized during the reporting period.

CapEx includes:

- 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

Information used to determine the CapEx denominator is derived from CSG's consolidated financial reporting and asset accounting records.

For the purpose of EU Taxonomy reporting, investment projects are reviewed and assessed to determine whether they relate to Taxonomy-eligible economic activities. The classification is performed through a manual review of the underlying investment purpose, supported by information obtained from internal financial records and consultations with relevant operational and controlling functions.

Each investment is assigned to the Taxonomy activity that best reflects the primary purpose of the expenditure. Where an investment project supports multiple operational activities, expenditures may be allocated using reasonable and consistent allocation keys based on internal financial data.

This approach ensures that each investment is reported only once within the numerator of the CapEx KPI and that double counting across Taxonomy activities is avoided.

The CapEx denominator is fully reconcilable to CSG's consolidated financial statements. Detailed disclosures regarding capital expenditure can be found in in the 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-capitalized costs relating to research and development.
- Building renovation measures.
- Short-term leases.
- Maintenance and repair.
- Other direct expenditures relating to the day-to-day servicing of property, plant and equipment assets by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets.

Information used to determine the OpEx denominator is derived from CSG's financial reporting and cost accounting records.

Operating expenditures are reviewed to determine whether they relate to Taxonomy-eligible activities. This assessment is performed through analysis of cost categories, cost centers and the nature of the underlying operational activities.

Where possible, expenditures are directly linked to specific activities using available financial data. In cases where costs support multiple operational activities, allocation is performed using reasonable and consistent allocation drivers reflecting the underlying operational use of the expenditure.

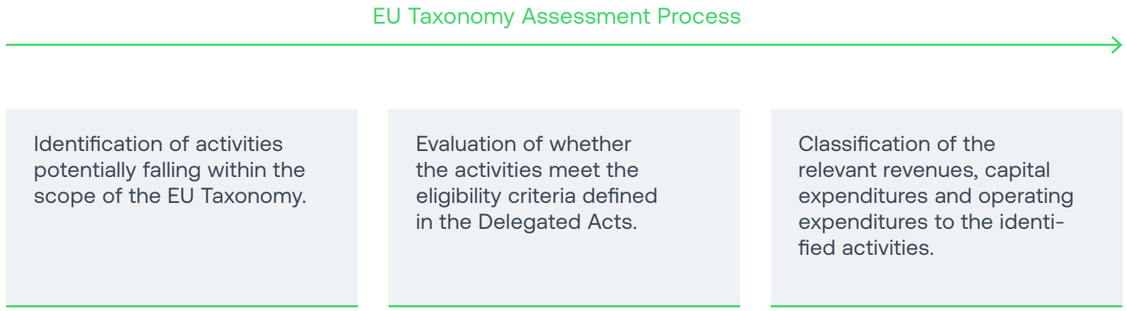
This methodology ensures that operating expenditures are assigned only once to a Taxonomy activity and that no duplication occurs across economic activities within the OpEx KPI.

Contextual Information

The EU Taxonomy KPIs disclosed in this report have been prepared in accordance with Article 8 of Regulation (EU) 2020/852 and the related Delegated Act (EU) 2021/2178.

For the reporting period, CSG applied the original approach to determine Taxonomy eligibility and alignment. Under this approach, economic activities were assessed against the activity definitions provided in the EU Taxonomy Delegated Acts.

Visualization of EU Taxonomy Assessment Visualization 11



CSG currently reports Taxonomy-eligible activities, while none of the activities met the criteria for Taxonomy alignment during the reporting period. Consequently, the reported Taxonomy-aligned KPIs are equal to zero.

The methodology applied for determining the turnover, CapEx and OpEx KPIs is described in the respective sections of this report.

KPI to Turnover

Table 20

Financial year N	Year			Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities (1)	Code (2)	Turnover (3)	Proportion of Turnover, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
Text		€	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.0%														0.0%		
Of which enabling																	0.0%		
Of which transitional																	0.0%		
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Acquisition and ownership of buildings	CCM / CCA 7.7	816.0	0.0%	EL	EL												0.0%		
Computer programming, consultancy, and related activities	CCA 8.2	11,144.1	0.2%		EL												0.4%		
Construction of new buildings	CCM / CCA 7.1 / CEY 3.1	0.0	0.0%	EL	EL			EL									0.0%		
Data processing, hosting, and related activities	CCM 8.1	137.0	0.0%	EL													0.1%		
Leasing of aircraft	CCM 6.18	27,228.4	0.4%	EL													0.1%		
Manufacture of rail rolling stock constituents	CCM 3.19	30,368.5	0.5%	EL													1.4%		
Manufacturing of aircraft (focused on MRO)	CCM 3.21	53,726.2	0.8%	EL													1.0%		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM / CCA 6.5	38.6	0.0%	EL	EL												0.0%		
Urban waste water treatment	WTR 2.2	0.0	0.0%			EL											0.0%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		123,458.7	1.8%														3.0%		
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		123,458.7	1.8%														3.0%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		6,617,856.8	98.2%																
TOTAL		**6,741,315.5**	**100.0%**																

KPI to Capital Expenditure (CapEx KPI)

Table 21

Financial year N	Year			Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities (1)	Code (2)	CapEx (3)	Proportion of CapEx, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy(9)	Biodiversity(10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) CapEx, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
Text		€	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.0%													0.0%			
Of which enabling																0.0%			
Of which transitional																0.0%			
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Acquisition and ownership of buildings	CCM / CCA 7.7	24,823.9	6.2%	EL	EL												0.0%		
Computer programming, consultancy, and related activities	CCA 8.2	2,986.8	0.7%		EL												1.3%		
Construction of new buildings	CCM / CCA 7.1 / CEY 3.1	6,412.6	1.6%	EL	EL			EL									0.0%		
Data processing, hosting, and related activities	CCM 8.1	0.0	0.0%	EL													0.0%		
Leasing of aircraft	CCM 6.18	0.0	0.0%	EL													8.2%		
Manufacture of rail rolling stock constituents	CCM 3.19	710.3	0.2%	EL													0.7%		
Manufacturing of aircraft (focused on MRO)	CCM 3.21	90.7	0.0%	EL													0.1%		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM / CCA 6.5	3,405.3	0.9%	EL	EL												0.0%		
Urban waste water treatment	WTR 2.2	0.0	0.0%			EL											0.0%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		38,429.5	9.6%														10.3%		
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		38,429.5	9.6%														10.3%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		361,284.5	90.4%																
TOTAL		**399,714.0**	**100.0%**																

KPI to Operating Expenditure (OpEx KPI)

Table 22

Financial year N	Year			Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities (1)	Code (2)	OpEx (3)	Proportion of OpEx, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy(9)	Biodiversity(10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
Text		€	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.0%													0.0%			
Of which enabling																0.0%			
Of which transitional																0.0%			
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Acquisition and ownership of buildings	CCM / CCA 7.7	4,314.1	2.1%	EL	EL												0.0%		
Computer programming, consultancy, and related activities	CCA 8.2	192.7	0.1%		EL												2.3%		
Construction of new buildings	CCM / CCA 7.1 / CEY 3.1	0.0	0.0%	EL	EL			EL									0.0%		
Data processing, hosting, and related activities	CCM 8.1	138.5	0.1%	EL													0.4%		
Leasing of aircraft	CCM 6.18	499.6	0.2%	EL													0.4%		
Manufacture of rail rolling stock constituents	CCM 3.19	2,851.6	1.4%	EL													11.0%		
Manufacturing of aircraft (focused on MRO)	CCM 3.21	1,416.4	0.7%	EL													1.6%		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM / CCA 6.5	1,500.6	0.7%	EL	EL												0.0%		
Urban waste water treatment	WTR 2.2	67.9	0.0%			EL											0.0%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		10,981.3	5.3%														15.7%		
A. OpEx of Taxonomy eligible activities (A.1+A.2)		10,981.3	5.3%														15.7%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		195,196.3	94.7%																
TOTAL		**206,177.6**	**100.0%**																

2.2. Climate Change

This section explains how CSG manages climate-related IROs across its operations and value chain. It describes the governance, policies, and processes used to address climate change mitigation and adaptation, including the integration of climate considerations into strategy and risk management. The section outlines CSG's approach to reducing greenhouse gas emissions, improving energy efficiency, and supporting the transition to a low-carbon economy. It also presents information related targets, actions, and performance indicators, including disclosures related to GHG emissions and energy consumption.

ESRS E1 | SM_E1-2

SDGs 7 9 11 13

2.2.1. General Disclosures Related to Climate Change

Sustainability-Related Performance in Incentive Schemes

For the reporting period, climate-related considerations are not factored into the remuneration of members of CSG's administrative, management, and supervisory bodies. Accordingly, the performance of these bodies has not been assessed against GHG emission reduction targets reported under Disclosure Requirement E1-4, and no portion of remuneration recognized in the current period is linked to climate-related considerations.

Process to Identify and Assess Climate-Related Impacts on Climate Change

CSG applies a structured process to identify and assess its actual and potential impacts on climate change, with a particular focus on GHG emissions, in line with Disclosure Requirement ESRS E1-6. As part of this process, CSG screens its activities and business plans to identify actual and potential sources of GHG emissions within its own operations and, where relevant, along its value chain. This screening considers the nature of economic activities, production processes, energy use, and operational footprints across subsidiaries and sectors. Where applicable, the screening also considers potential drivers of other climate-related impacts associated with GHG emissions, such as fuel combustion, energy sourcing, and process-related emissions.

Based on this screening, CSG assesses its actual impacts on climate change by determining its total GHG emissions, using defined methodologies and available activity data that it collects at subsidiary level and consolidates centrally. The assessment covers relevant emission sources and is designed to provide a consistent and comparable overview of CSG's climate impact across its operations.

In addition, the process considers potential future impacts, including how planned activities, changes in operations, or growth in specific sectors could influence GHG emissions over time. This forward-looking element supports the identification of areas with high emission intensity or potential exposure to climate-related regulatory, market, or stakeholder expectations.

Physical Climate-Related Risks—Methodology and Assessment Approach

CSG applies a structured and location-based methodology to identify and assess physical climate-related risks across its operations. The approach is aligned with the requirements of ESRS E1 and is consistent with the methodology used for EU Taxonomy disclosures, in particular Appendix A of the EU Taxonomy Climate Delegated Act. The use of a single methodological framework ensures coherence, comparability, and consistency across climate-related disclosures.

Scope and Hazard Screening

The assessment covers both acute (short-term) and chronic (long-term) physical climate hazards and considers temperature-related, water-related, wind-related, and solid-mass-related risks. The full set of hazards assessed includes, among others, floods, droughts, heat waves, wildfires, storms, water stress, sea level rise, soil degradation, changing precipitation patterns, and temperature variability.

Physical Climate Hazards Table 23

Time Horizon	Hazard Type	Hazard
Acute (short-term)	Solid mass-related	Avalanche
		Landslide
		Subsidence
	Temperature-related	Cold wave/frost
		Heat wave
		Wildfire
	Water-related	Drought
		Flood (coastal, fluvial, pluvial, ground water)
		Glacial lake outburst
		Heavy precipitation (rain, hail, snow/ice)
	Wind-related	Cyclone, hurricane, typhoon
		Storm (including blizzards, dust and sandstorms)
		Tornado
Chronic (long-term)	Solid mass-related	Coastal erosion
		Soil degradation
		Soil erosion
		Solifluction
	Temperature-related	Heat stress
		Changing temperature (air, freshwater, marine water)
		Permafrost thawing
		Temperature variability
	Water-related	Changing precipitation patterns and types (rain, hail, snow/ice)
		Ocean acidification
		Precipitation or hydrological variability
		Saline intrusion
		Sea level rise
		Water stress
	Wind-related	Changing wind patterns

Each hazard was screened for relevance against CSG's activities and physical assets, taking into account the geographic context of operations. The same hazard categories and definitions are used consistently across CSG and are aligned with those applied for EU Taxonomy climate risk screening.

Location-Based Assessment

Physical climate risks were assessed at the individual location level, using geospatial coordinates (latitude and longitude) for each relevant site. While the assessment is location-specific, it relies on regionally available climate datasets and scientific sources appropriate for the geographic scale of analysis. This approach enables site-level differentiation of exposure while ensuring methodological robustness where localized datasets are not available.

Risk Scoring Methodology

Each identified physical climate hazard was evaluated using a quantitative risk scale from 0 to 4, reflecting the likelihood and potential severity of impacts over the project or human lifetime.

Risk Criteria

Table 24

Risk Score	Explanation
0	No dataset covering the chosen location is currently available, or it is subjectively assessed as non-material.
1	Available data suggests that potentially damaging effects are unlikely to occur, on average, in the project or human lifetime. The hazard has been classified based on long-term averages, and there is still the potential that damaging events could occur in this timeframe.
2	Potentially damaging events are less likely to occur within the project or human lifetime but are still possible. Measures to mitigate the hazard and risk would be prudent at critical locations. The hazard has been classified based on long-term averages, and there is still potential that damaging events could occur in this timeframe.
3	Users should be aware of the potentially damaging effects of this hazard for the project location. Potentially damaging events can be expected to occur within the project or human lifetime, and measures to mitigate the hazard and risk should be considered. For hydro-meteorological hazards, damaging effects could occur frequently in that timeframe.
4	Users should be highly aware of potentially severe damage from this hazard for the project location. Without taking measures to mitigate the hazard and risk, high levels of damage can be expected to occur within the project or human lifetime (and potentially frequently in that timeframe, for hydro-meteorological hazards, e.g., floods, or extreme heat).

The analysis was performed across the same defined time horizons applied throughout this Consolidated Sustainability Statement, ensuring alignment between climate scenarios and business planning cycles. Specifically, physical and transition risks were screened over:

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

These timeframes are aligned with CSG's strategic and operational planning processes and were applied consistently when assessing exposure to climate-related hazards and transition events under the selected climate scenarios. This approach ensures that both physical and transition risks are evaluated in a manner consistent with climate projections and business decision-making horizons.

Utilization of Results

The outcomes of the physical climate risk assessment inform:

- Identification of material climate-related risks under ESRS.
- EU Taxonomy Appendix A climate risk and vulnerability analysis.
- Internal risk management and planning discussions.

This methodology provides CSG with a consistent, transparent basis for understanding physical climate risks across a geographically diverse portfolio and supports the progressive integration of climate resilience considerations into broader risk management and strategic processes.

However, the analysis is subject to certain limitations. The assessment relies primarily on publicly available datasets and global or regional climate projections, which may not fully capture site-specific microclimatic conditions or localized adaptation capacities. In some cases, data granularity varies across regions, and forward-looking projections inherently involve scientific uncertainty. The scoring framework is designed to provide a structured risk signal rather than a precise quantification of financial impacts.

At the current stage, the results of the physical climate risk assessment are not yet systematically embedded in CSG's overall strategy, capital allocation decisions, or formal mitigation planning. No dedicated adaptation plans have been adopted, and assets identified as exposed are not yet subject to structured resilience investment programs. CSG is, however, working to further develop its analytical capabilities and governance processes so as to progressively integrate physical climate risk considerations into strategic planning, investment decision-making, and future mitigation and adaptation actions.

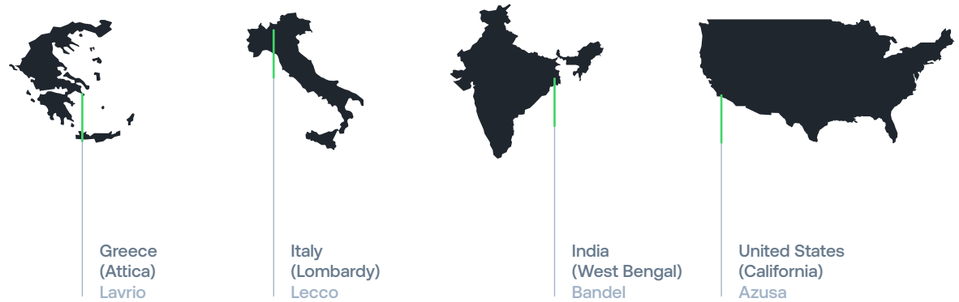
Exposure of Selected Locations to Physical Climate-Related Hazards

In addition to the assessment of water stress, CSG identified that certain operational locations are generally exposed to physical climate-related hazards due to their geographic, climatic, or environmental context. This exposure reflects the presence of acute and/or chronic climate hazards that may affect operations over time, as identified through CSG's physical climate risk assessment methodology.

The locations identified as having heightened exposure to physical climate-related hazards are situated in the following regions and countries:

Exposure of Selected Locations to Physical Climate-Related Hazards

Visualization 12



These locations are subject to varying combinations of temperature-related, water-related, and wind-related hazards, including heat stress, heat waves, heavy precipitation, flooding, drought, and changing precipitation patterns, depending on regional climate characteristics. In some cases, exposure also reflects longer-term climatic trends, such as increasing temperature variability or changing hydrological conditions.

The identification of these hazards reflects location-specific exposure and does not imply that physical climate-related risks are material at the level of CSG. Materiality is assessed based on the magnitude and likelihood of impacts at individual sites and their relevance to the respective economic activity. Accordingly, physical climate risks may be considered material for certain locations or activities, while not necessarily constituting a material risk for CSG as a whole.

The identification of these locations does not imply that material damage or disruption has occurred during the reporting period. Rather, it reflects a forward-looking assessment of potential exposure, intended to support awareness of climate-related vulnerabilities and to inform broader risk management, resilience planning, and sustainability disclosures under ESRS.

The exposure of these locations to physical climate-related hazards is considered alongside other assessment results, including hazard severity scores, activity type, and asset lifespan, as part of CSG's overall evaluation of climate-related

IROs. At the current stage, the identified physical climate--related risks are not directly driving adjustments to CSG's overall strategy or business model. The assessment primarily serves as an analytical input to improve risk awareness and support future resilience planning. However, over the short-, medium-, and long-term, increasing frequency or severity of climate-related hazards could influence strategic considerations, including asset resilience requirements, capital allocation priorities, insurance costs, and access to financing under evolving ESG expectations.

As CSG continues to refine its climate risk analysis and integrate forward-looking scenario assessments, it may consider measures such as upgrading or adapting exposed assets, incorporating climate resilience criteria into investment decisions, adjusting elements of its product and service portfolio where relevant, and strengthening workforce capabilities in climate risk management. At present, no formal adaptation or redeployment plans have been adopted, but the ongoing development of analytical tools and governance processes is intended to enable a structured response should physical climate risks become strategically material.

Areas of High-Water Stress—Methodology and Assessment Approach

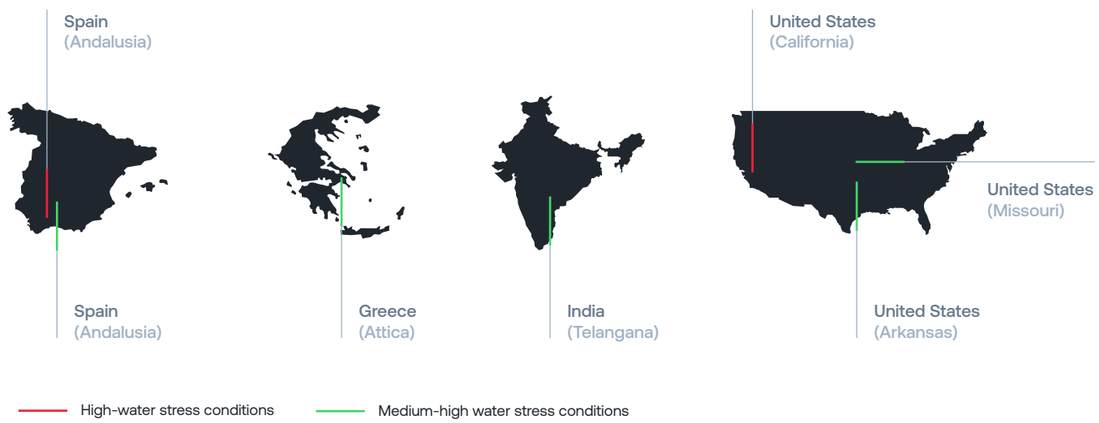
CSG has carried out an assessment of its operational locations in relation to areas of high-water stress, using the Aqueduct Water Risk Atlas developed by the World Resources Institute (WRI). This assessment focuses on identifying regions where water scarcity may pose heightened environmental, operational, or regulatory risks.

For the purposes of this analysis, areas of high-water stress were defined as regions where the percentage of total water withdrawn relative to available renewable supply is classified as high (40–80%) or extremely high (above 80%), in line with the Aqueduct Water Risk Atlas methodology. This approach is consistent with internationally recognized definitions of water stress and is aligned with broader climate and water risk assessment practices, including those referenced under ESRS and EU Taxonomy disclosures.

The assessment was conducted at the location level, mapping CSG's facilities against regional water stress indicators provided by the WRI tool. The results identified:

Areas of High Water Stress

Visualization 13



These findings indicate that a limited number of CSG's operational sites are located in regions where water availability may be constrained, particularly during periods of drought or increased demand. The identification of these areas supports CSG's understanding of potential exposure to water-related risks, including regulatory pressure, operational disruptions, and increased competition for water resources.

The outcomes of the high-water-stress assessment are used as an input into CSG's broader water management, environmental risk assessment, and sustainability reporting processes, and they inform the identification and prioritization of water-related IROs under ESRS.

Activity Level Climate Risk Scenarios—Methodology and Assessment Approach

In addition to the location-based assessment of physical climate hazards, CSG assessed climate risk scenarios at the level of economic activities, defined at the sub-sector level in line with chapter 1.1.1. General Basis for Preparation of Consolidated Sustainability Statement (ESRS 2 BP-1) and 2.1. EU Taxonomy Disclosures. This activity-level assessment complements the site-specific analysis and supports a forward-looking evaluation of how different types of activities may be exposed to climate-related risks over time.

Scenario Selection and Application

CSG has applied a set of representative concentration pathways (RCPs) commonly used in climate science to reflect a range of possible future climate outcomes. The scenarios assessed were RCP2.6, RCP4.5, RCP6.0, and RCP8.5, covering pathways from strong global mitigation to continued high emissions. Each scenario represents a distinct combination of emissions trajectories, expected warming by 2100, and associated physical climate characteristics, such as changes in temperature, precipitation, frequency of extreme events, and sea-level rise.

For each sub-sector, the scenarios were used to stress-test the resilience of activities under progressively more severe climate conditions:

Climate Scenarios Used to Assess Physical Climate Risks and Stress-Test Operational Resilience

Table 25

Scenario	Description	Emissions Pathway	Expected Warming by 2100	Physical Climate Features	Relevance for Activity Stress-Testing
RCP2.6	Low-emission pathway where global emissions peak soon and decline rapidly	Sharp mitigation; CO_2 falls to near-zero by ~2070	~1.5–2.0°C	Fewer heatwaves Moderate rainfall increase Limited extreme events Some sea-level rise	**Represents a "best case" climate** Checks whether the asset remains stable under mild warming
RCP4.5	Stabilization pathway where emissions plateau mid-century	Moderate mitigation; emissions stabilize after 2040	~2.3–2.7°C	More heatwaves Heavier rainfall More storms Moderate sea-level rise	**Reflects a "middle-of-the-road" future** Helps assess moderate but widespread climate stress
RCP6.0	Higher-emission stabilization pathway where emissions rise until ~2080	Limited mitigation; emissions stabilize late in the century	~3.0°C	Strong warming much heavier rainfall More powerful storms Rising flood probability	**Represents a "high-stress" future** Shows performance limits and operational fragility
RCP8.5	High-emission pathway with continued fossil fuel use and no major mitigation	Very high emissions; CO_2 rises throughout the century	>4.0°C	Extreme heatwaves Severe storms Major flooding strong sea-level rise Chronic climate disruption	**Stress-tests the asset under "worst case" high-impact climate extremes** Identifies failure points

In practice, the scenarios are used as stress-testing tools to understand how different climate pathways could affect activities and locations over relevant time horizons. CSG applies a consistency check to ensure that the climate scenarios used for climate risk assessment are not in conflict with the key climate-related assumptions reflected in the financial statements. CSG then considers whether any of the risks highlighted by these scenarios could reasonably be expected to influence critical accounting judgements (for example, impairment triggers, provisions, contingent liabilities, or assets' useful lives) within the time horizon and level of certainty relevant for financial reporting.

This linkage is addressed through coordination between the sustainability reporting process, risk management, and finance functions, so that material climate-related developments identified through scenario analysis can be evaluated for potential relevance to financial statement assumptions.

Where the scenario analysis indicates potential longer-term exposures, these are considered as part of broader risk assessment and planning, while financial statement assumptions continue to be determined in accordance with applicable accounting requirements and the information available as of the reporting date.

Consideration of Asset and Activity Lifespan

The scenario analysis explicitly considered the expected lifespan of assets and activities associated with each sub-sector. Activities were categorized based on whether their expected lifetime was below or above 10 years:

- For activities with a shorter expected lifespan (less than 10 years), the assessment focused on near-term climate projections and the likelihood of acute physical risks during the operating period.
- For activities with a longer expected lifespan (10 years or more), forward-looking climate projections across multiple RCP scenarios were applied to capture long-term exposure to chronic and acute climate hazards.

This differentiation ensured that climate risks were assessed in a manner proportionate to the duration over which assets and activities are exposed to future climate conditions.

Utilization of Results

The results of the activity-level scenario assessment were used to:

- Identify sub-sectors with higher sensitivity to physical climate risks under different warming pathways.
- Support the evaluation of activities' long-term resilience and operational robustness.
- Inform the EU Taxonomy climate risk and vulnerability assessment and broader climate risk disclosures under ESRS E1.

Transition Climate Risks—Methodology and Assessment Approach

CSG applies a structured and activity-based methodology to identify and assess climate transition risks arising from the shift towards a low-carbon and climate-resilient economy. The assessment is aligned with ESRS E1 requirements and complements the physical climate risk analysis by focusing on risks driven by policy, market, technology, and stakeholder changes.

The transition to a lower-carbon, more climate-resilient economy may affect CSG, primarily through changes in regulation, customer and investor expectations, energy markets, and the availability and cost of low-carbon technologies. In practice, this can translate into tighter compliance requirements, increased scrutiny of emissions and energy performance, shifts in demand for certain products or services, and higher expectations on transparent climate governance and reporting.

For the purposes of the transition risk assessment, CSG has assumed that decarbonization will progressively accelerate over time, with the pace depending on the scenario. Across scenarios, the analysis considered: i. strengthening climate policy and regulatory measures affecting operations and supply chains; ii. macroeconomic and market shifts linked to the growth of low-carbon investment and changing customer requirements; iii. energy-related assumptions that higher-efficiency and lower-carbon energy sources will become increasingly relevant, while energy price volatility may persist during the transition; and iv. technology-deployment assumptions that low-carbon technologies, electrification, and process efficiency solutions will expand, with differing speed and cost depending on the scenario severity. These assumptions were used to stress-test activities against regulatory, market, reputational, and technological transition risk drivers in a consistent manner.

For consistency across CSG's climate risk assessment framework, the transition risk assessment applied the same climate scenarios as the physical risk assessment. Accordingly, transition risks were identified and evaluated under RCP2.6, RCP4.5, RCP6.0, and RCP8.5 to reflect a range of possible transition pathways and associated regulatory, market, technological, and reputational developments.

Scope and Risk Categories

Transition risks were assessed at the level of economic activities, defined at the sub-sector level in line with chapter 1.1.1. General Basis for Preparation of Consolidated Sustainability Statement (ESRS 2 BP-1). This approach allows for differentiation between activities with distinct regulatory exposure, market dynamics, and technological dependencies.



Four main categories of transition risks were considered for each activity:

- **Regulatory Risks**
  Including changes in climate-related legislation, carbon pricing mechanisms, emissions limits, reporting obligations, and permitting requirements.
- **Market Risks**
  Such as shifts in customer demand, changes in pricing structures, cost of inputs, or access to financing linked to climate performance.
- **Reputational Risks**
  Arising from stakeholder expectations, public perception, customer preferences, and investor scrutiny related to climate impacts and transition alignment.
- **Technological Risks**
  Including the pace of technological change, availability of low-carbon alternatives, risk of asset obsolescence, and the need for investment in new processes or equipment.

Risk Assessment Methodology

For each activity and transition risk category, risks were assessed using a quantitative scoring framework based on two dimensions:

Magnitude

Reflecting the potential severity of the impact on the activity, including financial, operational, and strategic consequences.

Likelihood

Reflecting the probability that the risk may materialize within the relevant time horizon.

Both magnitude and likelihood were assessed using a five-point scale (1 to 5), enabling consistent comparison across activities and risk categories.

Regulatory Risks Assessment Methodology

Table 26

Point on Scale	Magnitude	Likelihood
0	No clear regulatory direction or data.	No clear policy signals, no drafts, no enforcement patterns.
1	Minor compliance updates. Small paperwork or reporting changes. No operational or financial disruption.	Regulators show no intent to act. No consultations, no political momentum, and no sector scrutiny.
2	Some cost increases from new standards or administrative requirements. Adjustments are simple and don't affect production lines or formulations.	Some discussions exist but remain vague. Low political traction or long timelines. Change is possible but not in the near term.
3	Regulations require real changes to processes, materials, or documentation. Noticeable costs, requalification needs, or delays in approvals. Still manageable.	Early signals appear; draft proposals, consultations, or increasing pressure from EU agencies or national authorities. Regulations could materialize within a few years.
4	Regulations force material substitution (e.g., lead, PFAS), new production equipment, or energy-efficiency upgrades. Causes significant cost, operational downtime, or contractual risk.	Strong policy momentum. Specific drafts exist, public consultations underway, or peer sectors already regulated. Implementation is expected unless something major shifts.
5	Regulations threaten market access or make existing product lines non-compliant without major redesign. High CapEx exposure, export restrictions, or risk of losing major government contracts.	Regulation is imminent or already decided. Final drafts published, compliance timelines known, and enforcement bodies preparing guidance.

Market Risks Assessment Methodology

Table 27

Point on Scale	Magnitude	Likelihood
0	No reliable market signals or data.	No stable trend or data.
1	Small, localized market pressure. Minor preference shifts that don't affect revenue or core buyers.	Buyers have no interest in environmental criteria. No signs of tender changes.
2	Some customers show interest in cleaner or alternative products, but demand remains optional and slow-moving.	A few buyers explore changes, but adoption is marginal and slow.
3	Real shifts in procurement scoring or supplier requirements. Early tender losses or margin pressure begin to emerge.	Some tenders include environmental or ESG scoring; supply-chain expectations start to shift.
4	Market demand changes fast. Environmental scoring becomes standard in tenders. Revenue loss or shrinking market access becomes likely.	Many large buyers adopt environmental scoring or supplier carbon requirements. Market pressure grows across regions.
5	Market conditions threaten key product lines. Buyers move away from non-compliant products. Entire segments risk becoming obsolete.	The trend is widespread. Environmental or ESG requirements have become normal in procurement.

Reputational Risks Assessment Methodology

Table 28

Reputational Risk Score	Magnitude	Likelihood
0	No clear public or stakeholder signals.	No stable trend or insight.
1	Minimal visibility. Issues stay internal. Stakeholders barely notice. Almost no effect on trust or operations.	No stakeholder concern. No media attention. Issue unlikely to appear on the public agenda.
2	Localized concern. Small stakeholder groups raise issues, but it doesn't spread. Limited short-term impact.	Limited signals. Small groups discuss the topic but it doesn't gain traction.
3	Broader audience becomes aware. Critical media coverage or stakeholder pressure grows. Some trust erosion occurs.	Stakeholder expectations evolve. Some issues trend in public debates or appear in sector discussions.
4	Sustained negative attention across major stakeholders. Trust declines, customers question credibility, and regulators take interest.	Consistent scrutiny from NGOs, customers, or media. Reputation-sensitive expectations rise across the sector.
5	Severe reputational damage. Public trust collapses, customers or partners disengage, and social license comes under threat.	The topic is already under active public debate. Similar companies face scrutiny. Pressure is almost certain.

Technological Risks Assessment Methodology

Table 29

Technological Risk Score	Magnitude	Likelihood
0	No clear view of the technology or its implications.	No reliable tech trend data.
1	Minor technological change. Upgrades are optional and cheap. No disruption to products or operations.	No meaningful R&D or market signals. Technology change is improbable.
2	Some improvements are needed, but they don't affect core technology. Costs are manageable.	Some new alternatives exist but they are uncompetitive or narrowly adopted.
3	New technologies affect product performance, production processes, or customer expectations. Real upgrade costs or redesign needs must be faced.	Early adoption appears in the market. Competitors or adjacent industries start using the technology.
4	Key technologies risk becoming outdated. Competitors adopt more efficient or lower-impact solutions. Major redesigns or capital investments must be made.	Strong momentum. Customers expect technological improvements. Competitors scale adoption.
5	Core technology becomes non-viable. Entire product lines or processes risk obsolescence. Massive upgrades or full redesigns become unavoidable.	The technology shift is already happening. It is mainstreaming fast and affects industry standards.

In line with ESRS E1 IRO-2 AR12, transition risks were evaluated across defined time horizons to identify potential exposure over the short-, medium-, and long-term horizons. For the purposes of this Consolidated Sustainability Statement, CSG applies the following timeframes:

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

Transition events and associated risks were screened against these horizons to assess the potential timing and persistence of regulatory, market, technological, and reputational impacts on individual activities.

Integration of Mitigation Measures

As part of the assessment process, mitigation measures were selected for each relevant transition risk. These measures include, where applicable, regulatory monitoring, opera-

tional adjustments, technological upgrades, diversification of products or markets, and stakeholder engagement activities. The identification of mitigation measures was incorporated into the scoring process to ensure that risks are evaluated in light of existing management practices and controls.

All identified transition risks were assessed using the same methodological principles as are applied in the DMA. In particular, risks are considered material where their magnitude and/or likelihood exceed the predefined materiality thresholds established under the DMA framework. Where this threshold is met, the risk is automatically classified as material and included within the consolidated set of climate-related IROs.

The outcome of the transition risk assessment is consistent with the results of the DMA. Transition risks identified as material through the scenario-based assessment correspond to those already recognized as material under the double materiality process. No additional transition risks were identified as material beyond those disclosed in the DMA results.

Through this methodology, CSG ensures alignment between transition risk screening, materiality determination, internal risk management processes, and sustainability disclosures under ESRS E1.

Evaluation of Assets and Activities in the Context of Climate Transition

CSG has not yet identified specific assets or business activities that are incompatible with, or that would require significant efforts to become compatible with, a transition to a climate-neutral economy, including cases where this is due to locked-in GHG emissions or incompatibility with the EU Taxonomy alignment criteria set out in Commission Delegated Regulation (EU) 2021/2139.

The identification of such assets or activities is expected to be addressed in future reporting periods as CSG continues to further develop its climate-related assessments, transition planning considerations, and alignment analyses in line with evolving ESRS and EU Taxonomy requirements.

E1-1 | SM_E1-1

SDGs 7 9 12 13

2.2.2. Transition Plan for Climate Change Mitigation

Transition Plan for Climate Change Mitigation

During the reporting period, CSG focused on strengthening the foundational elements necessary for the future development of a transition plan, including the improvement of greenhouse gas data quality, the identification and assessment of physical and transition climate risks, and the development of governance processes related to climate matters. These activities are intended to support the preparation of a credible and decision-useful transition plan in line with ESRS requirements.

The development and formal adoption of a transition plan is subject to governance approval by the reporting entity.

As described in chapter 5. Significant Subsequent Events, a change in reporting entity occurred following the end of the reporting period. As a result, the formal approval of the transition plan was postponed to allow the updated governance structure to complete the approval process. This postponement does not reflect a change in CSG's business model or in the underlying approach to the transition plan, but rather a procedural adjustment related to the change in governance following the reporting period. Consequently, CSG has not disclosed a transition plan, associated targets, timelines or decarbonization pathways applicable to the reporting entity for the reporting period.

E1-2 | SM_E1-2

SDGs 7 9 11 13

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

All policies related to climate change mitigation and adaptation are formally overseen and approved by the Board of Directors of CSG. The Board of Directors represents the highest level of governance and holds ultimate accountability for the implementation, monitoring and enforcement of these policies across CSG.

Policies Related to Climate Change Mitigation and Adaptation

Refer to Annex 8 for the complete overview of policies related to climate change mitigation and adaptation.

Overview of Policies

CSG manages its material IROs related to climate change mitigation and adaptation through its Environmental and Renewable Energy Policy, which forms part of CSG's Integrated Management System. The policy applies to all CSG subsidiaries within the consolidation scope and establishes principles for reducing environmental impacts, managing energy use and supporting the transition towards more sustainable operations.

The policy provides a framework for identifying, assessing and managing climate-related impacts and risks primarily through emissions reduction, energy efficiency, renewable energy deployment and environmental management practices.

Climate Change Mitigation

The policy addresses climate change mitigation by requiring subsidiaries to minimize greenhouse gas emissions and other environmental impacts arising from their activities. Key mitigation-related elements include:

- Reduction of emissions through the use of low-emission technologies and optimization of production processes.
- Monitoring and evaluation of greenhouse gas emissions and CSG's carbon footprint.
- Promotion of circular-economy principles to reduce resource and energy intensity.
- Integration of emissions and energy-related information into ESG reporting.

These measures support the management of transition risks related to climate change and evolving regulatory and market expectations.

Climate Change Adaptation

Climate change adaptation is addressed indirectly through measures aimed at increasing operational resilience and protecting natural resources. The policy supports adaptation by:

- Promoting the sustainable use of natural resources, including water and energy.
- Encouraging the modernization of technologies to reduce vulnerability to climate-related disruptions.
- Supporting preparedness for environmental and climate-related risks through environmental management systems and compliance processes.

The policy does not constitute a stand-alone climate adaptation policy but rather contributes to the management of physical climate risks through broader environmental and operational controls.

Energy Efficiency

Energy efficiency is a core component of the policy. Subsidiaries are required to:

- Record and regularly evaluate energy consumption by type and source;
- Improve energy efficiency in production processes, buildings and transport; and
- Implement measures aimed at reducing overall energy consumption without compromising operational performance.

Energy efficiency measures support both climate mitigation objectives and cost control.

Renewable Energy Deployment

The policy promotes the identification and use of renewable energy sources as part of CSG's energy strategy. This includes:

- Analyzing available renewable energy options and their feasibility;
- Prioritising energy from renewable sources where possible; and
- Planning the gradual integration of renewable energy into operations.

Renewable energy deployment is addressed as part of a longer-term transition rather than through binding quantitative targets.

Other Climate-Related Aspects

The policy also addresses climate-related topics indirectly through:

- Employee training and awareness programs on environmental responsibility;
- Engagement with suppliers to encourage environmentally responsible practices; and
- Transparent communication and ESG reporting on environmental performance.

Scope and Value Chain Coverage

The Environmental and Renewable Energy Policy applies directly to CSG's own operations. Climate-related IROs in the upstream and downstream value chain are addressed indirectly through procurement expectations, supplier engagement, and ESG reporting requirements.



E1-3 | SM_E1-2

SDGs 7 9 11 13

2.2.4. Actions and Resources in Relation to Climate Change Policies

During the reporting period, CSG did not implement actions or allocate resources pursuant to a formally adopted climate change mitigation or adaptation transition plan, as no such plan was applicable to the reporting entity during the reporting period.

Actions undertaken during the reporting period were limited to preparatory and enabling activities aimed at strengthening CSG's capacity to manage climate-related IROs and to support future decision-making. These activities focused on data collection, risk assessment, and governance foundations rather than on the execution of decarbonization or adaptation measures.

Key Actions Taken and Planned and Expected Outcomes

During the reporting period, CSG undertook the following preparatory actions:

- It continued the development and consolidation of greenhouse gas emissions data across in-scope entities.
- It performed physical and transition climate risk assessments in accordance with ESRS and EU Taxonomy requirements.
- It enhanced internal processes related to sustainability governance, reporting and oversight of climate-related matters.
- It maintained environmental management practices, including ISO 14001 certification, aimed at compliance and operational environmental control rather than emissions reduction targets.

These actions were not linked to quantified greenhouse gas emission reduction targets and were not designed to deliver measurable decarbonization or adaptation outcomes during the reporting period.

No additional climate-related actions or action plans were formally planned for future periods at this stage. Accordingly, CSG has not disclosed expected outcomes, milestones, or linkages to climate-related targets for the reporting period.

Scope of Actions, including Value Chain and Geographies

As no climate-related transition actions or action plans were adopted, no scope is defined in terms of:

- Activities or sites covered;
- Upstream or downstream value chain coverage;
- Geographic boundaries; or
- Affected stakeholder groups.

Time Horizons

No time horizons are defined, as no climate-related actions or action plans have been adopted.

Resources Allocated to Actions

CSG did not allocate dedicated capital expenditure or operating expenditure specifically for the purpose of implementing a climate change mitigation or adaptation transition plan during the reporting period.

Resources allocated to climate-related matters during the reporting period consisted primarily of internal personnel time and expertise dedicated to:

- Sustainability data collection and validation;
- Climate risk assessment activities;
- Regulatory monitoring and ESRS implementation; and
- Internal coordination between sustainability, risk management, and finance functions.

No material additional financial, technical, or human resources were allocated for climate mitigation or adaptation actions beyond existing operational and compliance-related resources.

Forward-looking considerations

CSG recognizes that the effective management of climate-related IROs requires the definition of formal transition plans, targets, actions, and associated resource allocations in future reporting periods.

The preparatory activities undertaken during the reporting period are intended to support future decision-making once governance approval processes, baselines, and targets become applicable. Any future climate-related actions, resource allocations and progress tracking will be disclosed in accordance with ESRS E1 and ESRS 2 MDR-A.

E1-4 | E1-2

SDGs 7 9 11 13

2.2.5. Targets Related to Climate Change Mitigation and Adaptation

For the 2025 reporting period, CSG has not established measurable, outcome-oriented targets related to climate change mitigation or adaptation that are applicable to the reporting entity.

CSG has designated 2025 as the reference year for future climate-related target setting. However, following the reporting period, special circumstances occurred, as described in chapter 5. Significant Subsequent Events, which resulted in the postponement of the adoption of greenhouse gas emission reduction targets, energy transition targets and climate adaptation targets.

As no climate-related targets were in place for the reporting period, CSG has not disclosed a target year, level of ambition, interim milestones, or progress against climate-related targets.

Relationship to Policies and Material Impacts, Risks, and Opportunities

CSG has established policies addressing climate change mitigation and adaptation, which define principles and responsibilities applicable across its own operations.

During the reporting period, CSG focused on preparatory activities to support future climate-related target setting. These activities included the development of greenhouse gas inventories, the assessment of physical and transition climate-related risks, and the establishment of governance processes for sustainability-related decision-making. The setting of measurable, outcome-oriented climate targets was not completed at the level of the reporting entity during the reporting period.

Scope and Coverage of Targets

As no climate-related targets have been set, no targets apply to climate change mitigation or adaptation, including:

- Greenhouse gas emissions;
- Energy transition measures; or
- Climate resilience actions across CSG's own operations or value chain.

Baselines, Time Horizons and Methodologies

CSG has not defined target years, interim milestones, levels of ambition, or target-setting methodologies for climate change mitigation or adaptation, as no measurable targets were applicable to the reporting entity for the reporting period.

Tracking Effectiveness in the Absence of Targets

In the absence of measurable climate-related targets, CSG does not track progress through quantitative, outcome-oriented target indicators.

Instead, the effectiveness of climate-related policies and actions is monitored qualitatively through:

- The development and maintenance of greenhouse gas inventories;
- The assessment of physical and transition climate-related risks;
- The establishment and operation of internal governance processes for climate-related decision-making; and
- Management oversight of climate-related matters.

These processes support understanding of climate-related IROs but are not designed to measure progress against defined climate outcomes.

Stakeholder Involvement in Target Setting

No stakeholders were involved in the setting of climate-related targets, as no such targets were adopted during the reporting period.

Forward-Looking Considerations

CSG recognizes that the definition of climate-related targets may become relevant in future reporting periods as climate-related IROs are further integrated into governance, data systems and strategic decision-making.

Should climate-related targets become applicable to the reporting entity in future reporting periods, CSG will disclose them in accordance with ESRS requirements, including information on scope, baselines, time horizons, methodologies and progress tracking.

E1-5 | SM_E1-5

SDGs 7 9 12 13

2.2.6. Energy Consumption and Mix

Overview and Application of the Disclosure Requirement

CSG discloses information on energy consumption and energy mix for its own operations in accordance with ESRS E1-5. The majority of CSG's activities fall within high-climate impact sectors, notably the Manufacturing, Wholesale and Retail Trade, Transportation, and Real Estate sectors. For completeness, subsidiaries operating outside high-climate impact sectors are included within the overall energy mix for the reporting scope; however, their energy consumption is not significant in comparison to CSG's total energy consumption. These are the identified high-climate impact sectors:

- Aerospace
- Automotive
- Chemicals
- Defence
- Metal Processing
- Real Estate & Services
- Rolling Stock
- Transportation
- Wholesale & Retail Trade

Energy Consumption and Mix

CSG's total energy consumption for the reporting period amounted to 451,923.1 MWh (Table 30). Fossil energy sources represented 80% of total energy consumption, corresponding to 361,104.6. Nuclear energy sources accounted for 9% of total energy consumption, corresponding to 40,565.9 MWh, while renewable energy sources represented 11% of total energy consumption, corresponding to 50,252.6 MWh.

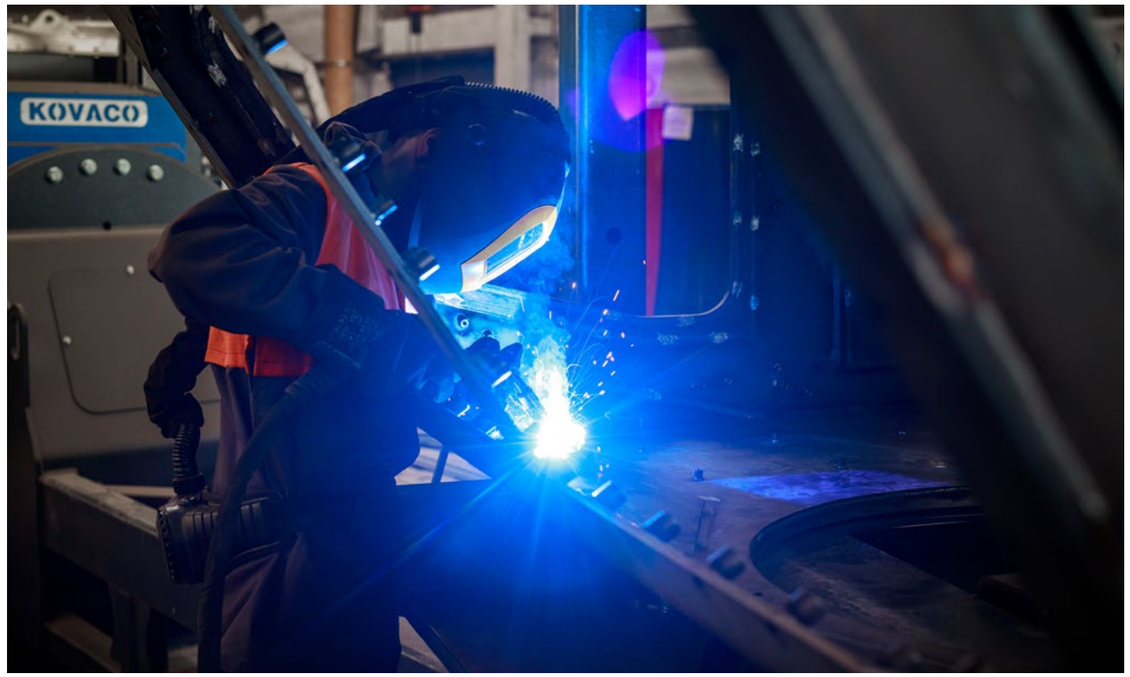
Energy Production

During the reporting period, CSG reported 720 MWh of self-generated non-fuel renewable energy. No non-renewable energy production was reported (see Table 30).

Disclosure of Energy Consumption and Mix in Megawatt-Hours and Percentages

Table 30

Energy Consumption and Mix	2024	2024 Restated	2025
Fuel consumption from coal and coal products	0.0	0.0	0.0
Fuel consumption from crude oil and petroleum products	0.0	11,007.7	39,307.5
Fuel consumption from natural gas	92,300.0	51,094.9	126,636.2
Fuel consumption from other fossil sources	0.0	1,506.5	4,506.3
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	50,344.0	45,497.6	190,654.6
Total fossil energy consumption (A)	142,644.0	109,106.6	361,104.6
Share of fossil sources in total energy consumption (%)	67%	79%	80%
Total electricity consumption	Not Reported	67,916.59	214,869.1
Consumption from nuclear sources (B)	34,893.0	10,222.7	40,565.9
Share of consumption from nuclear sources in total energy consumption (%)	16%	7%	9%
Fuel consumption from renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.)	0.0	0.0	0.0
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	32,298.0	17,704.8	49,532.5
Total renewable energy consumption (C)	1,889.0	1,889.4	720.0
Total renewable energy consumption	34,188.0	19,594.2	50,252.6
Share of renewable sources in total energy consumption (%)	16%	14%	11%
Total energy consumption (A + B + C)	**211,724.0**	**138,923.4**	**451,923.1**



Energy Intensity Based on Net Revenue

In line with ESRS requirements, CSG discloses energy intensity associated with activities in high climate impact sectors, calculated using only the proportion of total final energy consumption and net revenue attributable to these activities.

Total energy consumption from activities in high-climate impact sectors amounted to 447,099.8 MWh (Table 31). Net revenue from activities in high-climate impact sectors amounted to € 6,637 million, while net revenue from activities other than high-climate impact sectors amounted to € 104 million. Based on these figures, energy intensity from activities in high-climate impact sectors amounted to 67.4 MWh per € million net revenue. The total energy consumption amounted to 451,923.1 MWh. The net revenue amount used for calculating energy intensity was € 6,741 million and is disclosed in the Revenues section of the Management Discussion & Analysis section of the Financial Review. Based on these figures, the total energy intensity amounts to 67.0 MWh per € million net revenue. The 2024 restated total energy consumption amounted to 138,923.4 MWh. The restated total energy consumption intensity amounts to 35.8 MWh per € million net revenue. The 2024 net revenue amount used for calculating the 2024 restated energy intensity was € 4,008 million.

Energy Consumption from Activities in High-Climate Impact Sectors

Table 31

Energy Consumption and Mix	2024	2024 Restated	2025
Total energy consumption from activities in high-climate impact sectors (MWh)	211,724.0	138,923.4	447,099.8
Net revenue from activities in high-climate impact sectors (€ million)	4,008	3,885	6,637
Net revenue from activities other than high-climate impact sectors (€ million)	0	123	104
Energy intensity from activities in high-climate impact sectors (MWh per € million net revenue)	52.8	35.8	67.4

For the reconciliation required by ESRS (E1-5_21), the net revenue amounts used in the energy intensity denominator are derived from CSG's net revenue reported in the consolidated financial statements. The allocation between activities in high-climate impact sectors and other activities is based on the internal activity classification applied for ESRS reporting purposes. Where net revenue from high-climate impact sectors is not presented as a separate line item in the financial statements, reconciliation is achieved by aggregating the disclosed components for high-climate impact sectors and other activities to total net revenue, in line with ESRS guidance.

Methodological Note on Sector Revenue Reconciliation

The revenue figures used for the calculation of intensity ratios are derived from CSG's consolidated financial statements. However, the scope of entities included in the Consolidated Sustainability Statement differs from the financial reporting boundary, and therefore the set of subsidiaries included for non-financial reporting is not identical to that used in the financial statements (see chapter 1.1.1. General Basis for Preparation of the Consolidated Sustainability Statement (ESRS 2 BP-1), for further information).

Further Information on Energy Consumption and Mix

Change in reporting scope and comparability

In 2025, CSG expanded the reporting scope for ESRS E1 Energy Consumption and Mix.

The expansion in 2025 includes:

- Full-year coverage of The Kinetic Group, which was included only for part of 2024, due to late acquisition.
- Newly included manufacturing subsidiaries and related sites integrated into the sustainability reporting scope in 2025:
  - MSM Walsrode GmbH & Co. KG
  - Walsroder NC GmbH
  - GAMA OCEL, spol. s r.o.
  - HYDRAULICS s.r.o.

E1-6 | SM_E3-4

SDGs 7 9 12 13

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

Disclosure of Reported Gross GHG Emissions

For the reporting period, CSG discloses gross GHG emissions for Scopes 1, 2 and 3, expressed in tonnes of CO_2 equivalent (tCO_2e), together with total gross GHG emissions (Table 32). The disclosures are prepared in accordance with ESRS E1-6 and include both location-based and market-based approaches for Scope 2, as well as Scope 3 emissions across the value chain.

GHG Emissions by Scope

Table 32

Scope	GHG Emissions (tCO_2e)	2024	2024 Restated	2025
Scope 1 GHG emissions	Gross Scope 1 GHG emissions	38,813.0	29,850.7	34,605.2
Scope 2 GHG emissions	Gross location-based Scope 2 GHG emissions	116,612.0	92,867.6	90,525.4
	Gross market-based Scope 2 GHG emissions	116,612.0[2]	92,867.6	110,629.7
Scope 3 GHG emissions	Total Gross indirect (Scope 3) GHG emissions	842,424.0	706,446.7	1,204,816.0
	Purchased goods and services	583,041.0	449,040.96	850,021.8
	Capital goods	32,699.0	32,631.6	36,910.9
	Fuel and energy-related—Activities (not included in Scope 1 or Scope 2)	35,592.0	26,420.4	22,017.2
	Upstream transportation (distribution not included)	33,369.0	32,490.2	37,211.9
	Waste generated in operations	14,668.0	5,287.6	8,086.8
	Business travel	5,796.0	5,632.0	11,400.2
	Employee commutes	20,025.0	17,378.8	144.3
	Upstream leased assets	Not reported	Not reported	6,630.9
	Downstream transportation	114,322.0	113,393.6	34,225.8
	Processing of sold products	Not reported	Not reported	80.4
	Use of sold products	Not reported	Not reported	149,634.1
	End-of-life treatment for sold products	Not reported	Not reported	130.1
	Downstream leased assets	2,912.0	2,911.9	26,570.6
	Franchises	Not reported	Not reported	0.0
	Investments	Not reported	21,259.6	21,750.9
Total GHG emissions	**Total GHG emissions (location-based) (Calculated as the sum of Gross Scope 1 + Gross Location-Based Scope 2 + Gross Scope 3)**	**997,849**	**829,165.0**	**1,329,946.6**
	Total GHG emissions (market-based) (Calculated as the sum of Gross Scope 1 + Gross Market-Based Scope 2 + Gross Scope 3)	**997,849**	**829,165.0**	**1,350,050.9**

[2] Market-based Scope 2 emissions were aligned with location-based emissions, as CSG did not procure renewable energy through specific contracts, guarantees of origin (GOs), or renewable energy certificates (RECs) during the 2024 reporting period, and for location-based emissions CSG relied on the standard electricity mix available in the relevant operational regions in 2024.



Year-on-Year Comparability and Changes Versus 2024

Compared to the previous reporting period, CSG has updated and expanded its Scope 3 inventory and the related data coverage across the value chain. Excluded Scope 3 categories in prior reporting years were only estimated, whereas this year they were calculated based on primary data. Changes in operational boundaries were also implemented to better reflect the entities and activities included in the reporting scope. As a result, reported totals and year-on-year movements may be materially influenced by methodological and coverage changes, including the inclusion of categories that were previously not quantified or not reported. Consequently, comparisons with 2024 should be interpreted with caution.

Total GHG Emissions—Scope 1 & Scope 2

In 2025, CSG's gross Scope 1 GHG emissions amounted to 34,605.2 tCO_2e. Gross Scope 2 GHG emissions amounted to 90,525.4 tCO_2e using the location-based approach and 110,629.7 tCO_2e using the market-based approach, as disclosed in Table 32. The difference between location-based and market-based Scope 2 emissions reflects the application of different emission factors in accordance with the respective calculation methodologies.

Disaggregation of GHG Emissions

To provide contextual understanding of the emissions profile across CSG, Table 33 disaggregates total GHG emissions by country and economic sector. Annex 7 disaggregates total GHG emissions by subsidiary and Table 34 disaggregates total GHG emissions by value chain boundary. The figures reflect reported emissions attributed to each country and sector, with the number of subsidiaries indicated below.

Disaggregation of GHG Emissions

Table 33

Disaggregation		Number of CSG subsidiaries	2024 – Total GHG Emissions (tCO_2e)	2024 – Total GHG Emissions (tCO_2e) Restated	2025 – Total Market-Based GHG Emissions (tCO_2e)	2025 – Total Location-Based GHG Emissions (tCO_2e)
Country	Czech Republic	30	329,376.0	160,691.9	379,739.9	378,218.0
	Germany	3	Not applicable	Not applicable	160,747.3	150,661.2
	Great Britain	1	5,847.0	5,846.5	7,834.7	7,804.6
	Greece	1	Not applicable	Not applicable	102.0	102.0
	India	2	1,278.0	1,277.6	0.0	0.0
	Italy	2	173,814.0	173,813.6	95,031.2	91,429.3
	Serbia	2	24,018.0	24,017.9	21,723.3	20,667.5
	Slovakia	10	114,266.0	114,265.8	184,505.3	181,183.8
	Spain	1	4,012.0	4,011.8	61,527.0	60,971.6
	United States of America	7	345,240.0	345,239.7	438,840.3	438,908.6
Sector	Aerospace	5	10,259.0	10,259.4	25,545.6	25,191.0
	Automotive	2	96,057.0	4,271.9	1,725.8	1,725.8
	Chemicals	1	Not applicable	Not applicable	75,994.9	65,908.8
	Defence	17	705,702.0	673,791.7	893,872.6	884,452.9
	Health Care	1	973.0	973.2	21,750.9	21,750.9
	Czechoslovak Group a.s.	1	Not applicable	21,259.6	0.0	0.0
	Metal Processing	2	102,495.0	Not applicable	17,072.9	17,033.4
	Professional & Commercial Services	9	21,300.0	21,300.3	2,887.3	2,692.0
	Real Estate & Services	2	1.0	1.4	18,463.1	18,463.1
	Rolling Stock	1	13,840.0	13,840.4	0.0	0.0
	Software & IT Services	4	1,449.0	1,448.8	705.7	696.5
	Textiles, Apparels, Footwear & Accessories	1	545.0	544.9	0.0	0.0
	Transportation	3	2,912.0	2,911.9	8,724.7	8,724.7
	Wholesale & Retail Trade	10	81,266.0	78,561.4	283,307.3	283,307.3

The disaggregation of total location-based GHG Emissions by subsidiary can be found in Annex 7.

Disaggregation of GHG Emissions by Value-Chain Boundary

Table 34

Value Chain Boundary	tCO_2e
Upstream value chain	972,424.1
Downstream value chain	232,391.9

Total GHG Emissions—Scope 3

In 2025, CSG's gross Scope 3 GHG emissions amounted to 1,204,816.0 tCO_2e, as shown in Table 32. Scope 3 represents the majority of CSG's total gross emissions, reflecting the significance of value chain impacts.

No Scope 3 categories were excluded; where a category results in no reportable emissions for the reporting period, it is reported as 0.

For clarity and interoperability, Scope 3 categories are presented in line with the GHG Protocol categories and are also mapped to the indirect emissions categories in ISO 14064-1 in Table 33.

Change in reporting scope and comparability

In 2025, CSG expanded the reporting scope for ESRS E1 GHG Emissions to improve completeness and alignment with the required breakdown of Scope 2 and Scope 3.

The expansion in 2025 includes manufacturing subsidiaries and related sites, newly integrated into the sustainability reporting scope:

- MSM Walsrode GmbH & Co. KG
- Walsroder NC GmbH
- GAMA OCEL, spol. s r.o.
- HYDRAULICS s.r.o.

In addition, emissions of the following entities, which were previously reported under Scope 1 and Scope 2, are no longer included within CSG's operational boundary and are therefore reported under Scope 3, Category 15 – Investments:

- Milconn, a.s.
- TATRA EXPORT a.s.
- TATRA METALURGIE a.s.
- TATRA TRUCKS a.s.

Further Information on GHG Emissions

Emissions are calculated based on activities over which CSG exercises operational control or holds ownership, in line with the ownership and operational control approach.

GHG emissions are calculated using the Green0Meter tool and are aligned with the ESRS requirements and the GHG Protocol. Intragroup transactions are removed to avoid double counting and to exclude Scope 3 impacts between entities within the consolidation boundary.

Gross Scope 1 emissions are calculated based on local consumption and activity data, such as fuel use and other direct emission sources, applying the corresponding DEFRA and ECOINVENT emission factors.

Gross location-based Scope 2 emissions are calculated using local electricity and heat consumption data and relevant grid emission factors using MPO, Climate Transparency reports, DEFRA, and AIB Production Mix. Market-based Scope 2 emissions are calculated using market-based MPO, Climate Transparency reports, DEFRA, and AIB Residual Mix emission factors in accordance with ESRS requirements. CSG uses contractual instruments to purchase renewable electricity attributes, such as Guarantees of Origin or renewable energy certificates. Accordingly, the share of Scope 2 electricity consumption in MWh covered by contractual instruments is 3.3%. The percentages of contractual instruments used for the sale and purchase of energy bundled with attributes, and for unbundled energy attribute claims are 0%, and no contractual-instrument types are applicable for disclosure.

Biogenic emissions of CO_2 from biomass combustion in Scopes 1 and 2 are immaterial to CSG's operations. Biogenic emissions of CO_2 that occur in the value chain and are not included in Scope 3 are also immaterial.

Scope 3—Calculation Methods and Assumptions

The share of Scope 3 emissions calculated using primary data is 50%. Scope 3 emissions are calculated based on a combination of primary activity data (where available) and secondary data sources, depending on the category and data availability.

CSG calculates its GHG emissions using the Green0Meter[3] platform, applying the GHG Protocol methodology to ensure consistency with internationally recognized standards for carbon accounting.

Emission factors are sourced from DEFRA, ECOINVENT, EXIOBASE, and EPA. These sources were selected for their comprehensiveness, reliability, and alignment with industry best practices.

[3] https://www.Green0Meter.com

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 subsidiaries, 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. An activity-based methodology utilizing activity data in various units of measurement.

Tools Used
Green0Meter with emission factors from EXIOBASE and EPA for spend-based datapoints, and ECOINVENT for activity-based datapoints.

Capital Goods

Reporting Boundaries
Includes capital expenditures on assets such as machinery, equipment, and infrastructure across CSG's facilities.

Calculation Method
Spend-based approach, wherein capital investment data is multiplied by sector-specific emission factors from recognized databases.

Tools Used
Green0Meter with emission factors from EXIOBASE and EPA.

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 combining activity-based fuel consumption data and factor-based grid loss estimates.

Tools Used
Green0Meter with DEFRA and ECOINVENT emission factors.

Upstream Transportation

Reporting Boundaries
Covers transportation of raw materials and components from tier 1 suppliers and to tier 1 customers where CSG ensures transportation of goods.

Calculation Method
Distance- and weight-based approach, using freight tonne-kilometers (t-km) to estimate emissions based on transport mode. Whenever primary data is unavailable, a spend-based approach is used, multiplying transportation costs by emission factors from recognized sources.

Tools Used
Green0Meter with DEFRA and EXIOBASE 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
Activity-based approach using waste-type- and treatment-specific emission factors.

Tools Used
Green0Meter with DEFRA and ECOINVENT 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
Green0Meter 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
Green0Meter with DEFRA factors for commuter transport.

Upstream Leased Assets

Reporting Boundaries
Covers emissions from assets owned by third parties but leased to CSG, such as vehicles, or buildings, where CSG does not have operational control.

Calculation Method
Estimated using rent data for leased assets and estimated utility costs.

Tools Used
Green0Meter with EXIOBASE emission factors for spend-based datapoints.

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
Green0Meter with DEFRA emission factors.

Processing of Sold Products

Reporting Boundaries
Includes emissions from processing activities performed by third parties on CSG's sold products prior to final use.

Calculation Method
Calculated by Green0Meter using primary input data provided by material subsidiaries and applying category-specific emission factors.

Tools Used
Green0Meter with DEFRA emission factors.

Use of Sold Products

Reporting Boundaries
Covers emissions arising from the use phase of products sold by CSG over their expected lifetime.

Calculation Method
Calculated using product-specific assumptions on energy use during the use phase, based on primary input data from material subsidiaries and standard use-phase modelling.

Tools Used
Green0Meter with DEFRA emission factors.

End-of-Life of Sold Products

Reporting Boundaries
Includes emissions from waste treatment and disposal of products sold by CSG at their end of life.

Calculation Method
Estimated using standard end-of-life treatment scenarios and emission factors applied to product mass.

Tools Used
Green0Meter with DEFRA emission factors.

Downstream Leased Assets

Reporting Boundaries
Covers emissions from assets owned by CSG and leased to third parties, where CSG does not retain operational control.

Calculation Method
Calculated using primary input data from material subsidiaries, applying fuel and energy consumption assumptions for leased assets.

Tools Used
Green0Meter with DEFRA emission factors.

Franchises

Reporting Boundaries
Covers emissions from assets owned by CSG and leased to third parties, where CSG does not retain operational control.

Investments

Reporting Boundaries
Includes emissions associated with CSG's equity investments (Alzchem Group AG, Milconn a.s., TATRA EXPORT s.r.o., TATRA METALURGIE a.s., TATRA TRUCKS a.s.)

Calculation Method
Calculated based on CSG's ownership share in the investee, applying proportional Scope 1 and Scope 2 emissions derived from the most recent audited non-financial reports of the investees.

Tools Used
Green0Meter, using reported emissions data from investees and relevant emission factors where required.

GHG Intensity Based on Net Revenue

Based on total GHG emissions and net revenue, CSG's GHG emissions intensity ratio amounted to:

- 197.3 tCO_2e / € million (location-based); and
- 200.3 tCO_2e / € million (market-based).

The net revenue amount used for the calculation of GHG emissions intensity is € 6,741 million and is disclosed in the Revenues section of the Management Discussion & Analysis section of the Financial Review.

Methodological Note on Sector Revenue Reconciliation

The revenue figures used for the calculation of intensity ratios are derived from CSG's consolidated financial statements. See chapter 1.1.1. General Basis for Preparation of the Consolidated Sustainability Statement (ESRS 2 BP-1) for further information.

Significant Events and Reporting-Date Differences in the Value Chain

Where value-chain activity data or emission factors are not available for the same reporting period as CSG's reporting date, the most recent available information is used together with documented assumptions. CSG has not identified significant events between the reporting dates of entities in its value chain and the date of the consolidated financial statements that would materially affect the reported GHG emissions.

E1-7 | SM_E1-3

SDGs 7 9 12 13

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

Overview and Application of Disclosure Requirement

For the reporting period, CSG has not engaged in GHG removal and storage projects, including initiatives involving carbon capture and storage, within its own operations or across its upstream and downstream value chain. In addition, CSG does not finance, and does not intend to finance, GHG emission reductions or removals from climate change mitigation projects outside its value chain through the purchase of carbon credits. Accordingly, the disclosures required under ESRS E1-7 are not applicable for the reporting period.

Scope of Non-Disclosure

As no such activities occurred during the reporting period, CSG has not disclosed:

- Volumes of GHG removals and storage resulting from projects developed in CSG's own operations or contributed to in the upstream and downstream value chain.
- Volumes of GHG emission reductions or removals from mitigation projects outside the value chain financed, or intended to be financed, through the purchase of carbon credits, including the related qualitative information.

Current Approach

CSG's current focus is on strengthening data collection and management of climate-related impacts through measures addressing gross emissions within its own operations and across the value chain. As CSG does not use carbon credits or engage in GHG removal projects during the reporting period, the reporting and monitoring processes required for E1-7 activities are not currently implemented.

Forward-Looking Considerations

CSG recognizes that GHG removals and/or financing of mitigation projects through carbon credits may become relevant in future reporting periods depending on business developments, stakeholder expectations, and evolving market practices. Should such activities be initiated, CSG will establish the necessary methodologies, internal processes, and documentation to support ESRS E1-7 disclosures.

E1-8 | SM_E1-6

SDGs 7 9 12 13

2.2.9. Internal Carbon Pricing

Overview and Application of Disclosure Requirement

CSG did not apply any internal carbon pricing schemes during the reporting period. Accordingly, the detailed disclosures required under ESRS E1-8, including information on the type of scheme, scope of application, carbon prices, and emissions covered, are not applicable for the reporting period.

Scope of Non-Disclosure

As no internal carbon pricing schemes were applied during the reporting period, CSG has not disclosed information on:

- **The Type of Internal Carbon Pricing Scheme**
  Such as shadow prices or internal carbon fees or funds.
- **The Scope of Application**
  Including activities, geographies, or entities covered.
- **The Carbon Prices**
  Applied and related critical assumptions, including sources and relevance.
- **The Approximate Gross Scope 1, Scope 2, and—where applicable—Scope 3 Emissions**
  Covered by such schemes and their share of total emissions.

Current Approach

At this stage, CSG is focusing on establishing reliable sustainability data collection processes and developing climate-related policies as part of its broader environmental strategy.

Forward-Looking Considerations

CSG recognizes that internal carbon pricing may become relevant in future reporting periods depending on business developments, stakeholder expectations, and evolving regulatory and market practices. Should CSG introduce internal carbon pricing schemes, it will establish the necessary methodologies, governance and documentation to support ESRS E1-8 disclosures, including transparency on critical assumptions and, where applicable, alignment of internal carbon prices with those used in financial statements.

E1-9 | SM_E1-9

SDGs 7 9 11 13

2.2.10. Anticipated Financial Effects from Material Physical and Transition Risks

Overview and Application of Phase-In Provisions

For the reporting period, CSG has not disclosed anticipated financial effects arising from material physical climate risks, material transition risks, or potential climate-related opportunities.

This disclosure omission is made in accordance with the European Sustainability Reporting Standards "quick-fix" delegated act of July 11 2025, which permits wave one undertakings to omit information on anticipated financial effects for financial years 2025 and 2026. Accordingly, the quantitative and qualitative disclosures specified in paragraphs 64–69 of ESRS E1-9 are not provided for the reporting period.

Scope of Omission

As permitted under the phase-in provisions, CSG has not disclosed:

- **Anticipated Financial Effects from Material Physical Climate Risks**
  Including asset exposure, revenue at risk, or geographic concentration.
- **Anticipated Financial Effects from Material Transition Risks**
  Including asset exposure, liabilities, or revenue at transition risk.
- **Quantified or Monetized Information**
  On the potential to benefit from climate-related opportunities.

No reconciliations to financial statement line items are therefore provided.

Current Approach to Climate Risk and Opportunity Assessment

Although anticipated financial effects are not disclosed, CSG has identified and assessed climate-related IROs quantitatively through its DMA, as described in ESRS 2 SBM-3 and ESRS E1 disclosures.

At the current stage, climate-related risks and opportunities are assessed at a sector and activity level, without quantification of anticipated effects on financial position, performance or cash flows. As a result, no significant risk of material adjustments to the carrying amounts of assets or liabilities has been identified for the next annual reporting period.

Forward-Looking Statement

CSG recognizes the importance of quantifying anticipated financial effects of climate-related risks and opportunities over the short-, medium-, and long-term time horizons. CSG intends to further develop its internal methodologies, data availability and scenario analysis capabilities to support such disclosures in future reporting periods, once the phase-in provisions no longer apply or where disclosure becomes decision-useful.

Any future disclosure of anticipated financial effects will be aligned with ESRS E1-9 requirements, including the use of scenario analysis, defined time horizons, and reconciliation to financial statements.



2.3. Pollution

This section describes how CSG identifies and manages IROs related to pollution arising from its operations and value chain. It explains the policies, procedures, and controls implemented to prevent, minimize, and monitor emissions to air, water, and soil, as well as the management of hazardous substances and waste streams. The section also outlines how pollution-related considerations are integrated into operational processes, environmental management systems, and compliance frameworks, and presents relevant metrics and disclosures required under the ESRS standards.

E2.IRO-1 | SM_E2-1

SDGs 3 6 11 12

2.3.1. General Disclosures Related to Pollution

Identification and Assessment of Pollution-Related Impacts, Risks, and Opportunities

CSG identifies material IROs through its DMA, applied consistently across its own operations and relevant upstream and downstream value chain activities.

The assessment covers SM_E2-1: Pollution Management, as well as SM_E2-A: Pollution of Air, SM_E2-B: Pollution of Water and SM_E2-5: Substances of Concern & Very High Concern. For each sub-topic, CSG has identified a defined set of IROs reflecting environmental, regulatory, and operational exposures. SM_E2-C: Pollution of Soil was assessed as immaterial and is therefore not further addressed in this Consolidated Sustainability Statement.

Negative impacts identified relate primarily to inadequate pollution management and insufficient controls over emissions to air and water, which may increase environmental harm and compliance risk. These impacts form the basis for the assessment of related risks, including fines, production interruptions, loss of operating permits, and pollution incidents with adverse effects on the environment and, where applicable, affected communities.

Positive impacts and opportunities identified relate to the implementation of advanced pollution-control measures and clean technologies, which can reduce emissions, strengthen compliance, and improve regulatory trust and license to operate.

Screening of Site Locations and Activities (LEAP Phase 1)

CSG screened site locations and business activities to identify where pollution-related impacts may arise, with a focus on:

- Manufacturing and processing sites with potential emissions into air or water.
- Activities involving the handling, storage or use of substances of concern (SOC).

The screening covered CSG's own operations and, where relevant based on value chain exposure, upstream and downstream activities linked to pollution of air or water. Activities assessed as not giving rise to pollution-related impacts (e.g. purely administrative or service activities) were excluded from further analysis.

Evaluation of Impacts and Dependencies (LEAP Phase 2)

For the sites and activities identified in Phase 1, CSG evaluated pollution-related impacts by assessing their severity and likelihood, considering scale, scope, and potential effects on the environment and human health.

This evaluation addressed:

- Inadequate pollution management and insufficient preventive controls.
- Risks of air and water pollution resulting from operational processes.

Impacts were classified as actual or potential and as negative or positive, forming the basis for subsequent risk and opportunity assessment.

Assessment of Risks and Opportunities (LEAP Phase 3)

CSG assessed pollution-related risks and opportunities across short-, medium-, and long-term horizons as part of its DMA. The assessment considers both identified impacts and broader sustainability-related risk and opportunity exposures associated with pollution management, emissions to air and water, and SOC and substances of very high concern (SVHC).

Risks assessed as material include:

- Regulatory sanctions;
- Operational disruption; and
- Environmental incidents arising from pollution management failures or exceedances of emission limits.

Opportunities assessed as material include:

- Improvements in regulatory access;
- Stakeholder trust; and
- Operational resilience resulting from proactive pollution prevention and the deployment of clean technologies.

Risks and opportunities were assessed using the same quantitative scoring methodology applied across the DMA and were integrated into CSG's sustainability risk register and broader risk-management framework.

Methodological Consistency and Governance

The identification and assessment of pollution-related IROs follow the methodology described in ESRS 2 IRO-1 and are aligned with CSG's due-diligence and risk-management processes. Outcomes are validated with relevant subsidiaries and reviewed by the Sustainability Committee before being consolidated centrally at CSG.

Consultation with Affected Communities

During the reporting period, CSG did not conduct dedicated consultations with affected communities specifically in relation to pollution-related IROs.

This reflects the nature and location of CSG's operations, which are predominantly situated in regulated industrial zones and operate under environmental permitting, monitoring, and oversight by competent authorities. Pollution-related risks and impacts are therefore primarily identified and managed through internal operational controls, compliance processes, and regulatory supervision rather than through direct community consultation.

E2-1 | SM_E2-1

SDGs 3 6 11 12

2.3.2. Policies Related to Pollution

All policies related to pollution are formally overseen and approved by the Board of Directors of CSG. The Board of Directors represents the highest level of governance and holds ultimate accountability for the implementation, monitoring, and enforcement of these policies across CSG.

Policies Related to Pollution

Please refer to Annex 8 for the complete overview of policies related to pollution.

Policies Addressing Pollution Prevention and Control

CSG addresses material pollution-related impacts through its Pollution Prevention Policy, which applies to all CSG subsidiaries within the consolidation scope and covers CSG's own operations. The policy establishes principles for preventing, mitigating, and controlling pollution of air, water, and soil and for ensuring compliance with applicable environmental legislation.

The policy focuses on pollution prevention at the source and requires subsidiaries to implement technical and organizational measures to minimize emissions, discharges and releases arising from their activities. These measures are embedded into site-level processes, internal regulations, and operational controls approved by the statutory bodies of the respective subsidiaries.

Pollution of Air, Water, and Soil

With regard to pollution of air, water, and soil, the policy requires subsidiaries to:

- **Identify and Control Significant Environmental Aspects of their Operations**
  Including emissions into air, discharges into water and releases to soil.
- **Minimize Emissions and Discharges**
  Through process optimization, maintenance of equipment and the use of modern pollution-control technologies.
- **Monitor Emissions, Discharges and Environmental Performance**
  In line with permit conditions and legal requirements.
- **Implement Preventive and Corrective Measures**
  To avoid pollution incidents and accidental releases.

The policy also requires preparedness for environmental emergencies, including spills and accidental releases, supported by emergency response plans, inspections, and regular reviews.

Pollutants and Substances Covered

Pollution Prevention Policy Scope

Visualization 14

The Pollution Prevention Policy covers, in particular:

Air Pollutants

Generated through industrial processes and energy use, including dust and other emissions subject to air-protection legislation.

Water Pollutants

Including discharged substances arising from production processes and operational activities.

Soil Contaminants

Including accidental releases and leaks associated with industrial operations.

In addition, the policy explicitly addresses the handling, storage, and use of hazardous substances, including chemicals and hazardous waste that may pose risks to human health or the environment. Subsidiaries are required to keep records of hazardous substances, ensure safe handling and storage, and prevent leaks or uncontrolled releases.

Value Chain Considerations

The Pollution Prevention Policy applies directly to CSG's own operations. Upstream and downstream pollution-related risks are addressed indirectly through operational controls, supplier requirements related to waste management and authorized contractors, and compliance with regulatory permitting and monitoring frameworks. Where pollution-related impacts in the value chain are assessed as material, they are considered within CSG's DMA and risk-management processes.

Policies Addressing Substitution and Minimization of Substances of Concern

CSG addresses the management of SOC through its Hazardous Material Management Policy, which applies to all subsidiaries within the consolidation scope and governs the classification, handling, storage, transport, and use of hazardous substances in CSG's own operations.

The policy aims to minimize risks to human health and the environment arising from hazardous substances by ensuring systematic identification, classification, recording, and control of such substances in accordance with applicable legal and regulatory requirements.

Substances of Concern and Substances of Very High Concern

The policy covers hazardous substances and materials, including substances classified as hazardous under applicable EU and international regulations and standards (e.g. GHS, ADR, IMDG). This includes substances that may qualify as SOC or SVHC under relevant chemical legislation, where applicable to CSG's activities.

Subsidiaries are required to maintain up-to-date inventories of hazardous substances, supported by safety data sheets, and to regularly review these inventories to reflect changes in material specifications, processes, or regulatory requirements.

Substitution, Minimization, and Control Measures

The Hazardous Material Management Policy does not establish a standalone overarching phase-out program for SVHC Instead, it addresses substitution and minimization indirectly through the following requirements:

- **Systematic Classification and Recording of Hazardous Substances**
  Enabling visibility and informed decision-making.
- **Compliance with Evolving Legal Restrictions and Authorization Requirements**
  Which may require substitution or discontinuation of specific substances.
- **Implementation of Technical and Organizational Measures**
  To minimize exposure, quantities used, and environmental releases of hazardous substances.
- **Regular Review of Substances Used in Operations**
  In response to regulatory developments, audits, and internal inspections.

Where substitution is legally required or operationally feasible, CSG's subsidiaries are expected to reflect this in their internal procedures and material choices.

Consumer Products and Non-Essential Societal Use

CSG does not manufacture consumer products intended for mass consumer use that would require dedicated policies on SOC in consumer products. Accordingly, the policy does not include provisions specific to consumer products or to non-essential societal use.

Value Chain Considerations

The Hazardous Material Management Policy applies directly to CSG's own operations. Upstream and downstream risks related to hazardous substances are addressed through compliance with transport regulations, the use of authorized partners and contractors, and legal requirements applicable to suppliers and service providers. Where substance-related risks in the value chain are assessed as material, they are considered within CSG's DMA and risk-management processes.

Policies Addressing the Prevention and Management of Pollution-Related Incidents and Emergencies

CSG addresses the prevention of pollution-related incidents and the control and limitation of their impacts through its Integrated Management System Policy, supported by relevant sub-policies, including the Pollution Prevention Policy and the Hazardous Material Management Policy. These policies apply to all subsidiaries within the consolidation scope and primarily cover CSG's own operations.

Together, these policies establish a structured framework for avoiding environmental incidents and emergency situations and for ensuring preparedness and response where such events occur.

Avoidance of Incidents and Emergency Situations

CSG's policies require subsidiaries to implement preventive measures aimed at reducing the likelihood of pollution-related incidents. These include:

- **Identification and Control of Significant Environmental Factors and Operational Risks**
  Including emissions, discharges, and handling of hazardous substances.
- **Implementation of Technical and Organizational Controls**
  To prevent leaks, spills and uncontrolled releases to air, water, or soil.
- **Regular Inspections, Maintenance and Internal Audits**
  Of equipment, processes, and storage facilities i nvolving hazardous substances.
- **Employee Training and Instruction**
  On safe operating procedures, pollution prevention, and emergency response.

Preventive measures are embedded into site-level procedures and internal regulations approved by the statutory bodies of the respective subsidiaries and are aligned with applicable legal and permitting requirements.

Emergency Preparedness and Incident Response

Where pollution-related incidents or emergency situations occur, CSG's policies require subsidiaries to:

- Maintain emergency preparedness and response plans covering spills, accidental releases, and other incidents with potential environmental impact.
- Implement technical and organizational measures to limit the spread and severity of environmental harm.
- Ensure availability of appropriate equipment and resources for emergency response.
- Conduct regular drills and training to ensure readiness of relevant employees.

Subsidiaries are required to immediately report significant incidents, including accidental releases of hazardous substances, to CSG management and to investigate causes and implement corrective measures to prevent recurrence.

Protection of People and the Environment

The policies explicitly link environmental incident management with the protection of employees, local communities and the environment. Measures focus on minimizing impacts on human health, ecosystems and property, including through rapid containment, compliance with legal notification obligations, and cooperation with competent authorities where required.

Value Chain Considerations

The incident-prevention and emergency-response requirements apply directly to CSG's own operations. Pollution-related risks in upstream and downstream activities are addressed through compliance with transport regulations, use of authorized contractors, and legal requirements applicable to suppliers and service providers. Where incident-related risks in the value chain are assessed as material, they are considered within CSG's DMA and risk-management processes.

E2-2 | SM_E2-1

SDGs 3 6 11 12

2.3.3. Actions and Resources Related to Pollution

During the reporting period, CSG did not implement specific action plans or standalone actions dedicated to the prevention, mitigation, or remediation of pollution-related impacts, nor to the management of pollution-related risks and opportunities, beyond the implementation of policies and standard operational controls. This reflects CSG's current stage of development in the pollution management area, where the primary focus during the reporting period was placed on establishing a consistent policy framework, strengthening governance, and completing the identification and assessment of material pollution-related IROs through the DMA.

Key Actions Taken or Planned and Expected Outcomes

No pollution-specific actions or action plans were taken during the reporting year, and no dedicated actions have been formally planned for future periods at this stage. Accordingly, no expected outcomes, policy target linkages, or contribution to pollution-related targets are disclosed for the reporting period.

CSG considers the establishment of the Pollution Prevention Policy, the Hazardous Material Management Policy, and the Integrated Management System as foundational measures that define minimum requirements and responsibilities for pollution prevention and control across subsidiaries.

Scope of Actions, including Value Chain and Geographies

As no pollution-specific actions or action plans were implemented or planned during the reporting period, no scope is defined in terms of:

- Activities or sites covered;
- Upstream or downstream value chain coverage;
- Geographic boundaries; or
- Affected stakeholder groups.

Time Horizons

No time horizons are defined, as no pollution-specific actions or action plans have been adopted.

Remedy for Actual Material Impacts

No actions were taken during the reporting period to provide for or cooperate in remedy related to pollution-related impacts. No cases requiring remedy were identified through the pollution materiality assessment.

Resources Allocated to Actions

CSG did not allocate specific operational expenditures (OpEx) or capital expenditures (CapEx) to pollution-related action plans during the reporting period.

As no pollution-specific actions or action plans have been defined, the disclosure requirements under paragraph 69(a)–(c) regarding financial resources, links to financial statements, or future funding do not apply.

Forward-Looking Considerations

CSG recognizes that the management of pollution-related IROs may require the definition of targeted actions and measurable objectives in future reporting periods.

Following the completion of the DMA and the establishment of policies, CSG's next steps may include the consideration of pollution-related targets and corresponding actions, where deemed appropriate based on risk prioritization, regulatory developments and operational relevance. Any such actions, targets, or resource allocations will be disclosed in future reporting periods in accordance with ESRS requirements.

E2-3 | SM_E2-1

SDGs 3 6 11 12

2.3.4. Targets Related to Pollution

As of the reporting date, CSG has not set any measurable, outcome-oriented or time-bound targets related to pollution. Accordingly, CSG does not disclose pollution-related targets supporting the prevention or control of air pollutants, emissions to water, pollution of soil, or the use of SOC and SVHC.

Relationship to Policies and Material Impacts, Risks, and Opportunities

CSG has established policies addressing pollution prevention, hazardous material management, and environmental incident control. These policies define principles, minimum requirements, and responsibilities applicable across CSG's own operations.

During the reporting period, CSG focused on the establishment of a consistent policy framework, governance structures, and the completion of the DMA for pollution-related IROs. The setting of measurable pollution-related targets was not identified as a priority at this stage.

Scope and Coverage of Targets

As no targets have been set, no targets relate to:

- Prevention and control of air pollutants or respective specific loads;
- Emissions to water or respective specific loads;
- Pollution to soil or respective specific loads; or
- SOC and SVHC.

Baselines, Time Horizons and Methodologies

CSG has not defined baseline values, base years, target years, interim milestones, levels of ambition, or target-setting methodologies for pollution, as no measurable targets were applicable to the reporting entity for the reporting period.

Tracking Effectiveness in the Absence of Targets

In the absence of measurable pollution-related targets, CSG does not track progress through quantitative, outcome-oriented indicators.

Instead, the effectiveness of pollution-related policies is currently monitored qualitatively through:

- Compliance with applicable environmental legislation and permit conditions;
- Implementation and maintenance of internal policies and procedures;
- Internal audits and inspections conducted under the Integrated Management System; and
- Identification and assessment of pollution-related IROs within the DMA.

These processes provide management oversight and assurance regarding compliance and risk control but are not designed to measure performance against defined pollution-reduction outcomes.

Stakeholder Involvement

No stakeholders were involved in the setting of pollution-related targets, as no such targets have been adopted.

Forward-Looking Considerations

CSG recognizes that the definition of pollution-related targets may become relevant in future reporting periods, depending on:

- The prioritization of pollution-related IROs;
- Regulatory developments and evolving disclosure expectations; and
- The maturity of internal data, monitoring, and control systems.

Should pollution-related targets be defined and become applicable to the reporting entity in future reporting periods, CSG will disclose them in accordance with ESRS E2 and ESRS 2 MDR-T, including scope, baselines, methodologies, time horizons, and progress tracking.

E2-4 | SM_E2-A

SDGs 3 6 11 12

2.3.5. Pollution of Air

Disclosure of Pollutants Emitted Through Own Operations

During the 2025 reporting period, CSG collected primary air emissions data from subsidiaries operating in sectors where Pollution of Air was assessed as potentially material based on sector relevance. In total, 29 subsidiaries were identified as having potential relevance to this topic. Four of these 29 subsidiaries did not carry out production activities during the reporting period and therefore did not report environmental data for air emissions.

CSG assessed Pollution of Air as potentially material primarily for manufacturing and production-related sectors, where operations can directly generate air emissions (e.g., through combustion processes, surface treatment, machining, or other industrial activities). The sectors for which Pollution of Air was identified as material are listed in Annex 5.

Where subsidiary-specific air emissions data was not available, CSG estimated the missing values using a revenue-based extrapolation approach. This approach consisted of:

- aggregating reported emissions from the reporting subsidiaries;
- calculating an emissions intensity per unit of revenue for each pollutant; and
- applying the resulting intensity to the revenues of the non-reporting subsidiaries to estimate their emissions for consolidation purposes.

Air Pollutant Emissions

Table 35 presents the aggregated volumes of air pollutants emitted through CSG's own operations in 2025.

Volume of Air Pollutants (tonnes)

Table 35

	2024	2024 Restated	2025
Total	**219.4**	**142.9**	**135.6**



Air Pollutant Emissions by Pollutant Type

Table 36 presents the aggregated volumes of air pollutants emitted through CSG's own operations in 2025, disaggregated by pollutant.

Volume of Air Pollutants by Pollutant (tonnes)

Table 36

Air pollutant	2024	2024 Restated	2025
Alkyl Alcohols	8.4	8.4	
Ammonia (NH_3)	0.5	0.5	0.0491
Arsenic (As)			0.0002
Benzene			0.0011
Butyl Acetate	8.4	8.4	
Cadmium (Cd)			0.0001
Carbon Monoxide (CO)	65.0	62.9	15.2344
Chlorine (Cl_2)			0.0001
Chromium (Cr)			0.0001
Copper (Cu)			0.0001
Dioxins and Furans (PCDD/F, expressed as TEQ)			0.0001
Formaldehyde			0.0144
Hydrogen Chloride (HCl)			0.0015
Hydrogen Cyanide	3.2	3.2	
Hydrogen Fluoride (HF)			0.0002
Lead (Pb)			0.6197
Mercury (Hg)			0.0001
Nickel (Ni)			0.0005
Nitrogen Oxides (NOx, as NO_2 equivalent)	8.5	4.6	21.4719
Non-Methane Volatile Organic Compounds (NMVOCs / VOCs)			80.7354
Odour Units			0.0008
Particulate Matter PM10			3.0897
Particulate Matter PM2.5			2.8296
Particulate Matter PM	21.1	0.5	
Persistent Organic Pollutants (POPs)			0.8600
Polycyclic Aromatic Hydrocarbons (PAHs, total)			0.0001
Sulphur Oxides (SOx, as SO_2 equivalent)	0.9	0.0	0.0919
TOC	1.2	0.0	
TOC from VOC	28.5	28.5	
Toluene	16.7	16.7	9.7758
Total Dust			0.7915
Total Suspended Particles (TSP)			0.0056
VOC	52.8	5.0	
Xylene (mixed isomers)	4.1	4.1	0.0493
Zinc (Zn)			0.0003
Total	**219.4**	**142.9**	**135.6**

Comparability Note

In 2025, the methodology and estimation process for air pollution emissions was refined with the aim to strengthen the consistency and traceability of reported information. In addition, more granular data is collected and reported compared to the previous reporting period, which has led to certain information being reported under different categories than in 2024.

As historical data for 2024 was not available in a form that enables retrospective application of the updated methodology and estimate, adjustment of comparative figures is impracticable and not possible. This fact is disclosed in line with ESRS 1 §7.1 (para 85) and ESRS 2 BP-2. The year-on-year decrease in reported air pollutants is mainly attributable to improvements in data quality. In the previous reporting period, certain figures were based on reasonable estimates due to limited primary data availability. In 2025, CSG improved the collection and validation of primary operational data, resulting in more reliable inputs for the calculation of air pollutant emissions. As a result, although CSG revenues increased year-on-year, the reported decrease reflects improved data accuracy and methodology rather than a direct reduction driven solely by operational changes.

Further Information on Air Pollution

The reported air pollutant volumes are based primarily on subsidiary-reported primary data for the in-scope portfolio subsidiaries. Where subsidiary-specific data was not available, emissions were estimated using the revenue-based intensity approach described below. All volumes are reported in mass units (tonnes), in line with ESRS requirements.

Out of the 29 subsidiaries in scope, four subsidiaries (representing 13.8% of the 29 subsidiaries in scope), did not have air pollution data available at the reporting cut-off date, and the revenue-based extrapolation approach was applied. Furthermore, an additional four subsidiaries, as mentioned above, did not have any production in the reporting year, thus no data was reported nor estimated.

Where subsidiary-level data points relating to air pollution were not available, CSG applied a revenue-based extrapolation methodology as an activity proxy. For this purpose, in-scope subsidiaries with complete data coverage, excluding entities belonging to The Kinetic Group, were used to derive average intensity factors, calculated as reported tonnes per € million of net revenue. The Kinetic Group entities were excluded from this calculation due to differences in the scope and magnitude of reported air pollution figures compared to other CSG entities, which would otherwise distort the derived intensity factors. These intensity factors were then applied to the net revenue of subsidiaries with missing data to estimate the respective volumes. This estimation approach was applied to four subsidiaries for air pollution data.

The use of proxy data and estimation techniques introduces a degree of estimation uncertainty in the aggregated results. CSG will continue to improve data completeness and timeliness over time by expanding primary data coverage and further aligning calculation approaches across subsidiaries.

- **Reporting Scope**
  In 2025, CSG updated the list of subsidiaries and/or operational sites included in air emissions data collection, based on sector relevance to Pollution of Air. This update resulted in the inclusion of additional entities and/or sites compared with prior periods, and the exclusion of entities without production activities during the reporting period.

- **Emission Sources**
  In 2025, CSG increased granularity of relevant air emission sources within the reporting boundary to better reflect manufacturing-related emission profiles.

- **Calculation Approach and Estimation**
  In 2025, CSG applied an updated approach where 2024 data served as a proxy for 2025 for a defined subset of subsidiaries where 2025 data were not available at the reporting cut-off date, with additional reasonableness checks for operational changes. Prior periods were prepared using a different mix of data availability and calculation approaches, which limits trend consistency.

- **Measured vs. Estimated Data**
  Compared with earlier reporting cycles, 2025 reflects a different balance between measured/primary data and estimated/proxy data, driven by the updated scope and timing of subsidiary reporting.

CSG assessed whether it was practicable to apply the 2025 methodology retrospectively to prior-year figures to improve comparability. This was not practicable because the prior-year dataset did not consistently retain the same consolidation boundary, source-level granularity, and supporting documentation needed to replicate the updated scope and calculation approach on a like-for-like basis across CSG. As a result, CSG discloses 2025 results on the updated basis and treats prior-year figures as prepared under a different reporting approach.

E2-4 | SM_E2-B

SDGs 3 6 11 12

2.3.6. Pollution of Water

Pollution of Water

Pollution of water was identified as a potentially material topic for certain subsidiaries based on the nature of their operations and sectoral exposure. However, for the 2025 reporting period, no quantitative disclosures are provided under ESRS E2 for water pollution.

Subsidiaries for which pollution of water was assessed as potentially material are subject to applicable environmental permitting, monitoring, and reporting obligations under national and regional regulatory frameworks. These subsidiaries are required to submit regular reports, at minimum annually, to the relevant competent authorities regarding water emissions, discharges, and compliance with applicable limits and conditions.

During the reporting period, all relevant subsidiaries submitted the required regulatory reports to the competent authorities. Based on these submissions, no confirmed incidents of water pollution were reported, and all subsidiaries remained in compliance with applicable regulatory requirements.

As no confirmed incidents of water pollution occurred during the reporting period, and regulatory reporting obligations were fulfilled, CSG has not reported quantitative ESRS water pollution metrics for the current reporting period. Should a confirmed incident of water pollution occur in the future or should reporting requirements under ESRS become applicable based on operational changes, CSG would disclose relevant information in line with ESRS requirements.

E2-5 | SM_E2-5

SDGs 3 6 12 15

2.3.7. Substances of Concern and Substances of Very High Concern

Substances of Concern

During the 2025 reporting period, CSG collected data on SOC from subsidiaries for which this topic was identified as material. As a result, the disclosures presented below are compiled based on data received from the responding subsidiaries and, where applicable, supplemented as described in the section Further Information on Substances of Concern and Very High Concern.

In accordance with ESRS E2-5, the disclosures present the total quantities of SOC that were generated, used during production, or procured, as well as the quantities of SOC leaving facilities as emissions, products, parts of products, or services. SOC are classified by main hazard class based on their hazardous properties.

The total amount of SOC used in production during the reporting period amounted to 55,625.3 tonnes.

Substances of Concern by Main Hazard Class

The classification by hazard class reflects the hazardous properties of the substances reported. It should be noted that individual substances may fall into more than one hazard class. As a result, the aggregated quantities presented by hazard class exceed the total amount of SOC and should not be interpreted as additive (Table 37).

Substances of Concern per Main Hazard Class — 2025 Generated / Used During Production / Procured (tonnes)[3]

Table 37

Main Hazard Class	2024	2024 Restated	2025
Environmental Hazard	12.5	11.1	6,581.8
Health Hazard	71,775.6	71,773.2	31,503.3
Physical Hazard	71,767.3	71,765.9	17,540.2

Substances of Concern leaving facilities — Generated / Used During Production / Procured (tonnes)

Table 38

Substance of concern	2024	2024 Restated	2025
Substances of concern that leave facilities as emissions	2.0	1.8	723.7
Substances of concern that leave facilities as products	0.0	0.0	2,002.5
Substances of concern that leave facilities as part of products	71,761.6	71 761,0	52,882.7
Substances of concern that leave facilities as services	0.0	0.0	16.5
Total amount of substances of concern that leave facilities as emissions, as products, or as part of products or services	**71,763.6**	**71,762.7**	**55,625.3**

Breakdown by Hazard Class

The following tables present the breakdown of SOC leaving facilities by main hazard class and by the form in which they leave the facility.

Breakdown of Substances of Concern Leaving Facilities Based on Hazard Class — Generated / Used During Production / Procured (tonnes)

Table 39

Form of Substances of Concern leaving facilities	Main Hazard Class	2024	2024 Restated	2025
Emissions	Environmental Hazard	0.2	0.2	109.3
	Health Hazard	2.0	1.8	408.9
	Physical Hazard	2.0	1.8	205.5
Products	Environmental Hazard	0.0	0.0	656.3
	Health Hazard	0.0	0.0	662.3
	Physical Hazard	0.0	0.0	683.9
Parts of products	Environmental Hazard	4.5	4.5	5,812.7
	Health Hazard	71,761.6	71,761.6	30,421.7
	Physical Hazard	71,757.3	71,757.3	16,648.3
Services	Environmental Hazard	0.0	0.0	3.4
	Health Hazard	0.0	0.0	10.4
	Physical Hazard	0.0	0.0	2.6

[3] 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 Very High Concern

In accordance with ESRS E2-5, CSG presents SVHC information separately from SOC.

During the 2025 reporting period, CSG collected SVHC data from the same subsidiaries. The disclosures therefore reflect data received from responding subsidiaries and are complemented as described in Further Information on Substances of Concern and Very High Concern.

The total amount of SVHC used in production during the reporting period amounted to 19,553.9 tonnes.

Substances of Very High Concern Generated, Used, or Procured (tonnes)

Table 40

Disclosure Requirement	2024	2024 Restated	2025
Total substances of very high concern	**224.7**	**222.6**	**19,553.9**

Substances of Very High Concern Leaving Facilities

The total amount of SVHC leaving facilities during the reporting period, whether as emissions, products, parts of products, or services, amounted to 19,603.6 tonnes.

Substances of Concern leaving facilities — Generated / Used During Production / Procured (tonnes)

Table 41

Form of Substances of Concern leaving facilities	2024	2024 Restated	2025
Substances of very high concern that leave facilities as emissions	0.0	0.0	43.1
Substances of very high concern that leave facilities as products	0.0	0.0	2,539.1
Substances of very high concern that leave facilities as part of products	224.3	222.2	17,021.4
Substances of very high concern that leave facilities as services	0.0	0.0	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**	**222.2**	**19,603.6**

Further Information on Substances of Concern and Very High Concern

The figures presented in this chapter are compiled from the annual environmental sustainability module completed by CSG subsidiaries and reflect SOC and SVHC within CSG's own operations. This includes substances generated or used during production as well as substances procured, including those embedded in ingredients, semi-finished products, or final products.

All volumes are reported in mass units (tonnes), in line with ESRS requirements. For a limited number of subsidiaries (11, representing 37.9% of the 29 subsidiaries in scope), the most recent SOC and SVHC dataset was not available at the reporting cut-off date. Of the 29 subsidiaries, four were in-scope but did not have any production, hence no SOC nor SVHC were used, generated, or procured.

In addition, where subsidiary-level data points relating to SOC and SVHC were not available, CSG applied a revenue-based extrapolation methodology as an activity proxy. For this purpose, subsidiaries with complete data coverage, excluding entities belonging to The Kinetic Group, were used to derive average intensity factors, calculated as reported tonnes per € million of net revenue. The Kinetic Group entities were excluded from the calculation due to differences in the scope and magnitude of reported SOC and SVHC figures compared to other CSG entities, which would otherwise distort the derived intensity factors. These intensity factors were then applied to the net revenue of subsidiaries with missing data to estimate the respective volumes. This estimation approach was applied to the above mentioned 11 subsidiaries for SOC and SVHC data.

In line with ESRS expectations regarding the use of estimates and proxies, the bases for preparation and estimation approaches are disclosed transparently to support data reliability and the progressive improvement of data coverage in future reporting periods.

Change in Reporting Scope and Comparability

In 2025, CSG strengthened the methodology applied for ESRS E2 reporting on SOC and SVHC, including broader use of primary operational data, improved substance mapping and enhanced classification controls. These methodological improvements affected year-on-year comparability differently for SOC and SVHC.

The approximately 22% decrease in SOC reflects, in part, improved data quality and refined identification of substances in scope, which reduced the effect of conservative estimates used in the previous reporting period. The decrease should therefore not be read as a fully like-for-like reduction in underlying substance use.

The significant increase in SVHC primarily reflects improved identification and more complete capture of SVHC-related data in 2025. In the previous reporting period, SVHC reporting was more reliant on estimates and incomplete source data. The increase therefore mainly results from improved reporting completeness rather than a directly comparable increase in underlying SVHC use.

The expansion in 2025 includes:

- Full-year coverage of The Kinetic Group, which was included only for part of 2024 due to late acquisition.
- Newly included manufacturing subsidiaries and related sites integrated into the sustainability reporting scope in 2025:
  - MSM Walsrode GmbH & Co. KG
  - Walsroder NC GmbH
  - GAMA OCEL, spol. s r.o.
  - HYDRAULICS s.r.o.

E2-6 | SM_E2-1

SDGs 3 6 11 12

2.3.8. Anticipated Financial Effects from Material Pollution-related Risks and Opportunities

Overview and Application of Phase-In Provisions

For the reporting period, CSG has not disclosed anticipated financial effects arising from material pollution-related risks and opportunities.

CSG applies the European Sustainability Reporting Standards "quick-fix" delegated act of July 11 2025, which permits wave one undertakings to omit anticipated financial effects for financial years 2025 and 2026. Accordingly, the disclosures required under ESRS E2-6 paragraphs 36–41 are not provided for the reporting period.

Scope of Omission

As permitted under the phase-in provisions, CSG has not disclosed:

- Quantified anticipated financial effects (single amount or range) for pollution-related risks before considering actions.
- Qualitative descriptions of anticipated financial effects by time horizon, including critical assumptions and uncertainty.
- The specific items listed under paragraph 40, including:
  - The share of net revenue from products and services that are or contain SOC and SVHC;
  - Operating and capital expenditures incurred in conjunction with major incidents and deposits; and
  - Provisions for environmental protection and remediation costs.

No contextual disclosures regarding material pollution incidents and deposits are provided under paragraph 41, as no such incidents were identified as requiring disclosure for the reporting period.

Current Approach to Assessing Pollution-Related Risks and Opportunities

CSG identifies and assesses pollution-related IROs through its DMA. At the current stage, the assessment is performed using quantitative scoring and sector- and activity-level analysis but does not include quantification of anticipated financial effects on financial position, financial performance, or cash flows over the short, medium, and long term.

Forward-Looking Considerations

CSG recognizes the relevance of quantifying anticipated financial effects from pollution-related risks and opportunities, including those linked to compliance exposure, operational disruption, and opportunities from pollution prevention and control measures. CSG will consider developing the methodologies, data availability, and internal processes needed to support E2-6 disclosures in future reporting periods, once the phase-in provisions no longer apply or where such information becomes decision-useful.

Any future disclosure of anticipated financial effects will be prepared in line with ESRS E2-6, including the required breakdowns and contextual information where applicable.

2.4. Water and Marine Resources

This section explains how CSG manages IROs related to water and marine resources within its operations and value chain. It describes how water use, consumption, and discharge are monitored and controlled, and how water-related considerations are integrated into operational management and environmental risk processes. The section outlines actions taken to improve water efficiency, reduce potential environmental impacts, and ensure compliance with regulatory requirements. It also presents relevant disclosures and metrics related to water use and management in accordance with ESRS requirements.

E3.IRO-1 | SM_E3-1

SDGs 6 8 12 13

2.4.1. General Disclosures Related to Water and Marine Resources

Overview of the Process

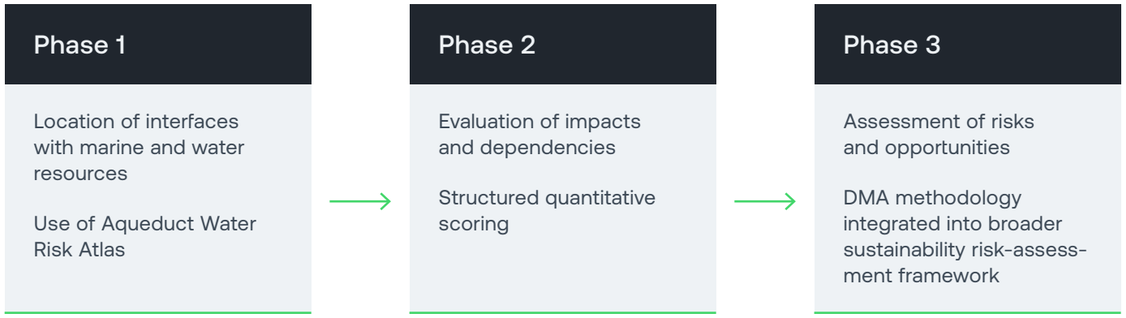
CSG identifies and assesses water and marine resources-related IROs as part of its DMA. The process is applied consistently across all CSG subsidiaries within the consolidation scope and covers own operations as well as relevant upstream and downstream value-chain activities.

The assessment process is aligned with ESRS 2 IRO-1 and reflects the first three phases of the LEAP approach (Locate, Evaluate, Assess). The outcomes of the assessment are reported through this Consolidated Sustainability Statement.

Screening of Assets and Activities

Process of Screening Assets and Activities

Visualization 15



Phase 1—Locating interfaces with water and marine resources

CSG screened its assets and activities to identify where actual and potential water and marine resources-related IROs may arise. The screening covered CSG's own operations and relevant upstream and downstream value-chain activities and focused on interfaces with water availability, water use, and water quality.

As part of this screening, CSG identified areas of high-water stress using the Aqueduct Water Risk Atlas tool developed by the World Resources Institute (WRI). Areas were classified as high or extremely high-water stress where the percentage of total water withdrawn exceeds 40%, in line with WRI definitions.

The screening considered:

- The location of operational sites in regions identified as high or extremely high-water stress;
- The nature and intensity of water use associated with production processes at those sites; and
- Potential upstream and downstream dependencies on water availability in identified high-risk regions.

The use of the Aqueduct Water Risk Atlas supported a geographic prioritization of locations for further assessment and informed the identification of water-related physical and regulatory risks within the DMA.

Marine resources were considered where relevant to business activities; no direct extraction or use of marine biological resources was identified in CSG's operations.

Phase 2—Evaluation of impacts and dependencies

For assets and activities identified in Phase 1, CSG evaluated water-related impacts and dependencies.

Impacts were assessed in terms of severity and likelihood, considering scale, scope, and potential effects on the environment and, where applicable, affected communities. The assessment distinguished between actual and potential impacts and covered both negative impacts and potential positive effects arising from efficient water management and control measures.

The evaluation relied on structured quantitative scoring applied consistently across sectors and activities, supported by internal operational data, regulatory context and expert judgement.

Phase 3—Assessment of risks and opportunities

Based on the results of Phases 1 and 2, CSG assessed material water-related risks and opportunities over short-, medium-, and long-term horizons.

Risks considered include regulatory, operational and physical risks related to water availability, water quality requirements, and compliance with discharge permits. Opportunities considered include improvements in resource efficiency, operational resilience, and regulatory trust resulting from effective water management practices.

Risks and opportunities were assessed using the same DMA methodology as is applied across all sustainability matters and integrated into CSG's broader sustainability risk-assessment framework.

Change in Materiality Assessment Compared to the Previous Reporting Period

In the 2025 reporting cycle, Water and Marine Resources and the related disclosure requirements have been assessed as material, whereas they were not identified as material in the previous reporting period. This change reflects an update in the structure and categorization of **Sustainability Matters** used within CSG's DMA, including a revised mapping of identified IROs, and related data points to sustainability topics that are more closely aligned with the ESRS taxonomy.

Methodologies, Assumptions and Tools

The water and marine resources materiality assessment follows the DMA methodology described in ESRS 2 IRO-1. The assessment is primarily quantitative and is conducted at the sector and activity levels. No river-basin-level modelling or ecological threshold analysis was applied during the reporting period.

Where data limitations exist, assessments are based on available site-level information and validated internal expertise, in line with the basis for preparation of this Consolidated Sustainability Statement.

Consultation with Affected Communities

During the reporting period, CSG did not conduct dedicated consultations with affected communities specifically in relation to water and marine resources-related IROs.

This reflects the nature of CSG's operations, which are predominantly located in regulated industrial settings and subject to water-use permits, discharge limits and oversight by competent authorities. Water-related impacts and risks are therefore primarily identified and managed through internal operational controls, compliance processes, and regulatory supervision rather than through direct community consultation.

E3-1 | SM_E3-1

SDGs 6 8 12 13

2.4.2. Policies Related to Water and Marine Resources

All policies related to water and marine resources are formally overseen and approved by the Board of Directors of CSG. The Board of Directors represents the highest level of governance and holds ultimate accountability for the implementation, monitoring, and enforcement of these policies across CSG.

Policies Related to Water and Marine Resources

Please refer to Annex 8 for the complete overview of policies related to water and marine resources.

Overview of Policies

CSG manages its material IROs related to water and marine resources through its Water Management Policy, which is part of CSG's Integrated Management System. The policy applies to all CSG subsidiaries within the consolidation scope and governs water use, water sourcing, wastewater treatment, and the prevention of water pollution in CSG's own operations. The policy establishes minimum requirements and responsibilities for the identification, assessment, and management of water-related impacts and risks and supports compliance with applicable legal and regulatory requirements.

Water Management

Use and Sourcing of Water

The Water Management Policy requires subsidiaries to ensure efficient and responsible use of water resources. This includes the monitoring and optimization of groundwater, drinking water and service water consumption, the reduction of dependence on potable water where feasible, and the preparation of operations for potential water shortages related to drought or flooding.

Subsidiaries are required to maintain records of water withdrawals and consumption by source and to monitor local hydrological conditions relevant to their operations.

Product and Service Design

The Water Management Policy does not include product- or service-design requirements specifically aimed at addressing water-related issues or the preservation of marine resources. Water-related impacts are addressed primarily through operational controls and process-level water management rather than through changes to product or service design.

Commitment to Reduce Water Consumption in Areas at Water Risk

CSG has identified operational sites located in areas of high or extremely high-water stress, based on external water-risk screening. These sites are covered by the Water Management Policy.

The policy requires subsidiaries to optimize water consumption, implement water-saving measures, and prepare contingency plans for water shortages, including securing reserve water resources for emergency situations. However, the policy does not establish overarching quantitative water-reduction targets specific to high-water-stress areas.

Marine Resources and Sustainable Oceans

CSG does not engage in the extraction or direct use of marine biological resources as part of its core activities. Accordingly, CSG has not adopted specific policies or practices related to sustainable oceans and seas beyond compliance-based controls on water discharges and environmental protection measures applicable to its operations.

Policy Scope and Value Chain Coverage

The Water Management Policy applies directly to CSG's own operations. Upstream and downstream water-related risks are addressed indirectly through compliance with regulatory requirements, the use of authorized suppliers and service providers, and the consideration of water-related risks within the DMA.

E3-2 | SM_E3-1

SDGs 6 8 12 13

2.4.3. Actions and Resources Related to Water and Marine Resources

During the reporting period, CSG did not implement specific action plans or standalone actions dedicated to water and marine resources management, beyond the implementation of the Water Management Policy and standard operational controls required under applicable permits and legal requirements. CSG has not set water-related targets. As a result, no water-specific actions have been defined to deliver measurable, time-bound outcomes against targets.

Key Actions Taken and Planned and Expected Outcomes

No water and marine resources-related actions or action plans were taken during the reporting year, and no dedicated actions have been formally planned for future periods at this stage.

Accordingly, CSG does not disclose expected outcomes, milestones, or linkages to water-related targets for the reporting period.

Scope of Actions, including Value Chain and Geographies

As no water-related actions or action plans were adopted, no scope is defined in terms of:

- Activities or sites covered;
- Upstream or downstream value chain coverage;
- Geographic boundaries; or
- Affected stakeholder groups.

Time Horizons

No time horizons are defined, as no water-related actions or action plans have been adopted.

Mitigation Hierarchy and Water-Use Layers

CSG has not allocated specific resources to defined actions within the water mitigation hierarchy (avoid, reduce, reclaim/reuse, restore/regenerate) as stand-alone programs in the reporting period.

Actions and Resources in Areas at Water Risk

CSG has identified operational sites located in areas of high or extremely high-water stress based on external screening. These sites are covered by the Water Management Policy, which requires monitoring, optimization of consumption and contingency planning for drought and water shortage scenarios. However, CSG did not implement additional actions specifically designed for these locations as part of an overarching action plan during the reporting period.

Resources Allocated to Actions

CSG did not allocate specific operational expenditures (OpEx) or capital expenditures (CapEx) to dedicated water and marine resources-related action plans during the reporting period.

Forward-Looking Considerations

CSG recognizes that effective management of water-related IROs—particularly for sites located in areas of high-water stress—may require the definition of targeted actions and the allocation of dedicated resources in future reporting periods.

Following the establishment of the Water Management Policy and the completion of the DMA, CSG will consider whether to define water-related targets and associated actions, including those for areas at water risk. Any such actions, resource allocations, and progress tracking will be disclosed in future reporting periods in line with ESRS E3-2 and ESRS 2 MDR-A.

E3-3 | SM_E3-1

SDGs 6 8 12 13

2.4.4. Targets Related to Water and Marine Resources

As of the reporting date, CSG has not set any measurable, outcome-oriented, or time-bound targets related to water and marine resources. Accordingly, CSG does not disclose water or marine resources-related targets supporting the management of material IROs identified under ESRS E3.

Relationship to Policies and Material Impacts, Risks, and Opportunities

CSG has adopted a Water Management Policy that establishes principles and minimum requirements for responsible water use, wastewater treatment, and pollution prevention across its own operations. During the reporting period, the focus was on policy implementation, governance alignment and the identification and assessment of water-related IROs through the DMA. The setting of measurable water-related targets was not prioritized at this stage.

Scope and Coverage of Targets

As no targets have been set, CSG does not disclose targets relating to:

- The management of material water-related IROs in areas at water risk, including water quality improvements;
- The responsible management of marine resources, including the nature or quantity of marine resources-related commodities used; or
- The reduction of water consumption, including targets specific to areas of high or extremely high-water stress.

Baselines, Time Horizons, and Methodologies

CSG has not defined baseline values, base years, target years, interim milestones, levels of ambition, or target-setting methodologies for water and marine resources, as no measurable targets were applicable to the reporting entity for the reporting period.

Tracking Effectiveness in the Absence of Targets

In the absence of measurable water-related targets, CSG does not track progress through outcome-oriented quantitative indicators. The effectiveness of water-related policies is currently monitored qualitatively through:

- Compliance with water abstraction and discharge permits.
- Implementation of site-level operational controls and internal procedures under the Water Management Policy.
- Internal audits and inspections conducted within the Integrated Management System.
- Identification and reassessment of water-related IROs through the DMA.

Stakeholder Involvement

No stakeholders were involved in the setting of water-related targets, as no such targets have been adopted.

Forward-Looking Considerations

CSG recognizes that the establishment of water-related targets—particularly for sites located in areas of high or extremely high-water stress—may become relevant in future reporting periods.

Following further maturation of internal data, monitoring capabilities and risk prioritization, CSG will consider whether to define water-related targets and associated metrics. Any such targets will be disclosed in future reporting periods in accordance with ESRS E3-3 and ESRS 2 MDR-T, including scope, baselines, methodologies, and progress tracking.

E3-4 | SM_E3-4

SDGs 6 8 9 12

2.4.5. Water Consumption

Information About Water Consumption Performance Related to Material Impacts, Risks, and Opportunities

This chapter provides CSG's water consumption performance disclosures for the reporting period. It includes information on total water consumption, water consumption in areas with water risk or high-water stress, water recycled or reused, and water storage, including the net change in water storage. The disclosures are compiled based on data reported by subsidiaries through CSG's annual environmental sustainability data collection process.

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 assessment categorized CSG's operational locations according to their respective water risk levels. The results indicate that three CSG subsidiaries operate in Medium-High Water Risk areas and three operate in High-Water Risk areas (see Table 42).

For reporting purposes, CSG defines High-Water Risk Areas as those classified under the High WRI categories, while locations classified under the Medium-High WRI category are considered Water Risk Areas. This classification supports the prioritization of water management efforts and mitigation strategies in regions where water-related challenges may have a material operational impact.

Subsidiaries Facing Water / High-Water Risk Table 42

Subsidiary	Water risk category
Ammunition Operations LLC	Water Risk Area
DAKO-CZ INDIA PRIVATE LIMITED	Water Risk Area
Fiocchi of America LLC	Water Risk Area
MSM GREECE Ltd.	Water Risk Area
FABRICA DE MUNICIONES DE GRANADA S.L.	High-Water Risk Area
Fiocchi Munizioni S.p.A.	High-Water Risk Area
Perazzi USA, Inc.	High-Water Risk Area

Water Consumption (m^3)

Table 43

Water consumption	2024	2024 Restated	2025
Total water consumption	**441,375.0**	**1,186,817.1**	**1,942,188.1**
Purchased water	441,375.0	345,839.1	1,072,535.0
Grey water	Not reported	630,688.9	Not reported
Rainwater	Not reported	41,446.5	Not reported
Intake only	Not reported	17,874.6	Not reported
Water consumed from wells	Not reported	150,968.0	869,653.1
Water consumption in areas at water risk, including areas of high-water risk	**197,259.0**	**273,948.0**	**892,885.8**
Purchased water	197,259.0	178,759.0	41,482.7
Grey water	Not reported	954.0	Not reported
Rainwater	Not reported	0.0	Not reported
Intake only	Not reported	418.0	Not reported
Water consumed from wells	Not reported	93,817.0	851,403.1
Total amount of water recycled or reused	**Immaterial in the reporting period**	**Immaterial in the reporting period**	**62,240.0**
Total amount of water stored	**Immaterial in the reporting period**	**Immaterial in the reporting period**	**11,131.9**
Net change in water storage	**Immaterial in the reporting period**	**Immaterial in the reporting period**	**122,134.0**

In 2025, reported total water consumption was 1,942,188.1 m^3 and reported water consumption in areas at water risk and high-water stress was 892,885.8 m^3. The increase in water consumption reported for water risk and high-water stress areas primarily reflects improved identification and classification of relevant sites in 2025. In the previous reporting period, such sites were not fully identified on a consistent basis. As a result, year-on-year comparability for this metric is limited, and the increase should not be interpreted primarily as resulting from newly acquired companies being located in water-stress areas. Changes in total water consumption should be considered separately in the context of operational activity and the ongoing improvement of data availability across CSG's reporting perimeter. In 2025, CSG expanded the reporting scope for ESRS E3 Water Consumption to improve completeness and alignment with the required breakdown of water consumption and water consumption in areas at water risk, including areas of high-water risk.

The expansion in 2025 includes:

- Full-year coverage of The Kinetic Group, which was included only for part of 2024 due to late acquisition.
- Newly included manufacturing subsidiaries and related sites integrated into the sustainability reporting scope in 2025:
  - MSM Walsrode GmbH & Co. KG,
  - Walsroder NC GmbH,
  - GAMA OCEL, spol. s r.o.,
  - HYDRAULICS s.r.o.

Data Related to Water Consumption

The water consumption data disclosed for the reporting period is primarily based on internal meter readings from operational facilities. Where direct measurements were unavailable, historical consumption data from previous years was used to estimate usage. These estimates were adjusted to reflect 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, this metric has not been externally validated by any third party beyond the assurance provider.

Water recycled and reused represented 3.2% of total water consumption during the reporting period.

Water Intensity Ratio

The water intensity ratio for the reporting period has been calculated at 288.1 cubic meters of water consumed per € 1 million of net revenue. This figure is also used as the average amount of water consumed. Comparatively, the 2024 restated water intensity ratio amounts to 296.1 cubic meters of water consumer per € 1 million of net revenue.

The net revenue amount used for calculating water intensity is € 6,741 million and is disclosed in the Revenues section of the Management Discussion & Analysis section of the Financial Review. The 2024 net revenue amount used for calculating water intensity is € 4,008 million and is presented in the financial statements.

Methodological Note on Sector Revenue Reconciliation

The revenue figures used for the calculation of intensity ratios are derived from CSG's consolidated financial statements. See chapter 1.1.1. General Basis for Preparation of the Consolidated Sustainability Statement (ESRS 2 BP-1) for further information.

E3-5 | SM_E3-1

SDGs 6 8 12 13

2.4.6. Anticipated Financial Effects from Material Water- and Marine-Resources-Related Risks and Opportunities

Overview and Application of Phase-In Provisions

For the reporting period, CSG has not disclosed anticipated financial effects arising from material water and marine resources-related risks and opportunities.

CSG applies the European Sustainability Reporting Standards "quick-fix" delegated act of July 11 2025, which permits wave one undertakings to omit anticipated financial effects for financial years 2025 and 2026. Accordingly, the disclosures required under ESRS E3-5 paragraphs 30–33 (and related application requirements) are not provided for the reporting period.

Scope of Omission

As permitted under the phase-in provisions, CSG has not disclosed:

- Quantified anticipated financial effects (single amount or range) for water and marine resources-related risks before considering related actions, or qualitative alternatives where quantification would require undue cost or effort;
- Descriptions of anticipated financial effects by impact/dependency type and short-, medium-, and long-term time horizons; and
- Critical assumptions, key parameters, data sources and uncertainty levels used for quantification.

Current Approach to Assessing Water-Related Risks and Opportunities

CSG identifies and assesses water and marine resources-related IROs through its DMA. At the current stage, the assessment is performed using quantitative scoring and sector- and activity-level analysis but does not include quantification of anticipated financial effects on financial position, financial performance, or cash flows over the short-, medium-, and long-term.

Forward-Looking Considerations

CSG recognizes that quantifying anticipated financial effects from water-related risks and opportunities may become relevant in future reporting periods, including cases where risks relate to operational disruption, permitting constraints, water stress exposure, or increased compliance costs.

CSG will consider developing the methodologies, data availability and internal processes needed to support E3-5 disclosures in future reporting periods, once the phase-in provisions no longer apply or where such information becomes decision-useful.

2.5. Biodiversity & Ecosystems

E4.SBM-3 | SM_E4-1

SDGs 6 13 15

2.5.1. General Disclosures Related to Biodiversity & Ecosystems

Materiality Considerations

Following the outcome of the DMA, CSG evaluated Biodiversity & Ecosystems (ESRS E4) as an immaterial sustainability matter for the reporting period. This conclusion reflects: i. the operational footprint of CSG, which does not include activities in or adjacent to legally designated nature-protected areas based on the information available for the reporting perimeter; and ii. the outcome of the IRO assessment for E4, where the identified IROs did not exceed the CSG's specified materiality thresholds.

Notwithstanding the non-material outcome, CSG recognizes that biodiversity-related considerations (including land use, site location, and interaction with local ecosystems) may be relevant for certain industrial operations depending on local conditions, permitting requirements, and stakeholder concerns. CSG therefore intends to reassess E4 annually as part of its DMA cycle and may enhance disclosures on a voluntary basis in future reporting periods if the topic is assessed as relevant due to changes in the CSG's footprint, operating context, regulatory expectations, or stakeholder input.

Forward-Looking Approach

CSG is focusing on strengthening the foundations necessary for future biodiversity-related disclosures, including:

- Refining site-level mapping across its own operations.
- Integrating biodiversity considerations more systematically into environmental risk screening.
- Aligning internal environmental management processes with emerging EU guidance.
- Preparing data structures and methodologies to support location-specific disclosures where relevant.



2.6. Resource Use and Circular Economy

This section explains how CSG manages IROs related to resource use and circular economy principles. It describes how materials, energy, and other resources are used within CSG's operations and how efficiency and waste reduction are promoted through operational practices and management systems. The section outlines initiatives aimed at improving resource efficiency, minimizing waste generation, and supporting circular economy practices within the value chain. It also presents relevant metrics and disclosures related to resource consumption, waste management, and circularity.

ESRS E1 | SM_E1-2

SDGs 8 9 12 13

2.6.1. General Disclosures Related to Resource Use and the Circular Economy

This chapter describes how CSG identifies and assesses IROs related to resource use and the circular economy within its DMA. It explains how resource inflows, resource outflows, and waste-related aspects are screened across CSG's own operations and relevant parts of the value chain, and how these are evaluated using a structured, ESRS-aligned methodology. The chapter also outlines how resource-related risks and opportunities—such as supply constraints, waste management, and circularity considerations—are identified and integrated into CSG's broader risk management framework, as well as the key methodological assumptions applied.

Overview of the Process

CSG identifies and assesses resource use and circular economy-related IROs as part of its DMA. This process is applied consistently across all subsidiaries within the consolidation scope and covers CSG's own operations as well as relevant upstream and downstream value-chain activities.

The assessment process is aligned with ESRS 2 IRO-1 and reflects the first three phases of the LEAP approach (Locate, Evaluate, Assess). For ESRS E5, the assessment builds on information and screening performed under other environmental topics, including energy consumption (E1), pollution (E2), water (E3), and biodiversity and ecosystems (E4), and it focuses primarily on the assessment of resource use and circular-economy-related risks and opportunities.

Screening of Assets and Activities

Phase 1—Locating Interfaces with Resource Use and Waste

CSG screened its assets and activities to identify where actual and potential resource use and circular-economy--related IROs may arise. The screening covered:

- Resource inflows, including dependence on non-renewable inputs and exposure to constrained or volatile material supply;
- Resource outflows, including products and services with potential circularity implications (e.g., product management, durability, repairability and recyclability considerations); and
- Waste, including hazardous and non-hazardous waste generation and handling.

The screening was based on sector and activity classification, value-chain mapping, and operational profiles, with a focus on activities with high material intensity, regulated waste streams, or reliance on critical or constrained inflows.



Phase 2—Evaluation of Impacts and Dependencies

For the assets and activities identified in Phase 1, CSG evaluated resource-related impacts and dependencies, including:

- Inefficient or excessive resource use with potential implications for cost and environmental burden;
- Dependence on specific material inflows that may be non-renewable, constrained, or exposed to supply interruption; and
- Waste-related impacts associated with inadequate segregation, handling, or disposal, including hazardous waste.

The evaluation distinguished between actual and potential impacts and considered both negative impacts (e.g., mismanagement and inefficiency) and positive impacts (e.g., circularity and lean processes reducing material and energy intensity). Impacts were assessed using structured quantitative scoring applied consistently across sectors and activities.

Phase 3—Assessment of Risks and Opportunities

Based on the results of Phases 1 and 2, CSG assessed material risks and opportunities over short-, medium-, and long-term horizons. The assessment considered:

- Transition risks related to changing regulation on waste treatment, increasing expectations on circularity, and exposure to penalties or reputational impacts associated with poor product or waste management;
- Physical and supply risks related to the depletion, constrained availability, and price volatility of key materials; and
- Opportunities related to circularity and lean processes, substitution of constrained inputs with recycled or lower-impact alternatives, improved waste segregation and handling, and strengthened competitiveness and sustainability profile through improved resource strategies.

These considerations informed the identification and assessment of CSG's resource-related IROs, including those related to resource efficiency and cost exposure, inflow dependency and supply disruption, product management and circularity characteristics (repairability, durability, and recyclability), and waste and hazardous waste handling.

Methodologies, Assumptions, and Tools

The resource use and circular-economy materiality assessment follows the DMA methodology described in ESRS 2 IRO-1 and relies primarily on quantitative screening and expert judgement supported by operational information.

During this reporting period, CSG did not apply product environmental footprint modelling or a formal material flow analysis. Where information was limited, assessments were based on available site- and sector-level data and validated internal expertise, in line with the basis for preparation of this Consolidated Sustainability Statement.

Consultation with Affected Communities

During the reporting period, CSG did not conduct dedicated consultations with affected communities specifically in relation to resource use and circular economy-related IROs.

This reflects the nature of the topic, which is primarily driven by considerations operational efficiency, supply-chain conditions, waste-management compliance, and product stewardship. Where relevant, CSG considered input from internal functions, authorized waste-management partners, customers and regulators to support the identification and assessment of resource-related IROs within the DMA.

The absence of dedicated consultations with affected communities did not affect the outcome of the resource use and circular economy materiality assessment for the reporting period.

E5-1 | SM_E5-1

SDGs 8 9 12 13

2.6.2. Policies Related to Resource Use and the Circular Economy

All policies related to resource use and circular economy are formally overseen and approved by the Board of Directors of CSG. The Board of Directors represents the highest level of governance and holds ultimate accountability for the implementation, monitoring and enforcement of these policies across CSG.

Policies Related to Resource Use and the Circular Economy

Please refer to Annex 8 for the complete overview of policies related to resource use and the circular economy.

Overview of Policies

CSG manages its material IROs related to resource use and the circular economy through its Waste Management and Recycling Policy and Hazardous Waste Management Policy, which forms part of the Integrated Management System. The policy applies to all CSG subsidiaries within the consolidation scope and establishes principles for minimizing waste generation, promoting recycling and reuse, and ensuring compliance with applicable legal requirements. These policies provide a structured framework for reducing negative environmental impacts associated with material use and waste generation in CSG's own operations and supports the transition towards more efficient resource use. CSG did not involve external stakeholders in setting these policies; it communicates them internally to subsidiaries and relevant functions for implementation, and it makes an extract publicly available on CSG's website.

Policy Content and Scope

Transition away from Virgin Resources

The Waste Management and Recycling Policy indirectly addresses the transition away from virgin resource use by prioritizing:

- Waste prevention through process optimization and efficient use of materials;
- Reuse of materials within production processes where feasible; and
- Increased recycling of waste streams to reduce the demand for primary raw materials.

The policy supports the use of secondary (recycled) materials by promoting waste sorting, recycling programs and cooperation with authorized waste management partners. However, it does not establish quantitative targets for the substitution of virgin materials with secondary materials.

Sustainable Sourcing and Use of Renewable Resources

The policy does not include explicit requirements on the sourcing of renewable resources. Sustainable resource use is addressed primarily through waste minimization, material efficiency and recycling rather than through procurement-based sourcing criteria.

Alignment with the Waste Hierarchy and Circular Economy Principles

The policy reflects key elements of the waste hierarchy by prioritizing:

- Prevention of waste through process optimization and eco-design considerations;
- Preparing for reuse and reuse of materials within operations;
- Recycling through structured waste sorting and authorized processing; and
- Compliant disposal of residual waste where recovery is not feasible.

Waste treatment activities are managed in compliance with legal requirements and are not presented as recovery measures.

While the policy supports circular economy principles such as reuse and recycling, it does not explicitly reference all circular economy “R” strategies (e.g. refurbish, remanufacture, repurpose) as formal policy commitments.

Value Chain Coverage

The Waste Management and Recycling Policy applies directly to CSG’s own operations. Upstream and downstream resource-use impacts are addressed indirectly through:

- Requirements to work with authorized waste management partners;
- Engagement with suppliers and business partners to minimize packaging and waste; and
- Compliance with legal and regulatory frameworks governing waste and recycling.

Where resource use and circular economy-related risks and opportunities arise in the value chain, they are considered within the DMA.

E5-2 | SM_E5-1

SDGs 8 9 12 13

2.6.3. Actions and Resources Related to Resource Use and the Circular Economy

During the reporting period, CSG did not implement specific action plans or standalone actions dedicated to resource use and circular economy, beyond the implementation of policies and standard operational controls for waste management, recycling and legal compliance. CSG has not set resource use or circular-economy-related targets. As a result, no E5-specific actions have been defined to deliver measurable, time-bound outcomes against targets.

Key Actions Taken and Planned and Expected Outcomes

No resource use and circular economy-related actions or action plans were taken during the reporting year, and no dedicated actions have been formally planned for future periods at this stage.

Accordingly, CSG does not disclose expected outcomes, milestones or linkages to circular economy-related targets for the reporting period.

Scope of Actions, including Value Chain and Geographies

As no E5-related actions or action plans were adopted, no scope is defined in terms of:

- Activities or sites covered;
- Upstream or downstream value chain coverage;
- Geographic boundaries; or
- Affected stakeholder groups.

Time Horizons

No time horizons are defined, as no resource use and circular economy-related actions or action plans have been adopted.

Resources Allocated to Actions

CSG did not allocate specific operational expenditures (OpEx) or capital expenditures (CapEx) to dedicated resource use and circular-economy action plans during the reporting period.

Forward-Looking Considerations

CSG recognizes that effective management of resource use and circular economy-related IROs may require the definition of targeted actions, collaboration across the value chain and the allocation of dedicated resources in future reporting periods.

Following the establishment of the Waste Management and Recycling Policy and the completion of the DMA, CSG will consider whether to define resource use and circular economy-related targets and associated actions. Any such actions, resource allocations and progress tracking will be disclosed in future reporting periods in line with ESRS E5-2 and ESRS 2 MDR-A.

E5-3 | SM_E5-1

SDGs 8 9 12 13

2.6.4. Targets Related to Resource Use and the Circular Economy

As of the reporting date, CSG has not set any measurable, outcome-oriented or time-bound targets related to resource use and the circular-economy.

Accordingly, CSG does not disclose resource use and circular economy-related targets supporting the Waste Management and Recycling Policy or addressing resource-related IROs identified under ESRS E5.

Relationship to Policies and Material Impacts, Risks, and Opportunities

CSG has adopted a policy framework governing waste management, reuse and recycling and legal compliance. During the reporting period, CSG focused on establishing policy requirements, governance alignment and the identification and assessment of resource use and circular-economy-related IROs through the DMA.

The setting of measurable circular-economy targets was not prioritized at this stage.

Scope and Coverage of Target Areas

As no targets have been set, CSG does not disclose targets relating to resource inflows or outflows, including targets related to:

- Circular product design (e.g., durability, dismantling, reparability, recyclability);
- The circular material use rate;
- Minimization of primary raw materials;
- Sustainable sourcing and use of renewable resources;
- Waste management, including preparation for treatment; or
- Other circular economy matters.

Baselines, Time Horizons and Methodologies

CSG has not defined baseline values, base years, target years, interim milestones, levels of ambition or target-setting methodologies for Resource Use and the Circular Economy, as no measurable targets were applicable to the reporting entity for the reporting period.

Tracking Effectiveness in the Absence of Targets

In the absence of measurable circular economy targets, CSG does not track progress through outcome-oriented quantitative indicators at CSG:

- The effectiveness of related policies is currently monitored qualitatively through:
- Compliance with applicable waste and recycling legislation;
- Implementation of site-level operational controls and internal procedures under the Waste Management and Recycling Policy;
- Internal audits and inspections within the Integrated Management System; and
- Reassessment of IROs through the DMA.

Stakeholder Involvement in Target Setting

No stakeholders were involved in the setting of circular economy-related targets, as no such targets were adopted during the reporting period.

Forward-Looking Considerations

CSG recognizes that the establishment of targets related to resource inflows and outflows, waste prevention, reuse and recycling may become relevant in future reporting periods.

Following further maturation of internal data, monitoring capabilities and prioritization of material risks and opportunities, CSG will consider whether to define circular economy targets and associated metrics. Any such targets will be disclosed in future reporting periods in accordance with ESRS E5-3 and ESRS 2 MDR-T, including scope, baselines, methodologies and progress tracking.

E5-5 | SM_E5-4

SDGs 8 9 12

2.6.5. Resource Inflows

Overview and Application of the Disclosure Requirement

In accordance with ESRS E5-4, CSG discloses information on resource inflows related to its material resource use IROs. The objective of these disclosures is to enable an understanding of resource use within CSG's own operations and its upstream value chain. Where resource inflows are material, ESRS requires disclosure of the total weight of products and technical and biological materials used, the share of biological materials, and the weight and share of secondary (reused or recycled) components, intermediary products or materials, together with information on methodologies and key assumptions.

Material Resource Inflows

CSG's resource inflows are reported based on materials used to manufacture products and deliver services during the reporting period. For 2025, available data does not distinguish between products, technical materials and biological materials; resource inflows are therefore presented as aggregated total material use. While subsidiaries do not currently report a standalone "Biological Materials" subcategory, they do report a complete dataset of purchased materials. Any bio-based inputs identified within this dataset, such as nitrocellulose, were categorized under "Biological Materials" by CSG using a conservative approach. The share of biological materials was 3.3%.
No year-on-year comparison is provided for total material use, as this metric was not reported in the previous reporting period and comparative data is therefore not available.

Total Material Use (tonnes) Table 44

Material	2025
The overall total weight of materials	**190,622.71**
Biological materials share weight	6,339.8
Secondary materials share weight	0.3

Methodologies, Assumptions and Avoidance of Double Counting

The total material inflow figure is derived from Category 3.1 "Purchased goods and services" material data, reported in mass (tonnes) and aggregated across relevant purchasing categories. Reported usage reflects materials in their original state and is not further adjusted, for example by conversion to dry weight.

In line with ESRS E5-4, CSG discloses the absolute weight of secondary (reused or recycled) components, intermediary products or materials used to manufacture products and services, including packaging, as well as the share of total materials represented by these secondary materials, which amounts to 0.0002%.

Secondary materials are estimated using a documented proxy applied to the purchased material mass dataset. This estimate reflects the minimum confirmed secondary inputs identifiable from the purchasing data, specifically materials explicitly purchased as secondary inputs, such as scrap or processed secondary raw materials. Potential recycled content embedded within other purchased materials, for example metals or packaging where recycled content is not specified, is not included due to the absence of verified supplier-specific information. Double counting is avoided by treating secondary materials as a subset of total material inflows and by applying a single classification per input line item, ensuring that secondary volumes are not counted across multiple categories.



E5-5 | SM_E5-A

SDGs 8 9 12 13

2.6.6. Resource Outflows

Overview and Application of the Disclosure Requirement

In accordance with ESRS E5-5 (Resource outflows), CSG discloses information on resource outflows from its own operations, with a focus on waste generation, waste treatment routes and key waste streams, as well as selected product circularity characteristics where relevant. The disclosures are based on data reported by CSG subsidiaries through the annual non-financial reporting process and are presented in mass units (tonnes).

Products and Materials

Key products emerging from CSG's production processes include precision-engineered components, heavy and mid-weight machinery, specialized vehicle systems, nitrocellulose, ammunition, and defence-related equipment. These products are designed to meet stringent industry standards and operational requirements. Additionally, CSG 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 controlled handling and disposal in accordance with applicable environmental regulations.

Product Lifetime and Repairability

Product-related topics under resource use and circular economy were assessed as material only for rolling stock-related activities. Within CSG's consolidation scope, DAKO-CZ, a.s., is the only entity operating in this segment, and it is therefore the only subsidiary for which this matter was identified as material. This scoping and the sector-based materiality assessment are presented in Annex 5.

For DAKO-CZ, a.s. product lifetime and repairability are assessed as being in line with the industry average. This reflects the fact that comparable manufacturers operate under the same rail-sector standards and certification requirements, including Technical Specifications for Interoperability (TSI) and related procedures. The reported recyclable content is 90% for products and 88% for packaging. The underlying resource outflow-related product disclosures are determined based on product documentation and estimates provided by the production team, reflecting available technical specifications and production know-how.

Waste

The waste data disclosed integrates information from all subsidiaries within the sustainability reporting scope, irrespective of whether resource outflows were assessed as material, as subsidiaries for which the topic is non-material generate only minimal waste. Waste data for the reporting period is derived from internal facility-level tracking systems and is supported by historical waste disposal records from previous reporting years. Adjustments reflect known operational changes, such as shifts in output levels or waste management practices. At the time of reporting, these figures have not been externally validated by any independent body beyond the assurance provider.

Total Amount of Waste (tonnes)

Table 45

Category	2024	2024 Restated	2025
Total amount of waste generated	**30,939.0**	**15,498.8**	**38,600.0**
Waste diverted from disposal	19,904.0	13,208.2	22,375.0
Hazardous waste	249.0	249.0	46.5
— Preparation for reuse	0.0	0.0	0.0
— Recycling - closed loop	249.0	249.0	16.9
— Recycling - open loop	Measured together as recycling	Measured together as recycling	29.6
Non-hazardous waste	**19,655.0**	**12,958.8**	**22,328.5**
— Preparation for reuse	5,274.0	2,053.5	12.0
— Recycling - closed loop	Measured together as recycling	Measured together as recycling	1,828.9
— Recycling - open loop	14,341.0	10,865.4	20,487.6
— Other recovery operations	40.0	40.0	Not measured
Waste directed to disposal	11,035.0	2,290.6	16,225.0
Hazardous waste	**481.0**	**298.5**	**7,792.1**
— Incineration	333.0	155.9	2,094.8
— Landfill	148.0	142.6	177.4
— Biodegradation	—	—	234.0
— Deemulgation	—	—	23.5
— Other disposal operations	—	—	4,887.5
— Wastewater treatment plant	—	—	375.0
Non-hazardous waste	**10,554.0**	**1,992.1**	**8,432.9**
— Incineration	879.0	744.4	372.1
— Composting	—	—	4.1
— Landfill	9,571.0	1,201.9	1,143.3
— Other disposal operations	104.0	45.8	6,913.4

Further Information on Resource Outflows

Change in Reporting Scope and Comparability

The most significant change is the introduction of the "Other disposal operations" category in 2025, which was not reported in 2024. This category includes waste streams where the final treatment method is not confirmed, significantly affecting year-to-year comparability. Recycling open loop increased substantially from 10,865.4 to 20,517.20 tonnes, mainly due to more detailed reporting of metal waste streams such as scrap metals, metal shavings, and metal dust. At the same time, Recycling close loop increased from 249 to 1,845.8 tonnes, following a reclassification of waste streams between treatment categories rather than a change in recycling activity.

Impact of Expanded Scope on Year-on-Year Change

In 2025, total waste generated increased from 15,498.8 tonnes in 2024 to 38,600.0 tonnes, representing an increase of 23,101.2 tonnes (+149%). The increase primarily reflects expanded reporting coverage and improved data granularity in 2025. The expanded scope includes full-year reporting of The Kinetic Group, which was included only for part of 2024 due to its late acquisition, as well as newly included manufacturing subsidiaries and related sites integrated into the sustainability reporting scope in 2025: MSM Walsrode GmbH & Co. KG, Walsroder NC GmbH, GAMA OCEL, spol. s r.o., and HYDRAULICS s.r.o. Accordingly, year-on-year comparability is limited and the increase should not be interpreted as a fully like-for-like change in underlying waste generation. Of the total waste generated in 2025, 16,225.0 tonnes, or approximately 42%, was non-recycled waste.

CSG's waste composition is primarily affected by the nature of its industrial and manufacturing activities. The relevant waste streams across CSG's sectors include:

- **Metal Waste**
  Generated from machining, fabrication, and assembly 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 and include:

- **Metals**
  Such as steel, aluminum, and other alloys, generated from machining, fabrication, and assembly processes.
- **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 7,838.64 tonnes. There was no radioactive waste.

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2.6.7. Anticipated Financial Effects from Material Resource Use and Circular-Economy-Related Risks and Opportunities

Overview and Application of Phase-In Provisions

For the reporting period, CSG has not disclosed anticipated financial effects arising from material resource use and circular-economy-related risks and opportunities.

CSG applies the European Sustainability Reporting Standards "quick-fix'" delegated act of July 11, 2025, which permits wave one undertakings to omit anticipated financial effects for financial years 2025 and 2026. Accordingly, the disclosures required under ESRS E5-6 paragraphs 41–43 (and related application requirements) are not provided for the reporting period.

Scope of Omission

As permitted under the phase-in provisions, CSG has not disclosed:

- Quantified anticipated financial effects (single amount or range) for resource use and circular economy-related risks before considering related actions, or qualitative alternatives where quantification would require undue cost or effort;
- Descriptions of anticipated financial effects by impact/dependency type and short-, medium-, and long-term time horizons; and
- Critical assumptions, key parameters, data sources and uncertainty levels used for quantification.

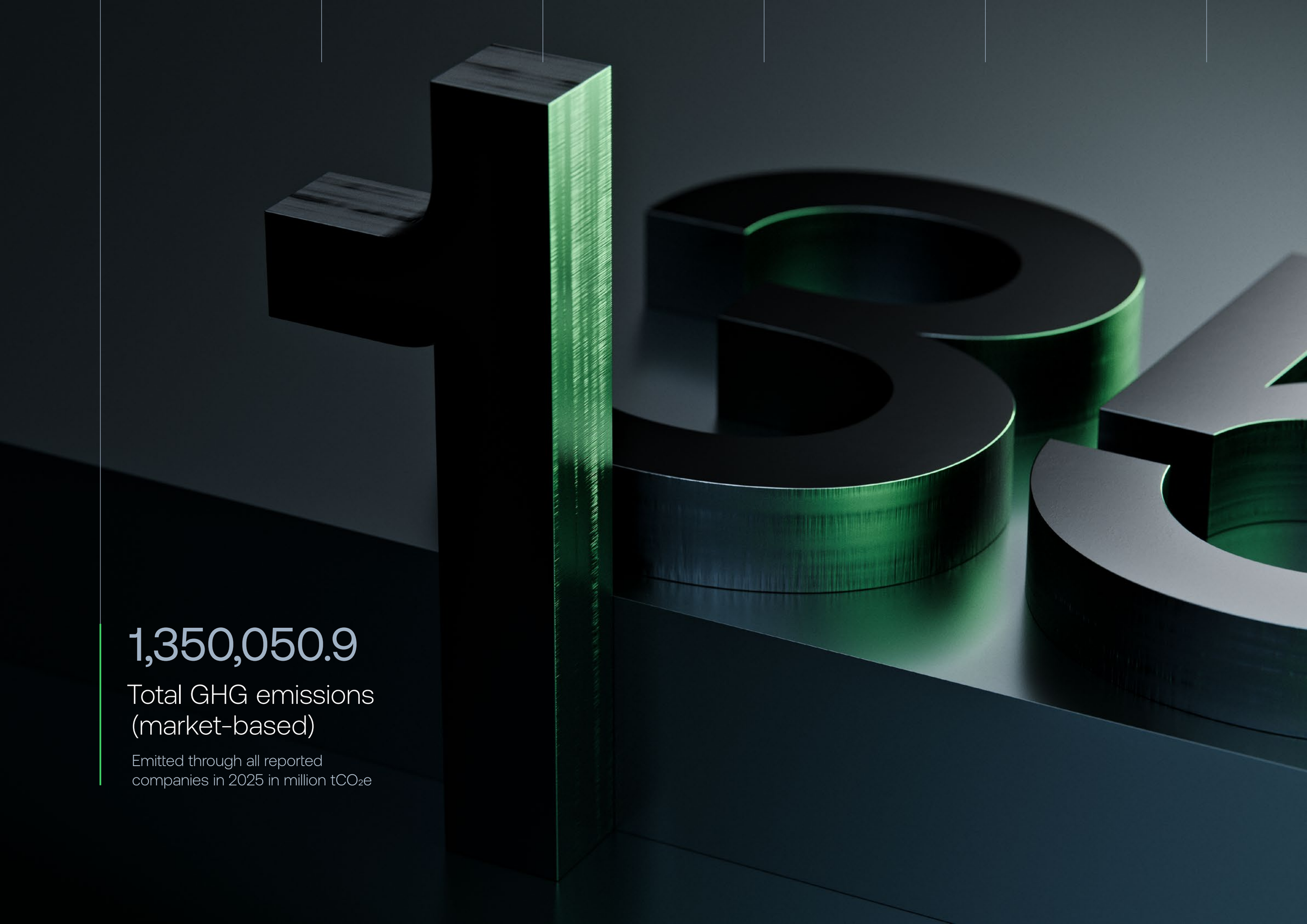
Current Approach to Assessing Resource Use and Circular Economy-Related Risks and Opportunities

CSG identifies and assesses resource use and circular-economy-related IROs through its DMA. At the current stage, the assessment is performed using quantitative scoring and sector- and activity-level analysis but does not include quantification of anticipated financial effects on financial position, financial performance or cash flows over the short-, medium-, and long-term.

Forward-Looking Considerations

CSG recognizes that quantifying anticipated financial effects from resource use and circular economy-related risks and opportunities may become relevant in future reporting periods, including where risks relate to supply constraints, price volatility, regulatory changes or increased costs of compliance, and where opportunities relate to efficiency and value retention.

CSG will consider developing the methodologies, data availability and internal processes needed to support E5-6 disclosures in future reporting periods, once the phase-in provisions no longer apply or where such information becomes decision-useful.



1,350,050.9

Total GHG emissions (market-based)

Emitted through all reported companies in 2025 in million tCO_2e

3. Social Information

This section explains how CSG addresses social matters across its operations and value chain, with a primary focus on IROs related to its own workforce. It describes how workforce-related topics are identified, assessed, and managed through CSG's governance structures, policies, and risk management processes, and how these considerations are integrated into strategic decision-making. The section also explains how other stakeholder groups—such as value chain workers, affected communities, and consumers and end-users—were considered within CSG's DMA.

3.1. Own Workforce

This section explains how CSG addresses matters related to its own workforce, including employees and other individuals working directly at its facilities. It describes the identification of material IROs connected to working conditions, labor rights, health and safety, remuneration, social protection, diversity and inclusion, training and development, and workforce governance. The section outlines how workforce-related considerations are integrated into CSG's materiality assessment, internal control framework and risk management processes. It also explains the policies, engagement mechanisms, grievance channels and remedial processes in place to address potential and actual impacts. For full list of material IROs related to Own Workforce please refer to Annex 3.



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

Interests and Views of Stakeholders (Own Workforce)

CSG considers its own workforce a key affected stakeholder group. The interests, views, and rights of employees are considered through structured stakeholder engagement and are integrated into the DMA process. Workforce-related input is used to validate the relevance of **Sustainability Matters**, confirm where IROs occur within the value chain, and inform the assessment of strategic relevance.

Employees and Non-Employees Subject to Material Impacts

The material impacts on CSG's own workforce primarily relate to employees of CSG and its fully consolidated subsidiaries. These impacts arise from CSG's operations and management practices and affect employees across functions, roles, and locations. In addition, certain material impacts may also affect non-employees working under different contractual arrangements directly at CSG's facilities, including individuals provided by third-party undertakings primarily engaged in employment activities. Where such non-employees are present on site, they are exposed to similar operational conditions, particularly in relation to occupational health and safety, working conditions, and access to grievance mechanisms. No material impacts were identified in relation to self-employed individuals performing work independently of CSG's operational sites.

Material Negative Impacts on CSG's Own Workforce

The material negative impacts identified in relation to CSG's own workforce are not assessed as widespread orsystemic in the contexts where CSG operates. No material impacts related to child labor, forced labor, or compulsory labor were identified within CSG's own operations. The identified material negative impacts are primarily incident-based or operational in nature, arising from individual situations or events rather than structural or systemic conditions. These include, for example, risks related to occupational health and safety incidents, workload imbalances, inadequate grievance handling, or gaps in workforce planning. Where such negative impacts occur, they are typically linked to specific locations, activities, or circumstances, and are addressed through established management processes, internal controls, and corrective actions.

Material Positive Impacts on CSG's Own Workforce

The material positive impacts identified in relation to CSG's own workforce arise primarily from workforce management, development, and governance activities implemented across CSG. These include:

- Initiatives related to fair and competitive remuneration;
- Inclusive social protection, training and skills development;
- Mentoring and leadership programs;
- Occupational health and safety measures;
- Wellness initiatives, flexible working arrangements;
- Effective grievance mechanisms; and
- Structured social dialogue.

These activities positively affect employees of CSG and its fully consolidated subsidiaries. In addition, where non-employees provided by third-party undertakings work directly at CSG's facilities, they may also benefit from certain positive impacts, particularly those related to health and safety standards, workplace conditions, and access to grievance channels. The positive impacts are not limited to specific countries or regions but are implemented across CSG's operations, with the extent and form of impact reflecting local operating contexts, workforce composition, and applicable legal and collective arrangements.

Material Risks and Opportunities Arising from Impacts and Dependencies on CSG's Own Workforce

CSG's dependency on its own workforce gives rise to a number of material risks and opportunities that directly affect operational continuity, performance, and long-term value creation.

Material risks primarily relate to the availability, stability, skills, health, and engagement of the workforce. These include:

- Risks of workforce instability and operational disruption arising from insufficient workforce planning;
- Working conditions;
- Weak social protection;
- High turnover due to limited career development opportunities;
- Skill gaps;
- Occupational health and safety incidents;
- Burnout and mental health issues;
- Ineffective grievance mechanisms; and
- Insufficient diversity and inclusion practices.

If not properly managed, these risks may result in production delays, reduced productivity, legal or reputational exposure, increased absenteeism, higher recruitment and training costs, and diminished stakeholder trust.

Material opportunities arise from proactive workforce management and investment in people. These include opportunities linked to fair and competitive remuneration, inclusive social benefits, structured training and skills development, mentoring and leadership programs, strong health and safety practices, well-being initiatives, effective grievance handling, and constructive social dialogue. Leveraging these opportunities can enhance employee retention, productivity, morale, and engagement, support business continuity, strengthen CSG's employer brand, and improve its ability to attract and retain talent in competitive labor markets.

Overall, CSG's performance and resilience are closely linked to its ability to manage these workforce-related risks and opportunities. As a result, impacts on its own workforce are treated as a key input into operational planning, risk management, and strategic decision-making across CSG.

Impacts on CSG's Own Workforce Arising from Environmental Transition Plans

CSG does not currently have a formal transition plan in place aimed at reducing negative environmental impacts or achieving climate-neutral operations. As a result, no material workforce impacts have been identified that arise directly from transition-related restructuring measures, such as employment loss, job displacement, or redeployment linked to environmental transition actions during the reporting period. Likewise, no workforce impacts related to reskilling or upskilling specifically connected to a formal transition plan have been identified.

As reflected in the material IROs disclosure, CSG acknowledges that the lack of a credible climate transition plan constitutes an actual negative impact in the medium term (2–5 years), primarily due to increased exposure to regulatory developments and potential constraints in access to capital.

Given that a formal transition strategy is still under development, CSG has not yet implemented specific workforce-focused mitigation measures linked to environmental transition, such as structured reskilling programs, employment guarantees, or redeployment schemes. However, transition-related workforce dependencies and risks are monitored within CSG's integrated risk management framework, and subsidiaries remain subject to applicable labor and employment regulations, including requirements related to restructuring where relevant. As CSG progresses towards the formalization of a comprehensive transition plan, it intends to assess and incorporate potential workforce impacts, including implications for skills requirements, workforce planning, and alignment with just transition principles, in future reporting periods.

Operations at Significant Risk of Forced Labor or Compulsory Labor

Based on the assessment performed, manufacturing plants are considered the type of operation where, in general, the risk of incidents related to forced or compulsory labor may be higher due to the nature of the work. These operations typically rely on a significant operational workforce presence, structured shift systems, and, in some cases, the engagement of contractors or temporary labor. Such characteristics require heightened attention to labor standards, recruitment practices, contractual arrangements, and oversight mechanisms to ensure that all work is performed freely, without coercion, and in line with applicable legal and human rights requirements.

However, no incidents of forced labor or compulsory labor have been identified within CSG's own operations, including at manufacturing plants. CSG does not operate in contexts where forced or compulsory labor is considered systemic, and applicable labor laws and internal controls are in place across its operations.

The identification of manufacturing plants as higher-risk operation types reflects a preventive, risk-based approach, rather than the existence of actual incidents, and supports ongoing monitoring and management of labor standards in line with regulatory and ethical expectations.



Operations at Significant Risk of Forced Labor or Compulsory Labor—Geographic Perspective

CSG operates in a range of countries, including the Czech Republic, Germany, Greece, India, Italy, Serbia, Slovakia, Spain, the United Kingdom, and the United States. The assessment of potential risk of forced or compulsory labor considered the general operating context, applicable legal frameworks, and the nature of CSG's activities in each location.

Operations in EU member states, the United Kingdom, and the United States are not assessed as being located in geographic areas where forced or compulsory labor is considered widespread or systemic, given the strong regulatory frameworks, labor protections, and enforcement mechanisms in place.

Operations in India were assessed with heightened attention due to the broader labor context in the country. However, no incidents of forced or compulsory labor have been identified within CSG's operations in India. CSG's activities are conducted within formal business structures and are subject to applicable labor laws and internal controls.

Overall, no countries or geographic areas in which CSG operates are assessed as presenting a significant risk of incidents of forced or compulsory labor within CSG's own operations. The assessment reflects a risk-based and preventive approach and does not indicate the existence of actual incidents.

Operations at Significant Risk of Child Labor

Manufacturing plants are generally considered the type of operation where, in broader contexts, the risk of child labor may be higher due to labor-intensive processes and the presence of manual labor. For this reason, manufacturing activities require heightened attention to age verification, recruitment practices, and oversight of working conditions.

However, no incidents of child labor have been identified within CSG's own operations, including at manufacturing

plants. CSG applies applicable labor laws, internal policies, and controls designed to prevent the employment of underage workers across its operations. Similarly to forced labor, operations in India were assessed with heightened attention due to the broader national context. Nevertheless, no incidents of child labor have been identified within CSG's operations in India. Activities are conducted within formal organizational structures and subject to applicable labor laws and internal controls.

Understanding of Groups in CSG's Own Workforce at Heightened Risk of Negative Impacts

Based on the materiality assessment carried out in accordance with ESRS 2 IRO-1, CSG has developed an understanding of how certain groups within its own workforce may be more exposed to negative impacts due to specific characteristics, working contexts, or the nature of the activities performed.

This understanding is informed by an assessment of workforce composition, operating environments, and job functions across CSG. In particular, CSG recognizes that employees working in operations and manufacturing environments may be exposed to heightened risks related to occupational health and safety, including persons handling machinery, hazardous substances, or, performing physically demanding tasks. These risks are addressed through health and safety management systems, training, and operational controls.

CSG also considers that employees in roles with higher workloads or shift-based arrangements may face increased risks related to stress, fatigue, or work-life balance. In addition, certain workforce groups, such as younger employees or less experienced workers, may require additional supervision and training to mitigate risks associated with physical safety and skills gaps.

With respect to personal characteristics, CSG assesses risks related to gender equality, diversity, and non-discrimination to identify whether particular groups may be more exposed to unequal treatment or barriers in remuneration, career development, or workplace inclusion. No contexts were identified in which discrimination against specific groups is considered systemic within CSG's own operations.

CSG does not rely on zero-hours contracts in its own workforce and has not identified material risks linked to poorly regulated labor markets within its own operations. Where non-employees work on site through third-party providers, CSG applies workplace standards and controls to mitigate risks arising from the nature of the activities performed.

Material Risks and Opportunities Relating to Specific Groups within CSG's Own Workforce

Certain material risks and opportunities arising from CSG's impacts and dependencies on its own workforce relate to specific groups of people or working contexts, rather than to the workforce as a whole.

Risks related to specific groups primarily affect employees working in manufacturing and operational environments, where the nature of activities involves higher exposure to occupational health and safety risks, including the operation of machinery, handling of materials, or physically demanding work. These risks are location- and activity-specific rather than across CSG. In addition, employees in roles requiring specialized technical skills may be more exposed to risks related to skills shortages or workforce availability, which could lead to operational disruption if not adequately managed.

Employees in shift-based roles or high-workload functions may also face increased risks related to fatigue, stress, or work-life balance, compared to employees in administrative or office-based roles. Similarly, less experienced or younger employees may be more exposed to safety or performance risks if adequate training and supervision are not in place.

Opportunities relating to specific groups arise where targeted measures are implemented. These include training, reskilling and upskilling initiatives aimed at employees in technical or operational roles, leadership development and mentoring programs for identified talent groups, and health, safety and well-being initiatives focused on higher-risk workplaces or activities. Such opportunities are designed to strengthen resilience, productivity, and retention within those specific workforce segments.

Other material workforce-related risks and opportunities, such as fair remuneration, social protection, diversity and inclusion, and access to grievance mechanisms, are assessed as applicable across CSG's own workforce as a whole, rather than being limited to specific groups, locations, or age categories.

CSG has not identified low-likelihood, high-impact events specific to individual workforce groups that would materially affect CSG beyond those addressed through general risk management and business continuity processes.

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3.1.2. Policies Related to Own Workforce

All policies related to own workforce are formally overseen and approved by the Board of Directors of CSG. The Board of Directors represents the highest level of governance and holds ultimate accountability for the implementation, monitoring and enforcement of these policies across CSG.

Policies Related to Own Workforce

Please refer to Annex 8 for the complete overview of policies related to own workforce.

Policies to Manage Material Impacts, Risks, and Opportunities

CSG has established a set of policies governing the management of material IROs related to its own workforce. These policies apply across the employment lifecycle and address topics including fair employment practices, equal treatment, occupational health and safety, ethical conduct, whistleblower protection, and employee engagement. Together, they provide a framework for identifying, preventing, and mitigating adverse workforce-related impacts, while supporting positive outcomes such as employee development, inclusion, and well-being. The policies apply either to CSG's entire own workforce or, where relevant, to specific groups within the workforce based on role, employment relationship, or working context.

Human Rights Policy Commitments Relevant to Own Workforce

CSG's commitment to respecting human rights in relation to its own workforce is embedded within its Human Resources Management Policy and Code of Ethics. These commitments include the following: respect for human dignity; fair working conditions; equal treatment; freedom from discrimination; and the prohibition of forced labor, child labor, and human trafficking. The policies apply across all CSG subsidiaries and form the basis for workforce-related governance and decision-making.



General Approach to Respect for Human and Labor Rights

CSG's general approach to respecting human rights, including labor rights, is based on compliance with applicable laws and internationally recognized standards. Workforce-related policies establish expectations for lawful, fair, and respectful treatment of employees, covering areas such as recruitment, remuneration, working conditions, occupational health and safety, and employee development. This approach is integrated into HR processes and supported by internal oversight and escalation mechanisms.

Engagement with People in Own Workforce

CSG engages with its own workforce through structured internal communication and engagement processes. These include regular dialogue between employees and management, opportunities for feedback, and consultation mechanisms facilitated through HR processes and internal governance structures. Workforce engagement is intended to support transparency, address concerns, and inform continuous improvement of workplace practices.

Approach to Remedy for Human Rights Impacts

CSG enables access to remedy for human rights concerns through established reporting and escalation mechanisms. Employees can raise concerns confidentially and without fear of retaliation through protected whistleblowing channels, supported by the Whistleblowing Policy and the Compliance Policy. Reported issues are subject to follow-up and investigation in accordance with internal procedures, and corrective actions are taken wherever violations are identified.

Alignment with Internationally Recognized Instruments

CSG's workforce-related policies are aligned with relevant internationally recognized instruments, including the International Labour Organization (ILO) conventions, the UN Guiding Principles on Business and Human Rights, and the OECD Guidelines for Multinational Enterprises. This alignment is reflected in policy commitments related to labor rights, non-discrimination, equal pay, health and safety, and ethical conduct.

Forced Labor, Child Labor, and Human Trafficking

CSG's policies explicitly prohibit forced labor, compulsory labor, child labor, and human trafficking in all operations. These prohibitions are embedded in the CSG Code of Ethics, which sets out clear expectations for ethical conduct. The prohibitions are reinforced by the Human Resources Management Policy and Supplier Code of Conduct, which extend these principles across all CSG subsidiaries and third-party contractors. CSG's commitment to these prohibitions is supported by internal controls, including supplier vetting processes, training programs, and due diligence procedures, ensuring that labor practices align with international human rights standards. These policies are regularly reviewed and monitored, with reporting mechanisms in place to identify and address any potential violations. Compliance is further ensured through internal audits and external assessments of working conditions.

Visualization of Prohibition of Forced Labor, Child Labor, and Human Trafficking

Visualization 16



Workplace Accident Prevention

CSG has an occupational health and safety management framework in place, governed by the Health & Safety Policy. This policy establishes clear requirements for identifying, assessing, and mitigating workplace health and safety risks, with a focus on preventing accidents and promoting safe working conditions across all CSG operations. It applies to all employees and any third parties working under CSG's operational control, including contractors and temporary workers. Key measures include risk assessment, hazard identification, safety training, and ongoing monitoring of workplace conditions. The Health & Safety Policy also requires the establishment of emergency response procedures and regular safety audits to ensure continuous improvement. The policy is aligned with both local and international safety standards, such as ISO 45001, and is reviewed regularly to ensure it remains up to date with best practices in occupational health and safety.

Elimination of Discrimination

CSG has established specific policies aimed at eliminating discrimination within its own workforce. The Diversity, Equality, & Inclusion Policy sets out commitments to equal treatment and non-discrimination across all stages of the employment lifecycle, including recruitment, remuneration, development, and termination. These commitments are reinforced by the Human Resources Management Policy and the Code of Ethics, which require fair and objective employment practices and prohibit discriminatory behavior in the workplace.

Covered Grounds for Discrimination

Workforce-related policies explicitly define and prohibit discrimination on a range of grounds recognized under applicable law and internationally recognized standards. The CSG Diversity, Equality, & Inclusion Policy specifies protected characteristics (including, but not limited to, gender, age, ethnicity, and sexual orientation), and establishes expectations for equal treatment regardless of personal attributes. These provisions are supported by the Human Resources Management Policy and the Code of Ethics, which require compliance with non-discrimination principles and respectful treatment of all employees.

Inclusion and Positive Action Commitments

CSG's policies include commitments to promoting inclusion and equal opportunity within its own workforce. The Diversity, Equality, & Inclusion Policy outlines principles aimed at fostering an inclusive working environment and, where appropriate, enabling measures to support individuals or groups that may be at higher risk of unequal treatment or underrepresentation. In addition, CSG's Compensation & Benefits Policy establishes commitments to monitor and address remuneration disparities, including gender-based pay gaps, in line with applicable legal and regulatory requirements. These commitments are embedded within broader HR governance through the Human Resources Management Policy, which supports fair access to employment, development, and career progression.

Implementation of Policies and Preventive Procedures

CSG's workforce-related policies are implemented through defined organizational procedures and internal mechanisms. The Human Resources Management Policy establishes responsibilities for applying non-discrimination and equal treatment principles in HR processes, while the Diversity, Equality & Inclusion Policy provides guidance on preventing and addressing discriminatory behavior. In addition, the Whistleblower Protection Policy enables the reporting of discrimination-related concerns, supporting the identification, escalation, and follow-up of potential policy breaches.

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3.1.3. Processes for Engaging with Own Workforce and Workers' Representatives Regarding Impacts

CSG engages with its stakeholders, including its own workforce and workers' representatives, through a structured, systematic and transparent stakeholder engagement framework, guided by a publicly available Stakeholder Engagement Policy.

Stakeholder engagement forms an integral part of CSG's sustainability governance and supports both strategic decision-making and the consistent integration of sustainability priorities across subsidiaries. Engagement activities are coordinated centrally to ensure consistency, while remaining responsive to local, national and supranational contexts. CSG seeks open and constructive dialogue with stakeholders and facilitates engagement where appropriate and in the legitimate interests of the business.

Within this framework, engagement with CSG's own workforce contributes to the identification and consideration of sustainability-related topics that may affect employees, including working conditions, health and safety, organizational change, and skills development.

Operational responsibility for engagement with the own workforce is embedded within the Human Resources function at both CSG and subsidiary levels. The most senior role accountable for ensuring that such engagement takes place and that its outcomes inform CSG's approach is the senior HR executive responsible for workforce governance within the CSG structure.

The HR function coordinates structured dialogue with employees and, where applicable, employee representatives, in line with applicable labor laws and internal governance arrangements. Engagement outcomes are reflected in workplace policies, HR processes and management decisions through established reporting lines to senior management and relevant governance bodies.

This responsibility forms part of broader managerial roles rather than a standalone function. Relevant staff involved in workforce engagement are expected to possess appropriate competencies and may receive training to support effective consultation and the integration of feedback into operational and strategic processes.

Engagement Methods and Implementation for Own Workforce

CSG coordinates stakeholder engagement activities and selects engagement methods based on the stakeholder group, engagement objective and contextual relevance. The form, depth and frequency of engagement depend on the topic addressed, the stakeholder involved, and the relevance of the engagement to CSG's sustainability objectives.

Engagement methods used in relation to CSG's own workforce and workers' representatives may include, among others:

Focus Groups and Consultations

Including targeted discussions or interviews enabling more detailed exploration of workforce perspectives.

Engagement with Trade Unions or Employee Representatives

Where such engagement is relevant and in line with applicable legal and institutional frameworks.

Engagement activities take place both directly with employees and, where applicable, through workers' representatives. While the overarching framework and coordination are centralized, engagement is often conducted at the subsidiary or site level, reflecting operational realities and legal requirements.

Integration into Decision-Making and Current Limitations

While the stakeholder engagement framework is already established, the systematic integration of workforce-specific engagement outcomes into decision-making on impacts affecting the own workforce is still under development. At present, feedback obtained through engagement activities has not yet been captured, aggregated, and evaluated through a dedicated, standardized process specifically designed for ESRS S1-2 purposes.

CSG therefore considers its current approach to be baseline, with further formalization planned from 2026 onward to strengthen traceability, consistency and effectiveness in line with ESRS requirements.

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3.1.4. Processes to Remediate Negative Impacts and Channels for Own Workforce to Raise Concerns

This chapter describes CSG's processes for providing remedies where negative impacts on its own workforce may occur. It outlines the grievance, whistleblowing, and reporting mechanisms available to employees and on-site non-employees, how concerns are investigated and resolved, and how corrective actions are monitored. The chapter also explains the channels through which workforce members can raise concerns confidentially and without retaliation, as well as how the awareness, trust, and effectiveness of these mechanisms are supported and overseen.

Processes for Providing Remedy for Negative Impacts on Own Workforce

CSG has processes in place to provide or contribute to remedy where its activities may cause or contribute to a material negative impact on people in its own workforce. These processes are integrated into CSG's compliance frameworks and are designed to enable the identification, escalation, and resolution of issues affecting employees and other workers operating directly at CSG's facilities.

Remedy is primarily provided through internal grievance and reporting mechanisms, which allow employees and relevant non-employees to raise concerns related to working conditions, health and safety, discrimination, remuneration, and other workplace-related issues. Reported cases are reviewed, investigated, and addressed in accordance with established procedures, with corrective actions defined where shortcomings are identified. Depending on the nature of the impact, remedies may include corrective operational measures, adjustments to working conditions, disciplinary actions, or other appropriate forms of redress.

CSG assesses the effectiveness of remedy through follow-up actions, including actions to verify that corrective measures have been implemented and, where appropriate, confirm that the issue has been resolved and is not recurring. Oversight responsibilities are assigned to relevant management functions to ensure accountability and consistency in the handling of cases.

Channels for Raising Concerns or Needs within Own Workforce

CSG has established specific channels that enable its own workforce to raise concerns or express needs directly with the undertaking and have them addressed. These channels are designed to be accessible, confidential, and impartial, and they are primarily established and operated by CSG itself.

A key element of this framework is an internal whistleblowing and ethics reporting system, which enables employees and other persons connected to CSG's activities, including contractors and workers operating at CSG's facilities, to report suspected unlawful conduct or breaches of ethical standards. Reports can be submitted confidentially and, where permitted by law, anonymously. This system ensures protection against retaliation and safeguards the identity of the reporting person in line with applicable whistleblower

protection legislation through the Whistleblowing Policy. Further information on whistleblower protection and non-retaliation measures is disclosed in accordance with ESRS G1-1 (refer to chapter 4.4., Business Conduct Policies and Corporate Culture (G1-1)).

The whistleblowing system is supported by:

- A secure digital reporting platform enabling anonymous submissions and follow-up communication;
- Telephone-based reporting options;
- In-person reporting through designated internal contacts;
- An external reporting channel, operated by the competent public authority in accordance with applicable whistleblower protection legislation, for matters falling within the scope of relevant legal requirements.

Reports submitted through these channels are received and assessed by an independent and competent unit, which reviews the information, determines appropriate follow-up actions, and oversees the investigation process. In cases where the reporting person remains in contact, they are informed about the outcome of the assessment in line with confidentiality requirements.

In addition to whistleblowing channels, members of CSG's own workforce may raise concerns through employee representation structures, such as trade unions or works councils, where applicable, as well as through regular dialogue with management and human resources functions. These channels support the identification and management of workforce-related impacts and contribute to ongoing insight into workforce needs and concerns.

CSG assesses awareness of, and trust in, its workforce reporting and grievance channels through regular internal communication, onboarding processes, and ongoing engagement with employees and their representatives. Information on available channels, their purpose, and how to use them is communicated through internal policies, codes of conduct, and training / awareness-raising activities, supporting accessibility and understanding across the workforce.

CSG also recognizes and allows the use of external reporting mechanisms established by competent public authorities, where required by applicable legislation.

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3.1.5. Taking Action on Material Impacts on Own Workforce

This chapter describes the actions CSG has taken and has underway to prevent, mitigate, and remedy material impacts on its own workforce. These actions are neither linked to nor driven by measurable workforce-related targets, as no such targets have been set. Instead, they reflect existing and ongoing practices embedded in CSG's operational, human resources, health and safety, and compliance frameworks.

CSG has not adopted a formalized action plan specifically designed to achieve defined ESRS-aligned targets in relation to its own workforce. However, CSG implements a range of operational measures and management practices through its existing human resources, health and safety, compliance, and workforce management systems to address identified material impacts and risks related to its own workforce.

As CSG has also not established measurable outcome-oriented targets in relation to its own workforce, the actions described in this chapter should be understood as ongoing operational practices embedded within existing policies and management processes, rather than structured action plans adopted to achieve defined ESRS targets. Consequently, CSG does not disclose specific milestones, quantified expected outcomes, or formally defined implementation timelines linked to workforce-related targets for the reporting period. In addition, CSG has not allocated dedicated or ring-fenced capital expenditure (CapEx) or operating expenditure (OpEx) to standalone workforce action plans, as these measures are integrated into regular operational budgets. CSG has also not defined baseline values, performance trajectories, or target-year commitments against which progress is assessed in a target-driven manner. Furthermore, no detailed forward-looking outcome assessments tied to measurable workforce indicators are available, as no such indicators have been formally adopted.

CSG continues to manage workforce-related IROs through embedded governance, HR, and health and safety processes. Should measurable workforce-related targets be established in future reporting periods, related action plans, time horizons, expected outcomes, and resource allocations will be disclosed in accordance with ESRS S1 and ESRS 2 MDR-A requirements.

Actions to Prevent or Mitigate Material Negative Impacts on Own Workforce

In relation to the material impacts identified for its own workforce, CSG has taken, or has underway, a range of actions aimed at preventing or mitigating material negative impacts arising from its operations. These actions are embedded in existing workforce management, health and safety, human resources, and compliance processes.

In 2025, relevant internal policies—in particular those related to health and safety—were updated to further formalize occupational health and safety procedures, including risk assessments, training requirements, and incident reporting and investigation processes across CSG. There are also measures in place to address risks related to workload management, employee well-being, and mental health, including managerial oversight, work organization measures, and, where relevant, access to support mechanisms.



In addition, CSG has introduced a formalized Diversity, Equality & Inclusion Policy, which sets out specific actions aimed at improving gender and age diversity across the workforce, including measures related to recruitment, talent development, and equal opportunity practices.

To mitigate risks related to workforce stability and skills, CSG has implemented actions focused on workforce planning, training, and development. These include training programs designed to maintain required competencies, support safe job performance, and reduce operational risks linked to skill gaps. Measures are also in place to support fair remuneration, social protection, non-discrimination, and equal treatment, as well as access to grievance mechanisms to address concerns in a timely manner.

Actions providing or enabling remedy for actual material impacts included the formalization and rollout of unified data collection methodologies across subsidiaries, clarification of reporting responsibilities at subsidiary level, and the introduction of structured internal guidance to ensure consistent tracking of workforce composition indicators. In parallel, CSG adopted and implemented a formalized Diversity, Equality, & Inclusion Policy to address gaps in diversity monitoring and to establish clearer expectations for tracking and evaluating diversity-related metrics. At thisstage, systematic measurement of outcomes for individuals is limited, and outcome-based evidence is therefore not consistently available across all workforce-related actions.

Actions to Provide or Enable Remedy for Actual Material Impacts

In 2025, actual material impacts identified in relation to CSG's own workforce included limited visibility into workforce composition and insufficient diversity tracking and analysis. In response, CSG initiated corrective measures aimed at strengthening data governance and improving transparency in workforce-related information.

Actions included the formalization and rollout of unified data collection methodologies across subsidiaries, clarification of reporting responsibilities at subsidiary level, and the introduction of structured internal guidance to ensure consistent tracking of workforce composition indicators. In parallel, CSG adopted and implemented a formalized Diversity, Equality, & Inclusion Policy to address gaps in diversity monitoring and to establish clearer expectations for tracking and evaluating diversity-related metrics.

Additional Actions to Deliver Positive Impacts for Own Workforce

In addition to actions aimed at preventing or mitigating negative impacts, CSG has implemented additional actions and initiatives with the primary purpose of delivering positive impacts for its own workforce. These initiatives are designed to support employee engagement, development, and long-term employability.

Such actions include training and development programs focused on skill enhancement, mentoring and leadership development initiatives, and measures to support work-life balance and employee well-being. CSG also promotes inclusive workplace practices through policies and initiatives aimed at fostering equal opportunities, diversity, and inclusion across the workforce.

Further initiatives include the promotion of constructive social dialogue, support for employee representation structures where applicable, and the availability of grievance and feedback mechanisms that contribute to transparency and trust within the organization.

Tracking and Assessment of Effectiveness

CSG tracks and assesses the effectiveness of actions addressing workforce-related impacts and risks through its existing human resources, health and safety, compliance, and risk management frameworks. Monitoring takes place through internal reporting and management review processes, including health and safety monitoring, incident reporting and investigation outcomes, human resources reporting, workforce data analysis, grievance and whistleblowing mechanisms, and compliance oversight.

Information generated through these processes is used to identify recurring issues, trends, and areas requiring corrective action. Feedback from employees and their representatives is also considered where relevant, helping to assess whether implemented measures function as intended. Grievance mechanisms serve both as a channel for remedy and as a source of insight into the effectiveness of preventive and corrective actions.

At this stage, CSG's assessment of effectiveness focuses primarily on process-based indicators and evidence of implementation, such as the existence of policies, procedures, training activities, safety controls, and corrective measures. Systematic outcome-based measurement across all subsidiaries is not yet applied consistently and remains an area for further development within CSG's sustainability management framework.

Processes to Identify Appropriate Actions in Response to Negative Impacts on Own Workforce

Potential and actual negative impacts are identified through ongoing operational monitoring, risk assessments, incident reporting, grievance and whistleblowing mechanisms, and management reviews. When an impact is identified, its nature, severity, and root cause are assessed to determine the appropriate response.

The type of action taken depends on CSG's degree of involvement in the impact. Where CSG has caused or contributed to a negative impact through its own operations, actions focus on corrective and preventive measures, including changes to processes, working conditions, or management practices, and the provision of remedy where applicable. Where impacts are directly linked to CSG's operations through business relationships, but not caused by CSG, actions focus on engagement, monitoring, and influencing measures that are within the scope of CSG's control.

Responsibility for defining and implementing actions is assigned to relevant management units, with escalation to senior management where the potential or actual impact is significant. This approach ensures that responses are proportionate, context-specific, and aligned with applicable legal requirements and internal policies.

Actions to Pursue Material Workforce-Related Opportunities

CSG pursues material workforce-related opportunities through actions embedded in its human resources, organizational development, health and safety, and governance frameworks. These actions are designed to strengthen workforce capability, resilience, engagement, and long-term performance, while reinforcing CSG's employer brand and stakeholder trust. Opportunity-oriented measures focus on structured workforce planning, skill development, inclusive employment practices, fair remuneration governance, and the promotion of a safe and supportive working environment.

To enhance retention, continuity and productivity, CSG implements training and upskilling initiatives, leadership development processes, and structured career development pathways. These measures aim to improve employee satisfaction, reduce turnover, increase operational reliability, and build organizational resilience. Fair wage governance and inclusive social coverage practices support talent attraction, strengthen employer reputation, and align workforce management with ESG expectations. Health and safety management systems contribute to positioning CSG as a responsible employer and support improved morale and operational stability.

Workforce-related opportunities are considered within broader strategic and operational planning processes, including risk management and sustainability governance structures. By strengthening internal capabilities, fostering inclusive practices, and promoting constructive workplace dialogue, CSG seeks to enhance stakeholder confidence, improve culture and accountability, and leverage its own workforce as a driver of sustainable performance and competitive advantage.

Resources Allocated to the Management of Material Impacts on Own Workforce

CSG allocates resources to the management of material impacts on its own workforce through established organizational structures, internal functions, and operational processes. Responsibility for managing workforce-related impacts is embedded within existing management roles, particularly within human resources, health and safety, compliance, and line management functions at both CSG and subsidiary levels.

These resources include dedicated personnel responsible for workforce management, occupational health and safety, training and development, and grievance handling, as well as time and capacity allocated by management to oversight, decision-making, and implementation of relevant actions. CSG also allocates resources to the development and maintenance of internal policies, procedures, and reporting mechanisms that support the identification, prevention, mitigation, and remediation of workforce-related impacts.

In addition, resources are allocated to training, awareness, and competence-building activities, including health and safety training, skill development programs, and initiatives related to diversity and inclusion. Where appropriate, external expertise or services may be used to support specific areas, such as compliance, training delivery, or specialist assessments.

At this stage, financial resources allocated to the management of material impacts on the own workforce are not tracked or quantified as a separate budget line, as they are embedded within existing operational, HR, health and safety, and compliance expenditures across subsidiaries. Accordingly, CSG does not currently disclose specific quantified financial amounts (OpEx or CapEx) dedicated exclusively to workforce-related impact management.

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3.1.6. Targets Related to Own Workforce

As of the reporting date, CSG has not set any measurable, outcome-oriented or time-bound targets related to its own workforce. Accordingly, CSG does not apply target-based performance tracking for workforce-related IROs for the reporting period.

Relationship to Policies and Material Impacts, Risks, and Opportunities

CSG has established policies addressing matters related to its own workforce, including working conditions, health and safety, human resources management, and grievance mechanisms. These policies define principles and responsibilities applicable across CSG's own operations.

During the reporting period, CSG focused on the implementation and operation of these policies, management oversight, and internal reporting processes in relation to workforce-related IROs. Measurable, outcome-oriented workforce-related targets were not set at this stage.

Scope and Coverage of Targets

As no workforce-related targets have been set, no targets apply to workforce-related matters across CSG's own workforce, including employment conditions, health and safety, employee engagement, training, or other workforce-related topics.

Baselines, Time Horizons and Methodologies

CSG has not defined baseline values, base years, target years, interim milestones, levels of ambition or target-setting methodologies for workforce-related targets, as no measurable targets were applicable to the reporting entity for the reporting period. The 2025 reporting year serves as the base year for qualitative monitoring and for any future development of workforce-related indicators or targets.

Stakeholder Involvement in Target Setting

No stakeholders, including employees or workers' representatives, were involved in the setting of workforce-related targets, as no such targets were adopted during the reporting period.

Forward-Looking Considerations

CSG recognizes that the establishment of workforce-related targets may become relevant in future reporting periods as workforce-related IROs are further prioritized and internal data and monitoring capabilities continue to mature.

Should workforce-related targets be defined and become applicable to the reporting entity in future reporting periods, CSG will disclose them in accordance with the applicable social ESRS and ESRS 2 MDR-T, including information on scope, baselines, methodologies, time horizons and progress tracking.

Process for Setting Workforce-Related Targets

CSG has not set specific targets in relation to its own workforce for the reporting period. As a result, no formal process has been established for setting workforce-related targets, nor for tracking performance against such targets.

Accordingly, CSG has not engaged directly with its own workforce or workers' representatives in the setting of workforce-related targets, the tracking of performance against them, or the identification of lessons learned or improvements based on target performance.

Tracking Effectiveness in the Absence of Measurable Targets

In the absence of measurable, outcome-oriented workforce-related targets, CSG does not track progress through quantitative target-based indicators. Instead, the effectiveness of workforce-related policies and actions is monitored qualitatively through:

- Management oversight and operational monitoring;
- Human resources reporting processes;
- Health and safety reporting;
- Grievance and whistleblowing mechanisms; and
- Periodic reviews of policy implementation and compliance.

Information from these processes is used to assess whether actions are functioning as intended and to identify areas requiring corrective action or improvement. Progress is assessed using qualitative indicators, such as the existence and application of policies and procedures, completion of training activities, resolution of reported issues, and the absence of significant adverse workforce-related incidents.

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3.1.7. Characteristics of CSG's Employees

Employee Headcount by Gender

Employee Headcount by Gender (End of Reporting Period) Table 46

Gender	2024	2024 Restated	2025
Male	9,466	7,603	7,943
Female	3,371	2,859	2,737
Other / Not disclosed	18	18	9
Total employees	**12,855**	**10,480**	**10,689**

Methodology and Assumptions

Employee headcount reflects the number of employees at the end of the reporting period. Subsidiaries report raw headcount figures by gender, which are consolidated centrally by CSG without conversion.

Employees by Country

Employee Headcount in Countries with at Least 50 Employees Representing at Least 10% of Total Workforce

Table 47

Country	2024	2024 Restated	2025
Czech Republic	5,377	3,015	3,421
Slovakia	1,605	1,605	2,136
United States of America	3,772	3,772	2,919
Total (qualifying countries)	**10,754**	**8,392**	**8,476**

Methodology and Assumptions

The countries included in this table meet both of the ESRS thresholds: at least 50 employees and at least 10% of CSG's total workforce. End-of-period headcounts reflect the number of employees at the end of the reporting period.

Employees by Contract Type and Gender

Employees by Contract Type and Gender (Headcount, End of Reporting Period)

Table 48

	Male			Female			Other / Not Disclosed			Total		
Contract Type	2024	2024 Restated	2025	2024	2024 Restated	2025	2024	2024 Restated	2025	2024	2024 Restated	2025
Permanent employees	8,088	6,833	7,035	2,747	2,394	2,350	18	18	9	10,853	9,245	9,394
Temporary employees	1,057	508	750	368	209	335	0	0	0	1,425	717	1,085
Non-guaranteed hours employees	125	125	158	22	22	52	0	0	0	147	147	210
Not Reported	196	137	0	234	234	0	0	0	0	430	371	0
Total Employees	**9,466**	**7,603**	**7,943**	**3,371**	**2,859**	**2,737**	**18**	**18**	**9**	**12,855**	**10,480**	**10,689**

Methodology and Assumptions

Subsidiaries report raw headcount data at the end of the reporting period for permanent, temporary, and non-guaranteed-hours employees, broken down by gender. Non-guaranteed-hours employees include employees without a guaranteed minimum or fixed number of working hours, such as zero-hour or on-call contracts, in line with national legal definitions. CSG consolidates subsidiary-level inputs and performs reconciliation checks to ensure that gender subtotals equal contract-type totals and that contract-type totals align with overall workforce headcount.

Employees in Science, Technology, Engineering, and Mathematics (STEM)

Employee Headcount in STEM

Table 49

Disclosure Requirement	2025
Women in STEM	121
People under the age of 30 in STEM	225
Positions in STEM	1,080



Methodology and Assumptions

CSG reports the number of employees in Science, Technology, Engineering, and Mathematics (STEM) roles at the end of the reporting period, including a breakdown of women in STEM and employees under the age of 30 in STEM. This disclosure is provided on a voluntary basis following stakeholder interest and is not required under the ESRS. STEM roles are identified using a centrally defined classification based on job responsibilities requiring the application of advanced scientific, technical, engineering, mathematical or IT expertise, and/or roles typically requiring higher education in these fields. Subsidiaries validate gender and age characteristics using internal HR records. CSG consolidates subsidiary-level inputs and performs consistency checks to ensure alignment between the number of STEM positions and the reported demographic breakdowns.

Employee Turnover

Percentage of Employee Turnover

Table 50

Disclosure Requirement	2024	2024 Restated	2025
Number of employees who left during the reporting period	1,638	1,162	2,278
Employee turnover rate	12.7%	11.1%	22.0%

Methodology and Assumptions

Subsidiaries report the total number of employees who left during the reporting period, including voluntary departures, dismissals, retirements, and deaths in service. CSG calculates the employee turnover rate centrally using the average number of employees derived from month-end headcounts reported by subsidiaries throughout the reporting year. The turnover rate is calculated as the total number of leavers divided by the average number of employees, multiplied by 100.

Contextual Information

Changes in employee numbers during the reporting period may result from factors such as business acquisitions or divestments, changes in production volumes, project-based activities, or organizational restructuring. In particular, the employee turnover rate for the reporting period was influenced by structural changes following the acquisition of MSM Walsrode GmbH & Co. KG, which involved significant organizational restructuring, with employees who left part of integration-related changes being included in the reported number of leavers. A similar effect occurred following the merger of The Kinetic Group with Fiocchi of America LLC, which also resulted in restructuring-related employee departures. Such factors are considered when interpreting workforce data.

Cross-Reference to Financial Statements

The information on the number of employees reported under ESRS S1 corresponds to figures presented in financial statements incorporated by reference section Consolidated Financial Statements, Note 11. “Employee Benefits Costs,” of this Consolidated Sustainability Statement.

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3.1.8. Characteristics of Non-Employees in Undertaking’s Own Workforce

Non-Employees in Own Workforce

As of the end of the reporting period, the total number of non-employees in CSG’s own workforce was 803 (headcount). This includes individuals who were not employed under an employment contract but performed work under the direction or control of CSG or its subsidiaries, such as self-employed persons and individuals provided by undertakings primarily engaged in employment activities.

Total Headcount of Non-Employees

Table 51

Disclosure Requirement	2024	2024 Restated	2025
Non-employees	973	801	803

Breakdown of Non-Employees

At the end of the reporting period, CSG’s own workforce included 157 self-employed individuals (headcount). These individuals are contracted directly by CSG or its subsidiaries and perform work under their direction, while remaining responsible for their own employment arrangements.

Total Headcount of Self-Employed Persons

Table 52

Disclosure Requirement	2024	2024 Restated	2025
Self-employed persons	261	244	157

At the end of the reporting period, 646 non-employees (headcount) in CSG’s own workforce were individuals provided by undertakings primarily engaged in employment activities. Although their employment contracts are held with external providers, their day-to-day work is performed under the direction and control of CSG or its subsidiaries.

Total Headcount of Persons Provided by Undertakings Primarily Engaged in Employment Activities

Table 53

Disclosure Requirement	2024	2024 Restated	2025
Persons engaged in employment activities	699	455	646

Methodology and Assumptions

The data is reported as of the end of the reporting period. Headcount reflects the total number of non-employees present in CSG’s own workforce on the reporting date. Non-employees include self-employed individuals contracted directly and individuals supplied by temporary work agencies or staffing firms who operate under the direction or control of CSG or its subsidiaries. Workers employed by subcontractors without such direction or control are excluded.

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3.1.9. Collective Bargaining Coverage and Social Dialogue

Employees Covered by Collective Bargaining Agreements

At the end of the reporting period, 13.2% of CSG's total employees 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.

Collective Bargaining Coverage by Percentage

Table 54

Disclosure Requirement	2024	2024 Restated	2025
Employees covered by collective bargaining agreements	35.0%	26.7%	13.2%

Employees Covered by Collective Bargaining Agreements by Country with Significant Employment

At the end of the reporting period, 66.1% of CSG's own employees in Slovakia—a country 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 Slovakia.

Collective Bargaining Coverage by Headcount in Countries with Significant Employment

Table 55

	Czech Republic			Slovakia		
Disclosure Requirement	2024	2024 Restated	2025	2024	2024 Restated	2025
Employees covered by collective bargaining agreements (percentage)	41.1%	18.8%	0.0%	59.2%	59.2%	66.1%
Employees covered by collective bargaining agreements (headcount)	2,330	620	0	1,701	1,701	1,411

To determine the coverage rate, the total number of those covered by collective bargaining agreements in Slovakia was divided by the total number of employees. At the end of the reporting period, there were totally 2,136 employees in Slovakia.

There are no employees in CSG's own workforce that are covered by collective bargaining agreements outside the EEA. In 2024 there were 38 such employees in the United Kingdom, with a coverage rate of 100%.

Employees Covered by Workers' Representative by Country with Significant Employment

At the end of the reporting period, 68.4% of CSG's own workforce in Slovakia, were covered by workers' representatives.

Workers' Representative Coverage by Percentage

Table 56

Disclosure Requirement	2024	2024 Restated	2025
Employees covered by workers' representatives (Slovakia)	65.0%	65.0%	68.4%

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 subsidiaries 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 by Percentage and Region

Table 57

Coverage Rate (percentage)	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.)
60–79%	—	—	Slovakia

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3.1.10. Diversity Metrics

Gender Distribution in Top Management Level

Gender Distribution by Headcount and Percentage at Top Management Level

Table 58

	Male			Female			Other / Not Disclosed			Total		
Disclosure Requirement	2024	2024 Restated	2025	2024	2024 Restated	2025	2024	2024 Restated	2025	2024	2024 Restated	2025
Headcount	254	238	178	67	63	38	0	0	1	**321**	**301**	**217**
Percentage	79.0%	79.0%	82.0%	21.0%	21.0%	17.5%	0.0%	0.0%	0.5%	**100.0%**	**100.0%**	**100.0%**

Definition of Top Management

For the purposes of ESRS S1-9 disclosures, top management is defined as individuals occupying executive positions one and two reporting levels below the administrative and supervisory bodies of CSG. This set of individuals includes members of executive management with responsibility for strategic decision-making, operational oversight, or key functional leadership within CSG and its subsidiaries, who report directly or indirectly to the Board of Directors or an equivalent governing body.

Top management excludes middle management roles, advisory positions without executive authority, and interim appointments that were not formally confirmed as of the reporting date. This definition is applied consistently across all subsidiaries included in the consolidation scope and reflects CSG's organizational and governance structure.

Age Distribution in of Own Workforce

Distribution of Employees by Headcount and Age Group

Table 59

	Under 30 Years Old			Between 30 and 50 Years Old			Over 50 Years Old			Not Reported		
Disclosure Requirement	2024	2024 Restated	2025	2024	2024 Restated	2025	2024	2024 Restated	2025	2024	2024 Restated	2025
Employee Distribution	2,128	1,789	1,980	6,455	5,296	5,378	3,941	3,207	3,331	330	187	0



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3.1.11. Adequate Wages

Adequate Wages

CSG ensures that employees are remunerated in accordance with applicable wage benchmarks as defined by relevant legislation and collective arrangements in the countries in which CSG operates. Remuneration practices across CSG comply with national labor laws, including statutory minimum wage requirements and, where applicable, collective bargaining agreements. On the basis of this legislative framework and its application across CSG's operations, all employees are paid wages that meet the applicable adequate wage benchmarks in the respective countries of operation. Accordingly, no employees are paid below the applicable adequate wage level for the reporting period. The principles governing remuneration are set out in CSG's Human Resource Management, Compensation & Benefits Policy, Diversity, Equality, & Inclusion Policies, which require compliance with legal wage requirements and promote fair and non-discriminatory pay practices across CSG.

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3.1.12. Social Protection

Social Protection Coverage

All employees in CSG's own workforce, including employees with direct employment contracts, such as permanent, temporary, and part-time employees, are covered by social protection arrangements providing access to income support in the event of major life events, including sickness, unemployment, employment injury and acquired disability, parental leave, and retirement.

In the countries in which CSG operates, statutory social security systems provide mandatory coverage for these life events for employees under national legislation. As a result, 100% of the employees in CSG's own workforce are typically covered by social protection through public programs in accordance with applicable legal requirements. However, in countries where certain elements of social protection are not provided as a standard feature of public systems, such as the United States and India, equivalent coverage is typically provided through employer-sponsored benefits in line with CSG's Human Resource Management Policy.

This disclosure applies exclusively to CSG's own workforce, defined as employees with direct employment contracts. Agency workers, freelancers, and other non-employee workers are not included in the scope of this disclosure.

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3.1.13. Persons with Disabilities

Percentage of Persons with Disabilities

At the end of the reporting period, persons with disabilities represented 1.8% of the total employee workforce within CSG.

Percentage of Own Workforce with Disabilities

Table 60

Disclosure Requirement	2024	2024 Restated	2025
Persons with Disabilities	2.4%	1.9%	1.8%

Definition of Persons with Disabilities

For the purposes of ESRS S1-12 disclosures, persons with disabilities are defined as employees of CSG's subsidiaries who have a disability that is formally recognized and recorded in accordance with applicable national legislation in the country of employment. This includes employees whose disability status is registered with competent authorities or officially declared and documented in the HR or legal records of the relevant subsidiary, where such collection is permitted by law.

Only employees who were actively employed by subsidiaries within the consolidation scope at the end of the reporting period are included. Where national legislation restricts the collection or processing of disability-related data, the information disclosed reflects only legally available and lawfully recorded data at the subsidiary level. Disability status is not inferred or estimated, and no assumptions are made where official records are not available.

This definition excludes non-employees, individuals whose disability status has not been formally declared or recorded, and employees who left employment prior to the reporting date.

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3.1.14. Training and Skills Development Metrics

Participation in Regular Performance and Career Development Reviews

This chapter discloses the percentage of employees who participated in regular performance and career development reviews during the reporting period, broken down by gender. A regular performance review is defined as a review undertaken at least once per year, based on criteria known to the employee and conducted with the employee's knowledge.

CSG does not disclose the proportion of reviews completed against an agreed or centrally defined target number of reviews. The frequency and structure of performance and career development reviews are determined at subsidiary level, in line with local practices and management frameworks. As a result, a unified benchmark for the expected number of reviews has not been established. In practice, reviews are typically conducted at key employment milestones (e.g., at the end of probation periods, upon role changes), at defined intervals linked to performance criteria and objectives, and periodically as part of annual evaluation processes.

Employee Participation in Regular Performance and Career Development Reviews, Broken Down by Gender, Headcount and Percentage

Table 61

	Number of employees participating in reviews			Total number of employees			Percentage of employees participating in reviews		
Gender	2024	2024 Restated	2025	2024	2024 Restated	2025	2024	2024 Restated	2025
Male	Phase-in Period	Phase-in Period	4,097	Phase-in Period	Phase-in Period	7,943	Phase-in Period	Phase-in Period	51.6%
Female	Phase-in Period	Phase-in Period	1,137	Phase-in Period	Phase-in Period	2,737	Phase-in Period	Phase-in Period	41.5%
Other / Not Disclosed	Phase-in Period	Phase-in Period	9	Phase-in Period	Phase-in Period	9	Phase-in Period	Phase-in Period	100.0%
Total	**Phase-in Period**	**Phase-in Period**	**5,243**	**Phase-in Period**	**Phase-in Period**	**10,689**	**Phase-in Period**	**Phase-in Period**	**49.1%**

Percentages are calculated centrally by CSG based on subsidiary-level inputs.

Training Hours

This section discloses the average number of training hours per employee during the reporting period, broken down by gender. Training hours include all training offered to and completed by employees during the reporting year.

Average Number of Training Hours per Employee (Headcount)

Table 62

	Total training hours completed			Total employees			Average training hours		
Gender	**2024**	**2024 Restated**	**2025**	**2024**	**2024 Restated**	**2025**	**2024**	**2024 Restated**	**2025**
Male	Phase-in Period	Phase-in Period	160,293	Phase-in Period	Phase-in Period	7,943	Phase-in Period	Phase-in Period	20.2
Female	Phase-in Period	Phase-in Period	50,010	Phase-in Period	Phase-in Period	2,737	Phase-in Period	Phase-in Period	18.3
Other / Not Disclosed	Phase-in Period	Phase-in Period	180	Phase-in Period	Phase-in Period	9	Phase-in Period	Phase-in Period	20.0
Total	**Phase-in Period**	**Phase-in Period**	**210,483**	**Phase-in Period**	**Phase-in Period**	**10,689**	**Phase-in Period**	**Phase-in Period**	**19.7**

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3.1.15. Health and Safety Metrics

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Health and Safety Management System Coverages

CSG confirms that 97.0% 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 structured and consistent approach to occupational health and safety management across CSG's operations.

The decrease in coverage compared to the previous reporting period (100%) is primarily attributable to changes in the reporting perimeter and organizational structure during the year, including newly acquired or integrated subsidiaries and the inclusion of additional entities within the consolidation scope. In certain newly consolidated subsidiaries, formalized health and safety management systems aligned with CSG's framework had not yet been fully implemented at the reporting date, although legally required occupational health and safety measures were in place. As part of post-acquisition integration processes, these subsidiaries are being progressively aligned with CSG's standardized health and safety management framework.

The remaining workforce members are primarily employed in subsidiaries or roles where health and safety risks are limited in nature or where alternative, legally compliant arrangements apply, and therefore are not yet covered by a formalized health and safety management system as defined for reporting purposes.



Health and Safety Management System Coverage by Percentage

Table 63

Disclosure Requirement	2024	2024 Restated	2025
Workforce covered by a health and safety management system	100.0%	100%	97.0%

Number of Fatalities

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 in CSG's Own Workforce

Table 64

Disclosure Requirement	2024	2024 Restated	2025
Fatalities in CSG's Own Workforce	0	0	0

Number of Fatalities 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 Fatalities of Other Workers Working on Undertaking Sites

Table 65

Disclosure Requirement	2024	2024 Restated	2025
Fatalities of Other Workers	0	0	0

Number of Recordable Work-Related Accidents

During the reporting period, CSG recorded a total of 310 work-related accidents across its operations.

Number of Recordable Work-Related Accidents

Table 66

Disclosure Requirement	2024	2024 Restated	2025
Recordable Work-Related Accidents	323	253	310

Definition of Work-Related Accidents

This disclosure captures the total number of work-related accidents affecting CSG's own workforce that meet applicable national or internationally recognized criteria for being classified as "recordable." 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. Recordable incidents may include injuries requiring medical treatment, resulting in lost time, leading to restricted duties, or meeting other formal reporting thresholds defined at local level. 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 15.6 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.

Rate of Recordable Work-Related Accidents

Table 67

Disclosure Requirement	2024	2024 Restated	2025
Rate of Recordable Work-Related Accidents	16.4	13.1	15.6

Number of Cases of Recordable Work-Related Ill Health

During the reporting period, CSG recorded 45 cases of work-related ill health within its own workforce. Work-related ill health in CSG's production facilities primarily consist of musculoskeletal disorders associated with repetitive manual work and strain on the hands and wrists. These conditions typically arise from repetitive movements, manual handling and prolonged use of tools or machinery during production activities.

Number of Cases of Recordable Work-Related Ill Health

Table 68

Disclosure Requirement	2024	2024 Restated	2025
Cases of Recordable Work-Related Ill Health	43	38	45

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, Fatalities from Work-Related Accidents, Work-Related Ill Health, and Fatalities from Ill Health

A total of 8,987 days were lost across CSG's operations due to work-related injuries and total of 220 days due to work-related ill health. The year-on-year increase in reported lost days is primarily attributable to changes in the reporting scope, including the inclusion of full-year data for The Kinetic Group and the addition of new entities within the reporting perimeter.

Number of Days Lost to Work-Related Injuries, Fatalities, and Ill Health

Table 69

Disclosure Requirement	2024	2024 Restated	2025
Number of Days Lost to Work-Related Injuries, Fatalities from Work-Related Accidents, Work-Related Ill Health, and Fatalities from Ill Health	7,818	4,739	8,987

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3.1.16. Work-Life Balance Metrics

Entitlement to Family-Related Leave

CSG provides family-related leave entitlements to employees in its own workforce in accordance with applicable national and supranational legislation, complemented by internal policies. Family-related leave includes maternity leave, paternity leave, parental leave and carers' leave, as defined under applicable legal frameworks. Employees of CSG subsidiaries operating in the European Union are entitled to family-related leave in accordance with national legislation implementing EU requirements, including Directive (EU) 2019/1158 on work-life balance for parents and carers. In the Czech Republic, these entitlements are governed by Act No. 262/2006 Coll., the Labour Code, which provides statutory rights to maternity and parental leave and related employment protection.

Employees of CSG subsidiaries operating outside the European Union are entitled to family-related leave in line with the applicable national legislation of the countries in which they operate, which provides statutory rights to maternity leave, parental leave and related employment protection. In all cases, these legal entitlements are supported by CSG's Compensation & Benefits Policy, which applies across all subsidiaries within the consolidation scope and reinforces the protection of employees' health, well-being and work-life balance.

Based on the applicable legal and policy framework, 100% of employees in CSG's own workforce are entitled to family-related leave.

Utilization of Family-Related Leave

CSG monitors the use of family-related leave among entitled employees in order to better understand work-life balance practices within its own workforce. Family-related leave taken during the reporting period includes maternity leave, paternity leave, parental leave and carers' leave, as applicable under national law. During the reporting period, 5.9% of employees entitled to family-related leave made use of such leave. The use of family-related leave reflects individual circumstances and national legal frameworks and is not subject to internal restrictions beyond those established by legislation in the respective locations of operations.

Use of Family-Related Leave by Percentage

Table 70

Disclosure Requirement	2024	2024 Restated	2025
Use of Family-Related Leave	3.3%	3.4%	5.9%

Use of Family-Related Leave by Gender

To support transparency and an understanding of gender-equitable access to family-related leave, CSG discloses the use of family-related leave by gender among entitled employees.

Use of Family-Related Leave by Gender and Percentage

Table 71

Gender	2024	2024 Restated	2025
Male	3.0%	2.8%	4.7%
Female	2.9%	2.7%	9.1%
Other	0.0%	0.0%	11.1%

Scope and Definitions

The disclosures in this chapter relate to employees in CSG's own workforce during the reporting period. Employees entitled to family-related leave are those covered by applicable laws, employment contracts, or internal policies that include family-related leave entitlements and whose entitlement is known to CSG, in line with ESRS application requirements. Family-related leave comprises maternity leave, paternity leave, parental leave, and carers' leave, as defined under applicable national legislation. Percentages are calculated using employee headcount figures at the end of the reporting period.

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3.1.17. Remuneration Metrics (Pay Gap and Total Remuneration)

Gender Pay Gap

The gender pay gap within CSG for the reporting period was 25.9%. The change in the reported gender pay gap from 24.8% in the previous reporting period is primarily attributable to changes in the composition of the reporting perimeter and workforce structure rather than to a single compensation-related adjustment.

During the reporting period, CSG experienced organizational changes, including acquisitions, restructuring, and shifts in workforce distribution across subsidiaries and job categories. These changes affected the proportional representation of employees across hierarchical levels, functions, and geographies. As the gender pay gap metric is sensitive to workforce composition—particularly the distribution of men and women across senior, technical, and higher-remunerated roles—variations in the representation at these levels can materially influence the overall ratio.

In particular, the inclusion of additional entities with a more balanced gender distribution across remuneration bands, as well as changes in headcount within higher-paid positions, contributed to the reduction in the reported gap. The year-on-year movement therefore reflects structural and perimeter-related factors, alongside ongoing workforce developments, rather than a recalibration of methodology.

CSG continues to monitor remuneration structures and workforce composition to better understand the drivers of pay differentials and to enhance comparability and consistency in future reporting periods.

Gender Pay Gap Percentage

Table 72

Disclosure Requirement	2024	2024 Restated	2025
Gender Pay Gap	24.7%	24.8%	25.9%

Context and Data Compilation

The gender pay gap is calculated centrally by CSG using payroll and working-hours data reported by subsidiaries. Average gross pay is calculated on an hourly basis by dividing total gross pay by total hours worked for male and female employees. The gender pay gap reflects the difference between average male and female gross hourly pay, expressed as a percentage of average male gross hourly pay. The use of hours worked as the denominator ensures comparability across different working patterns and contractual arrangements and supports consistent application across the consolidation scope.



Annual Remuneration Ratio

The annual remuneration ratio within CSG for the reporting period is 99:1. The increase compared to the previous reporting period is primarily attributable to a one-off remuneration component awarded to the highest-paid individual in connection with the successful completion of a long-term strategic project that had a significant positive impact on CSG's financial results. This remuneration included performance-based compensation linked to multi-year objectives and was recognized in the current reporting period.

As the annual remuneration ratio compares the total annual remuneration of the highest-paid individual with the average remuneration of all other employees, the inclusion of this exceptional, project-related compensation materially influenced the ratio for the year.

Annual Remuneration Ratio

Table 73

Disclosure Requirement	2024	2024 Restated	2025
Annual Remuneration Ratio	6.89:1	7.70:1	99:1

Context and Data Compilation

The annual total remuneration ratio is calculated centrally by CSG based on remuneration data reported by subsidiaries. The ratio compares the annual total remuneration of the highest-paid individual with the average remuneration of all other employees. The gross annual remuneration of the highest-paid individual includes all compensation earned during the full reporting period, such as base salary, bonuses, incentive payments, stock options where applicable, and other benefits. Remuneration figures reflect compensation paid by the employing entity within the reporting perimeter and exclude equity value projections beyond the reporting period as well as remuneration paid by third parties not acting as the employer.

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3.1.18. Incidents, Complaints, and Severe Human Rights Impacts

Number of Reported Discrimination Incidents, Complaints, and Fines

Table 74

Disclosure Requirement	2024	2024 Restated	2025
Incidents of discrimination (including harassment)	3	3	6
Complaints filed through internal channels	64	50	53
Complaints filed to OECD National Contact Points	2	2	0
Total fines, penalties and compensation for damages	**€ 41,003.57**	**€ 41,003.57**	**€ 0**

Contextual Information and Data Compilation

The figures disclosed are compiled based on information recorded through CSG's formal grievance, whistleblowing, and compliance reporting channels, as well as records maintained by human resources, legal, and compliance functions at the subsidiary level. Only confirmed and investigated incidents and complaints relating to discrimination or harassment involving the own workforce during the reporting period are included. Monetary amounts reflect fines, penalties and compensation paid or payable during the reporting year and are reconciled with relevant line items in the financial statements where applicable. Data is collected using consistent definitions and reporting criteria to ensure comparability and reliability across the consolidation scope.

Reports received through CSG's ethics line typically relate to workplace conduct and compliance with internal policies. Common topics include interpersonal workplace issues, concerns about managerial behavior, potential misuse of company assets, and possible breaches of internal rules or work duties. Depending on the outcome of the review, cases may remain under investigation, be referred to the relevant internal function (such as legal or HR), be closed if the concern cannot be substantiated, or be closed at the request of the reporting person.

Number of Severe Human Rights Incidents

CSG confirms that there were no severe human rights incidents connected to its own workforce that were recorded during this reporting period. All subsidiaries explicitly confirm no human rights incidents occurred during the reporting period.

Number of Severe Human Rights Incidents Table 75

Disclosure Requirement	2024	2024 Restated	2025
Severe Human Rights Incidents	0	0	0

Number of Severe Human Rights Incidents Connected to Own Workforce

Since no severe human rights incidents reported above, none included 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.

Number of Severe Human Rights Incidents Connected to Own Workforce Table 76

Disclosure Requirement	2024	2024 Restated	2025
Severe Human Rights Incidents Connected to Own Workforce	0	0	0

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.

Total Amounts of Fines, Penalties, and Compensation for Severe Human Rights Incidents Table 77

Disclosure Requirement	2024	2024 Restated	2025
Fines, Penalties, and Compensation for Damages for Severe Human Rights Incidents	€ 0	€ 0	€ 0

3.2. Value Chain Workers

Omission Considerations

Following the outcome of the DMA, IROs related to value chain workers have been assessed as material. CSG recognizes the relevance of value chain workers in relation to its activities, products, services, and business relationships.

For the current reporting period, CSG has made use of the phase-in provisions available under the "quick-fix" delegated act adopted by the European Commission in July 11 2025 under Directive (EU) 2022/2464 (CSRD). In line with these provisions, CSG has not disclosed the full set of information required under ESRS S2 and ESRS 2 SBM-3 paragraph 48 for value chain workers in this reporting period, although the topic has been assessed as material.

During the phase-in period, CSG is focusing on strengthening the foundations required for future disclosures, including these activities:

- Refining value chain mapping across upstream and downstream business relationships.
- Integrating value chain worker considerations more systematically into its IRO assessment processes.
- Aligning internal governance, due diligence, and risk management processes related to value chain workers.
- Preparing the data structures and methodologies needed to support consistent, comparable disclosures across sectors and geographies.

As these preparatory steps are completed, CSG expects to progressively expand the scope and depth of its disclosures on value chain workers. From the 2027 reporting year onward, readers can expect disclosures to include, among others:

- Clearer description of the types of value chain workers potentially affected and their position in the value chain.
- Information on the geographies or activities associated with heightened risks, including child labor or forced labor risks where relevant.
- Distinction between systemic and incident-based impacts.
- Description of material risks and opportunities arising from dependencies on value chain workers.
- Description of how these IROs relate to CSG's strategy and business model.

This phased approach supports consistency with ESRS implementation timelines while ensuring that future disclosures are robust, decision-useful, and aligned with the maturity of CSG's value chain management processes.

3.3. Affected Communities

Omission Considerations

Following the outcome of the DMA, IROs related to affected communities have been assessed as material for CSG. The assessment identified potential actual and potential impacts on communities connected to CSG's own operations and value chain, including impacts through its products, services, and business relationships.

For the current reporting period, CSG has applied the phase-in provisions available under the "quick-fix" delegated act adopted by the European Commission in July 11 2025 under Directive (EU) 2022/2464 (CSRD). In accordance with these provisions, CSG has not disclosed the full set of information required under ESRS S3 and ESRS 2

SBM-3 paragraph 48 in relation to affected communities in this reporting period, despite the topic being assessed as material.

During the phase-in period, CSG is focusing on further developing the foundations needed for future disclosures on affected communities. These foundations include:

- Strengthening the identification and mapping of communities potentially affected by CSG's operations and value chain activities.
- Integrating community-related considerations more systematically into IRO assessment processes.
- Further aligning internal governance, due diligence, and risk management processes related to community impacts.
- Preparing methodologies and internal guidance to support consistent and comparable disclosures across geographies and activities.

As these preparatory steps progress, CSG expects to expand the scope and depth of its disclosures on affected communities. From the 2027 reporting year onward, readers can expect disclosures to include, among others:

- A clearer description of the types of affected communities, including communities living or working near operational sites, communities along the value chain, and, where relevant, communities at the endpoints of the value chain.
- Information on whether impacts are systemic or related to individual incidents, including impacts linked to environmental and climate-related factors.
- Description of material positive impacts arising from CSG's activities and the communities that benefit from them.
- Identification of material risks and opportunities arising from dependencies on affected communities.
- Explanation of how these IROs relate to and inform CSG's strategy and business model.

This phased approach ensures alignment with ESRS implementation timelines while supporting the development of robust, decision-useful disclosures on affected communities that reflect the scale, nature, and geographic diversity of CSG's operations and value chain.

3.4. Consumers and End-users

Omission Considerations

Following the outcome of the DMA, IROs related to consumers and end-users have been assessed as material for CSG. The assessment identified potential actual and potential impacts connected to CSG's products, services, and business relationships, including impacts related to product safety, responsible use of products and services, and the protection of consumer and end-user rights.

For the current reporting period, CSG has applied the phase-in provisions available under the "quick-fix" delegated act adopted by the European Commission in July 11 2025 under Directive (EU) 2022/2464 (CSRD). In line with these provisions, CSG has not disclosed the full set of information required under ESRS S4 and ESRS 2 SBM-3 paragraph 48 in relation to consumers and end-users for this reporting period, notwithstanding the materiality of the topic.

During the phase-in period, CSG is focusing on strengthening the foundations required for future disclosures, including:

- Further clarifying the mapping of consumers and end-users across different products, services, and markets.
- Integrating consumer- and end-user-related considerations more systematically into IRO assessment processes.
- Aligning internal governance, product management, data protection, and risk management processes relevant to consumer and end-user impacts.
- Preparing methodologies and internal guidance to support consistent and comparable disclosures across business segments and geographies.

As these preparatory steps advance, CSG expects to progressively expand the scope and depth of its disclosures on consumers and end-users. From the 2027 reporting year onward, readers can expect disclosures to include, among others:

- A clearer description of the types of consumers and end-users potentially affected, including those dependent on accurate product information, those potentially exposed to health or safety risks, and those whose privacy or data protection rights may be relevant.
- Information on whether material impacts are systemic or related to individual incidents or specific business relationships.
- Description of material positive impacts arising from product design, information provision, or responsible sales practices, and the groups of consumers or end-users benefiting from them.
- Identification of material risks and opportunities arising from dependencies on consumers and end-users.
- Explanation of how these IROs relate to and inform CSG's strategy and business model.

This phased approach ensures alignment with ESRS implementation timelines while supporting the development of robust, decision-useful disclosures on consumers and end-users that appropriately reflect the diversity of CSG's products, services, and markets.





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Reporting Subsidiaries

Within the scope of non-financial data reporting in 2025

4. Governance—Business Conduct

This section explains how CSG manages governance and business conduct matters across its operations and value chain. It describes the identification of material IROs connected to ethical business conduct, corporate culture, anti-corruption and anti-bribery practices, responsible business relationships, supplier oversight, and internal control and compliance mechanisms. The section outlines how governance-related considerations are integrated into CSG's materiality assessment, internal control framework and risk management processes. It also explains the policies, reporting channels, investigation procedures and oversight mechanisms in place to prevent, detect and address potential misconduct or compliance breaches. For the full list of material IROs related to Governance please refer to Annex 3.



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4.1. General Disclosures Related to Governance

4.1.1. Roles and Responsibilities of Administrative, Management, and Supervisory Bodies

Role of Administrative, Management, and Supervisory Bodies Related to Business Conduct

Oversight of business conduct at CSG is embedded in CSG's governance framework and supported by formal policies, including the Code of Ethics, the Compliance Policy, and the Whistleblower Protection Policy. These policies set out expectations regarding ethical behavior, integrity, anti-corruption, and compliance with applicable laws and internal standards.

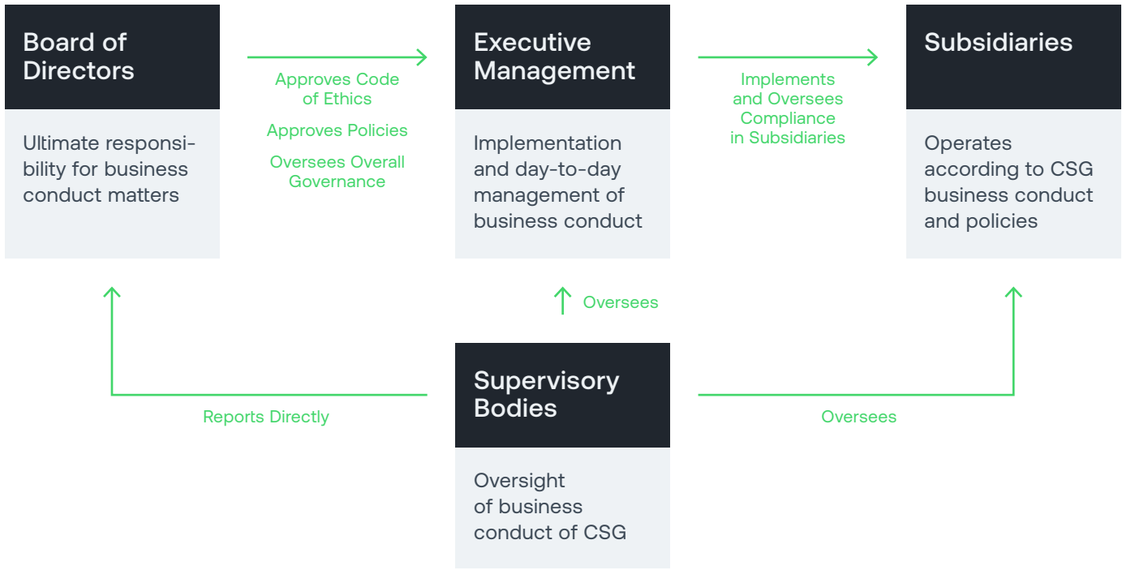
The Board of Directors, as the highest administrative and supervisory body, has ultimate responsibility for business conduct matters. The Board approves the Code of Ethics and key compliance-related policies, oversees the overall governance and compliance framework, and monitors significant business conduct and integrity risks. The Board is informed on a quarterly basis about material compliance issues, whistleblowing cases, and investigations, and it ensures that appropriate corrective or disciplinary actions are taken where required.

The management bodies, acting through executive management, are responsible for the implementation and day-to-day management of business conduct requirements across CSG. This includes translating Board-approved policies into operational procedures, ensuring their consistent application across subsidiaries, and integrating business conduct considerations into operational decision-making. Executive management is also responsible for allocating resources to compliance functions and ensuring that identified business conduct risks are addressed in a timely manner.

Oversight and coordination of business conduct matters are further supported by designated compliance and ethics functions, which operate under a formal mandate to monitor compliance with internal policies and applicable legislation. These functions report through defined reporting lines to senior management and, where relevant, directly to the Board of Directors on significant matters, including serious breaches, systemic issues, and high-risk cases.

Supervisory bodies and control functions, including internal control and risk management roles, contribute to the oversight of business conduct by reviewing the effectiveness of controls, supporting investigations where necessary, and providing assurance on the functioning of the business conduct framework.

Oversight of Business Conduct at CSG Visualization 17



Expertise of Administrative, Management, and Supervisory Bodies on Business Conduct Matters

Members of CSG's administrative, management, and supervisory bodies collectively bring relevant expertise and professional experience in business conduct matters, including corporate governance, legal compliance, risk management, internal controls, and ethical leadership.

The Board of Directors includes members with professional backgrounds in law, finance, corporate management, and regulated industries, providing experience relevant to overseeing ethical conduct, anti-corruption measures, and compliance with applicable legal and regulatory frameworks. Board members regularly review and approve governance and compliance policies and are experienced in assessing integrity risks and overseeing corrective actions.

Furthermore, members of administrative, management and supervisory bodies enhance and maintain their ESG-related expertise through structured cooperation with the Sustainability Committee, which provides subject-matter input on sustainability and governance topics, as well as through targeted training programs focused on ESG developments, regulatory expectations and responsible business conduct practices.

Members of executive management have operational and managerial experience in implementing governance frameworks, compliance programs, and internal control systems across complex, multi-entity organizations. Their professional backgrounds typically include senior leadership roles with responsibility for compliance, risk management, internal audit, or legal affairs, enabling effective management of business conduct requirements at both the CSG and subsidiary levels.

In addition, business conduct oversight is supported by designated compliance and ethics roles, staffed by professionals with relevant qualifications and experience in areas such as compliance, legal advisory, internal controls, and ethics management. These functions provide subject-matter expertise, guidance to management and employees, and independent input to administrative and supervisory bodies.

Ongoing training and awareness activities are provided to members of administrative, management and supervisory bodies to ensure continued familiarity with evolving regulatory requirements, ethical standards, and best practices in business conduct. This includes briefings on material compliance risks, updates to the Code of Ethics, and developments in relevant legislation.

4.1.2. Management of Impacts, Risks, and Opportunities Related to Business Conduct

The material governance-related IROs primarily concern ethical conduct, anti-corruption and anti-bribery, compliance with applicable laws and regulations, transparency in business relationships, and oversight of value chain conduct. They also include risks related to weak internal controls, misconduct, regulatory breaches, reputational damage, and loss of stakeholder trust. In addition, opportunities have been identified in connection with strengthening corporate culture, enhancing transparency, improving stakeholder confidence, and maintaining access to markets and financing.

Processes to Identify and Assess Material Impacts, Risks, and Opportunities

The process used to identify and assess material IROs related to business conduct matters follows the unified methodology applied across all sustainability topics. This process considers a defined set of criteria, including location, type of activity and sector, in order to identify areas with heightened exposure to business conduct risks.

The assessment takes into account differences in regulatory environments, operational contexts, and business models across CSG's entities and markets, as well as the nature of relationships with customers, suppliers, and other business partners. These criteria are applied consistently to both actual and potential impacts and to risks and opportunities arising from business conduct matters.

A detailed description of the methodology, criteria, and assessment steps applied is provided in chapter 1.4.1. Process to Identify and Assess Material Impacts, Risks, and Opportunities (ESRS 2.IRO-1), which applies equally to business conduct matters and other sustainability topics covered in this Consolidated Sustainability Statement.

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4.2. Taking Action on Material Impacts on Governance and Business Conduct

During the reporting period, CSG did not adopt standalone action plans dedicated exclusively to governance or business conduct matters beyond the implementation and ongoing application of its existing governance framework. This framework includes the Code of Ethics, Compliance Policy, Whistleblower Protection Policy, and related internal controls.

CSG has not set specific time-bound, measurable targets dedicated solely to governance and business conduct matters. As a result, no separate action plans linked to quantified governance targets have been defined for the reporting period.

Key Actions Taken and Planned and Expected Outcomes

During the reporting year, CSG continued to implement and strengthen its governance and compliance framework. This included regular compliance training, monitoring of whistleblowing cases, oversight of corruption and bribery risks, and periodic review of internal policies.

No additional dedicated governance action plans were formally adopted beyond these established mechanisms. Accordingly, CSG does not disclose specific milestones or quantified expected outcomes linked to governance-related targets for the reporting period.

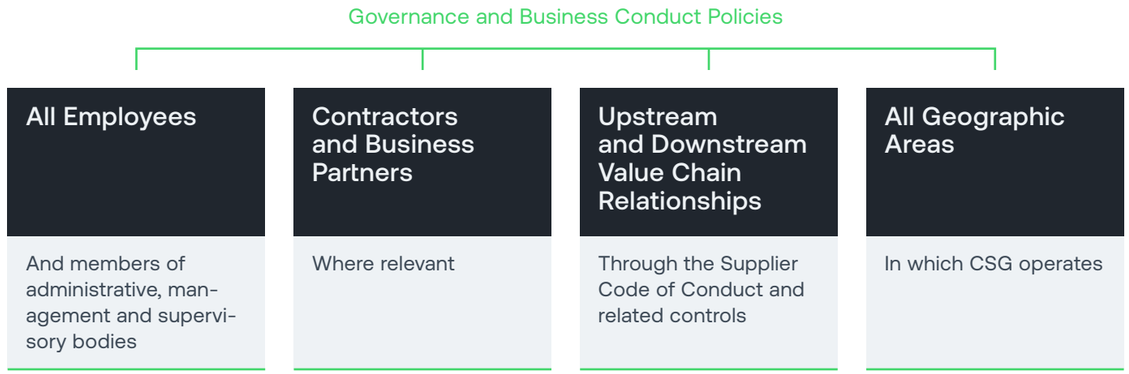


Scope of Actions, Including Value Chain and Geographies

Governance and business conduct policies apply across all CSG subsidiaries and operations. They cover:

Coverage of Governance and Business Conduct Policies

Visualization 18



As no separate action plan was adopted, no additional scope limitations or phased rollouts were defined.

Time Horizons

No specific time horizons are defined for governance-related action plans, as governance and business conduct controls are implemented as ongoing and continuous processes within CSG's internal control framework.

Mitigation Approach

CSG addresses governance and business conduct impacts through preventive and corrective mechanisms embedded in its compliance framework. These include:

- Clear policy prohibitions on corruption, bribery and unethical conduct;
- Due diligence and business partner vetting;
- Confidential whistleblowing mechanisms;
- Investigation procedures and corrective measures; and
- Oversight by the Compliance function and reporting to senior governance bodies.

The approach is designed to prevent, detect and remediate misconduct in a structured and consistent manner.

Resources Allocated to Actions

CSG allocates operational resources to the Compliance function and related governance structures, including personnel, training, internal controls and monitoring systems. These resources are embedded within existing operational budgets rather than assigned to a separate governance action plan.

No specific CapEx or OpEx has been allocated to standalone governance or business conduct action plans during the reporting period.

Forward-Looking Considerations

CSG recognizes that governance and business conduct risks may evolve due to regulatory developments, geographic expansion or changes in the business model. CSG will continue to monitor the effectiveness of its compliance framework and may define more structured targets or formalized action plans in future reporting periods if required.

Any future governance-specific targets, action plans or dedicated resource allocations will be disclosed in line with ESRS G1 and ESRS 2 MDR-A requirements.

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4.3. Targets Related to Governance and Business Conduct

As of the reporting date, CSG has not set any measurable, outcome-oriented or time-bound targets specifically dedicated to governance and business conduct matters. Accordingly, CSG does not disclose governance-related quantitative targets under ESRS G1 for the reporting period.

Relationship to Policies and Material Impacts, Risks, and Opportunities

CSG has implemented a comprehensive governance and compliance framework, including the Code of Ethics, Compliance Policy, Whistleblower Protection Policy and related internal controls. During the reporting period, the focus was on the consistent application of these policies, strengthening internal controls, and monitoring material governance-related IROs identified through the DMA.

The formal definition of measurable governance targets was not prioritized at this stage, as the emphasis remained on embedding and maturing the existing compliance framework.

Scope and Coverage of Targets

As no governance-specific targets have been set, CSG does not disclose targets relating to:

- The reduction of corruption or bribery incidents through quantified thresholds;
- Specific time-bound improvements in whistleblowing case resolution metrics;
- Quantified improvements in compliance training coverage; or
- Defined performance indicators linked to governance culture or ethical conduct outcomes.

Baselines, Time Horizons, and Methodologies

CSG has not defined baseline values, base years, target years, interim milestones, levels of ambition or formal target-setting methodologies for governance and business conduct matters, as no measurable targets were applicable for the reporting period.

Tracking Effectiveness in the Absence of Targets

In the absence of outcome-oriented quantitative targets, CSG monitors the effectiveness of its governance framework through qualitative and operational indicators, including:

- The number and resolution of whistleblowing cases;
- Internal compliance monitoring and investigations;
- Audit findings and remediation measures;
- Periodic review and update of governance-related policies; and
- Oversight by the Compliance function and governance bodies.

This approach enables CSG to assess the functioning of its governance framework without relying on predefined quantitative targets.

Stakeholder Involvement

No stakeholders were involved in the setting of governance-related targets, as no such targets have been adopted.

Forward-Looking Considerations

CSG recognizes that the establishment of measurable governance-related targets may become relevant as the maturity of internal monitoring systems increases and regulatory expectations evolve.

Following further development of internal metrics, benchmarking practices and risk assessment processes, CSG will consider whether to define governance-related targets and associated performance indicators. Any such targets will be disclosed in future reporting periods in accordance with ESRS G1 and ESRS 2 MDR-T requirements, including scope, methodologies and progress tracking.

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4.4. Business Conduct Policies and Corporate Culture



All policies related to business conduct and corporate culture are formally overseen and approved by the Board of Directors of CSG. The Board of Directors represents the highest level of governance and holds ultimate accountability for the implementation, monitoring and enforcement of these policies across CSG.

Policies Related to Business Conduct and Corporate Culture

Please refer to Annex 8 for the complete overview of policies related to business conduct and corporate culture.

Establishment, Development, Promotion and Evaluation of Corporate Culture

CSG establishes its corporate culture through a clear set of values, policies, and governance arrangements that emphasize ethical behavior, transparency, and compliance with applicable laws and internal standards. CSG's corporate values are summarized in the principle "Heart. Heritage. Horizon." These values reflect CSG's approach to business conduct and long-term development. In practice, they express the expectation that CSG acts as a reliable partner to customers, suppliers and employees, develops and applies innovative technological solutions, builds on the industrial heritage that underpins its operations, and continuously seeks opportunities for sustainable growth while respecting social responsibility and ethical principles.

The Code of Ethics defines the core principles and behavioral expectations applicable to all employees, management, and members of governing bodies, while the Compliance Policy sets out responsibilities for governance, monitoring, and internal communication.

The development and promotion of corporate culture are supported by structured processes, including internal com-

munication, leadership oversight, and training activities. Ethical conduct and compliance expectations are integrated into human resources processes, such as onboarding, training, performance management, and disciplinary procedures, reinforcing accountability and consistent application across CSG. Management and supervisory bodies play an active role in promoting ethical behavior by setting the tone at the top and demonstrating expected standards through their actions and decisions.

CSG evaluates its corporate culture through a combination of monitoring and assurance mechanisms. These include internal controls, audits, stakeholder feedback, and the operation of reporting and whistleblowing systems. Information from these processes is used to identify potential weaknesses, monitor trends, and implement corrective or preventive measures where necessary.

In addition, CSG's governance structure, including the Sustainability Committee, supports alignment between corporate culture, ethical conduct, sustainability considerations, and strategic decision-making, ensuring that business conduct expectations are consistently reflected in the management and oversight of CSG's operations.

Mechanisms for Identifying, Reporting and Investigating Business Conduct Concerns

CSG has established formal mechanisms that enable the identification, reporting and investigation of concerns related to unlawful conduct or behavior that breaches its Code of Ethics or other internal rules, in line with applicable national legislation implementing Directive (EU) 2019/1937 on the protection of persons who report breaches of Union law. These mechanisms form part of CSG's broader Compliance Program and are governed by the Whistleblower Protection Policy.

The Whistleblower Protection Policy defines confidential reporting channels and sets out the procedures for receiving, assessing, investigating, and resolving reported concerns. The mechanisms are designed to enable the reporting of suspected breaches of law, ethical standards, or internal policies in a secure and confidential manner.

Reporting channels are accessible to both internal and external stakeholders, including employees, contractors, business partners, suppliers, and other relevant parties. Reports can be submitted anonymously where permitted by applicable law. The reporting process includes safeguards to protect the confidentiality of the reporting person and to prevent retaliation.

The Compliance Department is responsible for the intake, assessment, and coordination of investigations of reported concerns. All credible allegations are reviewed and investigated in a proportionate and impartial manner, with appropriate follow-up actions taken where required. Where reports involve external business relationships, such as suppliers or dealers, they are assessed and addressed using the same standards and procedures as those relating to internal matters.

The Compliance Department operates under defined reporting lines and has the ability to escalate significant cases directly to the Board of Directors, ensuring appropriate oversight and effective resolution of material business conduct issues.

Internal Reporting Channels and Awareness

CSG has established internal whistleblower reporting channels that allow concerns related to unlawful behavior or breaches of internal rules to be reported in a secure and confidential manner. These channels are available to CSG's own workers and, where applicable, to external stakeholders as well. They include:

- **Secure Web-Based Reporting Platform**
  Accessible online and via a mobile application, which enables confidential and, if desired, fully anonymous reporting. The platform allows two-way follow-up communication, including the exchange of documents, and is available continuously. Reports submitted through the platform are received and assessed by an independent competent person.
- **Dedicated Telephone Channel**
  Enabling the submission of reports through a recorded voice message.
- **In-Person Reporting**
  Allowing individuals to submit concerns directly to a designated responsible person within the organization.
- **External Reporting Channel**
  Operated by the competent public authority in accordance with applicable whistleblower protection legislation, for matters falling within the scope of relevant legal requirements.

All channels are designed to ensure confidentiality, impartial assessment and appropriate follow-up in line with internal policies and applicable law.

Information about the availability of reporting channels and how to use them is communicated to employees through internal policies, onboarding materials, and internal communication tools. Training and awareness activities are used to ensure that employees understand how to raise concerns and are aware of their rights and protections when doing so.

Reports are received and handled by designated and trained personnel within the compliance function. Staff responsible for receiving and assessing reports are trained to handle notifications impartially, confidentially, and in line with legal requirements, including data protection and whistleblower protection obligations.

Protection against Retaliation

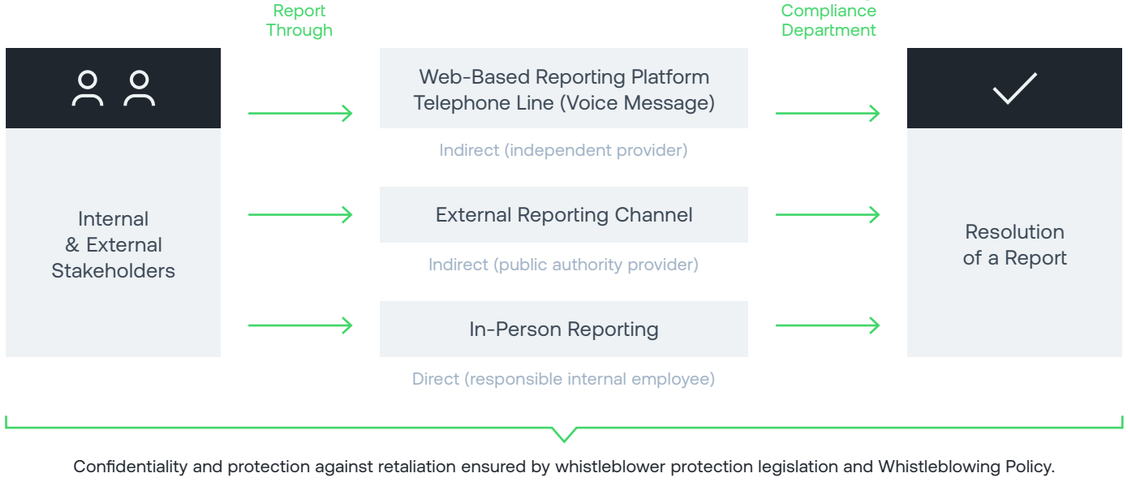
CSG prohibits any form of retaliation against whistleblowers who report concerns in good faith. The protective measures include safeguards to preserve the confidentiality of the whistleblower's identity, restrictions on access to information related to reports, and defined procedures for the investigation and resolution of cases.

Any act of retaliation against a whistleblower constitutes a breach of internal policies and may result in disciplinary action. These protections apply in accordance with applicable national laws and are overseen by the compliance function, with escalation to senior management or the Board of Directors where required.

Through these measures, CSG aims to ensure that whistleblowers can raise concerns safely and confidently, supporting a culture of transparency, integrity, and accountability.

Visualization of the Whistleblowing Process

Visualization 19



Procedures for Independent Business Conduct Investigations

Beyond the procedures in place for following-up on whistleblower reports, CSG has established procedures to investigate business conduct incidents, including incidents related to corruption, bribery, and other breaches of the Code of Ethics or internal policies.

These investigation procedures are designed to ensure that incidents are handled promptly, independently, and objectively. Investigations are coordinated by the compliance unit, which operates under a defined mandate and with appropriate authority to access relevant information, documentation, and personnel. Where necessary, investigations may involve other internal control units or external experts to ensure independence and technical adequacy.

Investigations are conducted in line with established internal procedures, which include the assessment of allegations, fact-finding, documentation of findings, and determination of appropriate corrective or disciplinary measures. The process ensures confidentiality, respect for due process, and compliance with applicable legal and data protection requirements.

Material incidents, systemic issues, or cases involving senior management are escalated through defined reporting lines to senior management and, where appropriate, to the Board of Directors, ensuring oversight and accountability. This framework enables CSG to respond effectively to business conduct incidents and to take corrective actions aimed at preventing recurrence.

Anti-Corruption and Anti-Bribery Policies

CSG has established anti-corruption and anti-bribery policies that are consistent with internationally recognized standards, including the principles set out in the United Nations Convention against Corruption.

These principles apply to all employees, management and members of governing bodies. The Compliance Policy further reinforces these commitments by defining preventive measures, internal controls, due diligence processes, and requirements for the assessment and monitoring of corruption risks.

In addition, CSG extends its anti-corruption and anti-bribery expectations beyond its own workforce through the Supplier Code of Conduct and relevant provisions in its Sales Policy, which set standards for ethical behavior and integrity for suppliers, dealers, and customer-facing activities.

The Code of Ethics explicitly prohibits

✕ Corrupt practices including bribery	✕ Facilitation payments	✕ Improper gifts or hospitality	✕ Any form of undue influence

Animal Welfare Policies in Place

The topic of animal welfare is not applicable to CSG's business operations and the respective sustainability matter is assessed as immaterial. CSG does not conduct activities involving animals or animal-derived materials, and therefore no animal welfare policy has been developed or is planned.

Business Conduct Training Policy

CSG has established a policy for training on business conduct that is designed to ensure awareness, understanding, and consistent application of ethical and compliance standards across the organization. Training on business conduct is provided to members of administrative, management and supervisory bodies, as well as to employees in roles with heightened exposure to business conduct risks.

Business conduct training is delivered on a regular basis, typically annually, and is adapted to the responsibilities and risk exposure of the target audience. For members of governing bodies and senior management, the training focuses on governance responsibilities, oversight of ethical conduct, compliance obligations, and decision-making in line with the Code of Ethics. For other employees, training covers key principles of ethical behavior, anti-corruption and anti-bribery rules, conflicts of interest, and the use of reporting and whistleblowing mechanisms.

The depth of training is proportionate to the role and level of responsibility of participants. Training may include policy briefings, case-based discussions, and updates on relevant legal or regulatory developments. Completion of training is monitored through internal processes to support accountability and continuous improvement.

Functions at Highest Risk of Corruption and Bribery

CSG has identified that the risk of corruption and bribery is not uniform across the organization and may be higher in certain functions due to the nature of their activities, level of external interaction, or decision-making authority.

Functions considered to be more exposed to corruption and bribery risks typically include:

- **Procurement and Sourcing Functions**
  Due to interactions with suppliers, contractors, and service providers, including contract negotiation and supplier selection.
- **Sales, Marketing, and Commercial Functions**
  Particularly where activities involve contract negotiations, pricing decisions, customer relationships, or intermediaries.
- **Business Development and Strategic Partnerships**
  Where decisions may involve new markets, joint ventures, or third-party engagements.
- **Functions Interacting with Public Authorities or State-Owned Entities**
  Including licensing, permitting, customs, or regulatory interactions.
- **Senior Management and Decision-Making Roles**
  Where authority over significant transactions or strategic decisions may increase exposure to integrity risks.

These functions are subject to enhanced controls, including policy requirements, segregation of duties, approval thresholds, due diligence of business partners, and targeted training on anti-corruption and anti-bribery rules. Oversight is provided through the compliance framework and internal control processes to mitigate identified risks.

Identified Insufficiencies in Actions Taken to Address Breaches [1]

During the reporting period, CSG did not identify any insufficiencies in the actions taken to address breaches of internal procedures, policies, or applicable standards related to business conduct.

This conclusion is based on information obtained through established monitoring and control mechanisms, including the operation of reporting and whistleblowing channels, compliance reviews, internal controls, and management oversight. Where potential breaches or concerns were identified, they were assessed and addressed in accordance with internal procedures, including investigation, corrective measures, and follow-up actions where necessary.

The absence of identified insufficiencies indicates that the existing processes for detecting, investigating, and remediating breaches of procedures and standards functioned as intended during the reporting period. CSG continues to monitor the effectiveness of these processes and will update its approach if gaps or weaknesses are identified in future periods.

Exposure to Civilian Firearms

Ammunition production represents an important—though from a revenue perspective—secondary, component of CSG's business activities (see chapter Two Core Business Segments of the Strategic Review). These activities are carried out by subsidiaries operating within the Ammo+ segment and the Ammunition subsector (see Table 3 in chapter 1.1.1 General Basis for Preparation of the Consolidated Sustainability Statement (ESRS 2.BP-1)).

Production and distribution take place in Europe and the United States, while exposure to the civilian market occurs primarily in the United States, where the sale of ammunition to civilian customers is permitted under applicable federal and state laws. In Europe and the United Kingdom, access to ammunition is restricted to licensed civilian users holding valid permits issued under the relevant European Union regulatory frameworks or UK law.

Across all markets, ammunition is distributed mainly through licensed dealers who are legally required to sell only to eligible customers in accordance with applicable legislation. CSG and its subsidiaries generally do not sell ammunition directly to civilian customers. A limited exception applies to a small proportion of sales conducted through The Kinetic Group's websites, where transactions are carried out in compliance with applicable federal and state laws.

Alongside regulatory compliance, CSG supports initiatives promoting responsible ammunition use through safety education, communication of responsible use standards, and participation in organizations dedicated to firearm safety and environmental stewardship.

[1] This information does not form part of the mandatory ESRS disclosure requirements and is disclosed voluntarily to address identified stakeholder information needs.

G1-2 | SM_G1-2

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4.5. Management of Relationships with Suppliers

Policy to Prevent Late Payments to SMEs

CSG does not currently have a standalone internal policy designed specifically to prevent late payments to SMEs. Historically, CSG has operated in jurisdictions with well-established legal frameworks governing payment terms, particularly within the European Union, where the EU Late Payment Directive (2011/7/EU) provides the primary standard for timely invoice settlement. These legal requirements, together with internal financial controls and procurement governance, guide timely payment behavior across CSG. As CSG continues its expansion internationally into markets with differing regulatory environments, it may evaluate whether additional internal guidance is needed to support consistent and fair payment practices.

Approach to Supplier Relationships

CSG's approach to supplier relationships is grounded in transparency, ethical conduct, and risk-based oversight. Supplier expectations are defined through the Supplier Code of Conduct, which outlines requirements related to human rights, labor practices, environmental responsibility, and anti-corruption standards. The Compliance Policy and Code of Ethics reinforce expectations for integrity and responsible decision-making in procurement activities.

CSG evaluates supplier risks through structured due diligence processes that consider financial stability, reputational factors, compliance concerns, potential corruption risks, and alignment with CSG's sustainability standards. Engagement with suppliers is informed by ongoing communication, capacity-building activities where relevant, and monitoring mechanisms designed to support responsible performance across the value chain.

Management of Supply Chain Risks and Impacts

CSG manages supply chain risks through:

- Structured assessments;
- Internal controls;
- Monitoring processes supported by the Compliance Policy, Internal Audit Policy; and
- The Supplier Code of Conduct.

Identified risks include inadequate supplier oversight that may lead to quality, ethical, labor, or compliance deficiencies, as well as the possibility of operational disruption or regulatory consequences resulting from supplier non-compliance. Supplier-related risks and misconduct may also be identified through protected reporting mechanisms available to third parties under the Whistleblower Protection Policy. The assessment also recognizes that insufficient controls in parts of the supply chain may create exposure to corruption- or bribery-related risks, which could lead to financial or legal consequences if not effectively mitigated.

Alongside these risks, opportunities have been identified where strong supplier engagement enhances quality, ESG alignment, operational resilience, and innovation, underscoring the importance of responsible sourcing and transparent supplier relationships. Impacts are monitored through established reporting channels, escalation procedures, and periodic reviews. This enables CSG to address risks proactively while supporting supplier relationships that contribute to its broader sustainability objectives.



Social and Environmental Criteria for Supplier Selection

CSG incorporates social and environmental expectations into its supplier selection processes through the Supplier Code of Conduct and associated due diligence requirements. Suppliers are expected:

- To uphold ethical labor practices;
- Avoid human rights violations;
- Comply with environmental regulations; and
- Adhere to anti-corruption and responsible business conduct standards.

Supplier assessments consider compliance risks, sustainability impacts, and alignment with CSG's values and policies. These criteria inform supplier approval decisions and ongoing oversight. Where a supplier presents elevated risks, enhanced monitoring or corrective actions may be implemented to support alignment with CSG's sustainability expectations.

G1-3 | SM_G1_3

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4.6. Prevention and Detection of Corruption and Bribery

Procedures to Prevent, Detect, and Respond to Corruption and Bribery

CSG maintains a structured framework for preventing, detecting, and addressing corruption and bribery risks.

Preventive measures include:

- Compliance risk assessments;
- Business partner vetting; and
- Contractual clauses that reinforce ethical standards.

The Compliance Policy outlines the expectations for lawful conduct and sets procedures for identifying and escalating concerns. Allegations of corruption or bribery may be reported through protected channels established under the Whistleblower Protection Policy.

Detection would occur through:

- Internal controls;
- Audits; and
- Secure reporting channels available to employees and external stakeholders.

There were no allegations of corruption and / or bribery in 2025. However, should an allegation or incident arise, CSG follows defined response procedures that include intake, assessment, documentation, and initiation of an investigation if warranted. Corrective actions may include disciplinary measures, process improvements, or enhanced oversight. Prevention and detection activities are reviewed periodically to drive continuous improvement.

Independence of Investigators

Investigations into corruption or bribery are carried out by Compliance, Internal Audit, or other designated personnel who operate independently from the management structures associated with the matter under review. Investigations triggered by whistleblowing reports follow procedures defined in the Whistleblower Protection Policy to ensure independence from operational management. This independence ensures objective assessment, confidentiality, and protection of the individuals involved in reporting concerns. Cross-functional teams may be used where appropriate, provided that investigator independence is maintained.

Reporting to Governance Bodies

Significant findings from investigations are communicated to administrative, management, and supervisory bodies through established reporting channels. These may include periodic compliance reporting, Internal Audit updates, or case-specific briefings. Governance bodies use this information to oversee corrective actions and ensure the integrity of compliance practices.

Communication of Policies

CSG communicates its anti-corruption expectations through:

- Onboarding and refresher training;
- Internal communication channels; and
- Access to the Code of Ethics and the Compliance Policy.

Employees are required to understand expected behavior, reporting mechanisms, and consequences of non-compliance. Additional communication is directed toward employees with responsibilities in procurement, sales, public-sector engagement, and international transactions.

Suppliers receive anti-corruption expectations through the Supplier Code of Conduct, procurement processes, and contractual requirements that reinforce compliance obligations across the Value Chain.

Anti-Corruption and Anti-Bribery Training

CSG provides training programs that address corruption risks and reinforce ethical behavior. Training covers topics such as red flags for bribery, reporting obligations, and expected conduct. High-risk functions receive tailored content aligned with their responsibilities and exposure. Members of administrative, management, and supervisory bodies receive specialized training to support oversight and governance responsibilities.

Anti-corruption and anti-bribery training is reviewed annually to ensure continued relevance and alignment with regulatory developments and identified risk areas. Completion of training is monitored through internal processes, and training content is adjusted where necessary based on changes in the risk profile or outcomes of compliance monitoring activities.

Anti-Corruption and Anti-Bribery Training Table 78

Priority of Trainings ←

Aspect	Higher-Risk Functions	Managers	Administrative, management, and supervisory bodies (AMSB)	Other Own Workers
Training coverage	Training is systematically provided to functions identified as having elevated exposure to corruption and bribery risks.	Training is provided to managers with decision-making or supervisory responsibilities.	Training is provided to members of administrative, management, and supervisory bodies.	Awareness-level training is provided where relevant.
Participation	100% of at-risk functions participate in mandatory training programs.	Participation is mandatory for managers within scope.	Participation is mandatory for AMSB members.	Participation depends on role and exposure to business conduct risks.
Delivery method	Combination of classroom-based and computer-based training.	Primarily computer-based training, supplemented by targeted briefings where relevant.	Computer-based training and dedicated briefings.	Computer-based or voluntary awareness training.
Typical duration	Proportionate to risk exposure and role; more in-depth for higher-risk functions.	Proportionate to managerial responsibilities.	Focused, role-specific coverage reflecting governance responsibilities.	Introductory or awareness-level coverage.
Training frequency	Required on a regular basis, typically annually.	Required on a regular basis, typically annually.	Required on a periodic basis, typically bi-annually.	Periodic or as part of onboarding and awareness activities.
Topics covered	Definition of corruption and bribery; applicable policies; prohibited practices; procedures for detection and reporting.	Same core topics, with emphasis on oversight and escalation responsibilities.	Same core topics, with emphasis on governance, tone at the top and oversight.	Core principles and reporting channels.

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4.7. Incidents of Corruption or Bribery

Violations of Anti-Corruption and Anti-Bribery Laws

During the reporting period, no convictions for violations of anti-corruption or anti-bribery laws were recorded within CSG. Accordingly, no fines or monetary penalties were imposed in relation to breaches of anti-corruption and anti-bribery legislation.

Anti-Corruption and Anti-Bribery Violations

Table 79

Disclosure Requirement	2024	2024 Restated	2025
Convictions for Violation of Anti-Corruption and Anti-Bribery Laws	0	0	0
Fines for Violations of Anti-Corruption and Anti-Bribery Laws	€ 0	€ 0	€ 0

As no violations were identified, no corrective actions were required or taken to address breaches of anti-corruption and anti-bribery procedures or standards during the reporting period. CSG continues to apply preventive measures, monitoring, and internal controls to mitigate corruption and bribery risks and to ensure ongoing compliance with applicable laws and internal policies.

Whistleblowing Cases[2]

During the 2025 reporting year, CSG received a total of 53 whistleblowing cases through its reporting channels. Reports received through CSG's ethics line typically relate to workplace conduct and compliance with internal policies. Common topics include interpersonal workplace issues, concerns about managerial behavior, potential misuse of company assets, and possible breaches of internal rules or work duties. Of these cases, 50 were resolved within the same reporting year, while the remaining cases continued to be subject to assessment or investigation beyond the year-end's in accordance with internal procedures. Depending on the outcome of the review, cases may remain under investigation, be referred to the relevant internal function (such as legal or HR), be closed if the concern cannot be substantiated, or be closed at the request of the reporting person.

Whistleblowing Cases

Table 80

Disclosure Requirement	2025
Whistleblowing Cases Received	53
Whistleblowing Cases Resolved	50

All whistleblowing cases are handled in line with CSG's established procedures, ensuring confidentiality, impartial assessment, and appropriate follow-up. Cases not resolved within the reporting year remain under review and are addressed in subsequent periods as required.

[2] This information does not form part of the mandatory ESRS disclosure requirements and is disclosed voluntarily to address identified stakeholder information needs.

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4.8. Political Influence and Lobbying Activities

Oversight of Political Influence and Lobbying Activities

Oversight of political influence and lobbying activities is assigned to designated representatives within CSG's administrative, management, and supervisory structures. Oversight includes ensuring compliance with the Sponsoring & Political Contributions Policy, which is approved by the Board of Directors and prohibits political support across all CSG subsidiaries. These representatives ensure that any public policy engagement is aligned with ethical standards and internal policies, including the principles reflected in the Code of Ethics and Compliance Policy.

Financial and In-Kind Political Contributions

CSG does not make direct or indirect political contributions to political parties, candidates, or elected officials. Participation in industry associations is limited to sector representation and policy dialogue and does not involve the provision of political support. Any fees paid to industry associations relate to membership or representation activities and are not intended to finance political parties or electoral activities.

In line with CSG's Sponsoring & Political Contributions Policy, no political contributions are permitted or made.

Political Contributions

Table 81

Disclosure Requirement	2024	2024 Restated	2024 Country	2025	2025 Country
Total monetary value of direct political contributions	€ 0	€ 0	Not Applicable	€ 0	Not Applicable
Total monetary value of indirect political contributions (industry associations)	€ 0	€ 0	Not Applicable	€ 0	Not Applicable

Lobbying Activities and Main Positions

Certain CSG subsidiaries are registered in the EU Transparency Register to ensure transparency when participating in occasional consultations or stakeholder dialogues with EU institutions. Their registration does not reflect lobbying activities but supports transparent participation in relevant policy discussions where appropriate. Any influence on public policy occurs through participation in industry associations that engage in advocacy relevant to the sectors in which CSG operates. The primary topics addressed by these associations relate to regulatory developments, industrial standards, and technological or operational competitiveness within their respective industries. CSG's positions in these contexts support responsible business practices, compliance with applicable regulations, and sustainable development across the value chain.

These topics are connected to material IROs identified in CSG's materiality assessment, including governance integrity, regulatory compliance, and responsible industry collaboration.

Registration in Transparency Registers

CSG discloses the registration of relevant subsidiaries in the EU Transparency Register in line with applicable transparency and lobbying disclosure requirements. These registrations are maintained and updated in accordance with the rules of the respective register, including periodic and annual updates, to ensure accuracy and transparency of the disclosed information.

Registration in Transparency Register

Table 82

Organization name	Transparency register	Registration number	Registration status
CSGM a.s.	EU Transparency Register	172395496647-22	Active
MSM GROUP	EU Transparency Register	2227940101232-30	Active

Appointments of Individuals with Prior Public Administration Roles

During the reporting period, one member of CSG's administrative body held a comparable position in an entity with public ownership within the two years preceding their appointment.

Specifically, Daniel Duchoň, Vice-Chairman of the Board of Directors of ZVS holding, a.s., currently holds a position at Konštrukta – Defence, a state-owned defence design and manufacturing entity in Slovakia. This role falls within the scope of organizations linked to public administration for the purposes of this disclosure.

No other members of CSG's administrative, management or supervisory bodies held comparable positions in public administration, including regulators, during the two years preceding their appointment in the current reporting period.

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4.9. Payment Practices

Average Time to Pay Invoices

For the reporting period, the average time to pay invoices from the date when the contractual or statutory term of payment starts to be calculated is 32.3 days.

Average Time to Pay Invoices in Days

Table 83

Disclosure Requirement	2024	2024 Restated	2025
Average time to pay invoices	24.8	31.7	32.3

Standard Payment Terms

CSG's standard payment terms correspond to the stated due date on the invoice, i.e., the contractual payment deadline from which payment timeliness is assessed. Standard payment terms at CSG are defined as the due date stated on the supplier's invoice, as agreed contractually between the relevant subsidiary and the supplier. These terms represent the contractual or statutory payment period applicable to the transaction.

Standard payment terms may vary by main supplier category depending on the nature of the goods or services provided, contractual arrangements, and local market practices across the countries and sectors in which CSG operates. In general, supplier categories include, for example, production material suppliers, service providers, logistics providers, and capital goods suppliers. The typical payment period is defined in number of days from the invoice date or from the date of receipt of a valid invoice, as contractually agreed.

Based on the data collected for the reporting period, CSG estimates that 60.5% of invoices received during the year were paid by their stated due date.

Standard Payment Terms by Percentage

Table 84

Disclosure Requirement	2024	2024 Restated	2025
Invoices received paid by their stated due date	45.9%	61.4%	60.5%

The disclosed percentage is calculated as the number of invoices paid by their stated due date divided by the total number of invoices received during the reporting period.

The stated due date represents the contractual payment term indicated on the invoice.

Legal Proceedings Related to Late Payments

As of the end of the reporting period, CSG had no legal proceedings outstanding in relation to late payments to suppliers.

Legal Proceedings Related to Late Payments

Table 85

Disclosure Requirement	2024	2024 Restated	2025
Legal Proceedings Related to Late Payments	0	0	0

Context and Methodology

CSG applies contractual payment terms agreed with suppliers in accordance with applicable legal requirements. Payment performance is monitored through internal financial systems and controls to support timely settlement of invoices, including those issued by SMEs.

The average time to pay invoices is calculated centrally at CSG using consolidated subsidiary-level data. Each subsidiary reports the number of invoices received and the average number of days between invoice date and payment date for invoices paid during the reporting period. The CSG average is calculated by weighing each subsidiary's reported average by the number of invoices received, ensuring comparability across subsidiaries of different sizes and providing a transparent basis for consolidation. Unpaid invoices are excluded from the calculation.

Legal proceedings related to late payments, where applicable, reflect disputes or claims that remained unresolved as of the reporting date.



2026

CSG’s listing on Euronext Amsterdam

A new chapter of growth, trust, and global ambition

5. Significant Subsequent Events

Significant Changes After the Reporting Period

This chapter describes material events and changes that occurred after the end of the 2025 reporting period and before the approval of this Consolidated Sustainability Statement. The disclosures are provided in accordance with ESRS 2 Section 7.3 and are intended to inform users of this Consolidated Sustainability Statement about events that may affect the interpretation of current disclosures or the application of sustainability reporting requirements in future reporting periods.

Initial Public Offering and Change in Reporting Entity

After the end of the reporting period, CZECHOSLOVAK GROUP a.s. completed an initial public offering and the admission to trading of shares of CSG N.V. on a regulated market within the Euronext N.V. As a result of this transaction, CSG N.V., a public limited liability company incorporated in the Netherlands, became the listed parent entity of CSG.

This transaction represents a material structural change for sustainability reporting purposes. While the operational activities, business model and consolidation scope of CSG remain unchanged, the IPO has resulted in a change to the legal entity that will act as the reporting entity for future sustainability reporting cycles under the Corporate Sustainability Reporting Directive and the European Sustainability Reporting Standards.

For the 2025 reporting period, CZECHOSLOVAK GROUP a.s. remains the reporting entity for the purposes of this Consolidated Sustainability Statement.

Implications for Governance and Sustainability Reporting

The change in reporting entity has direct implications for governance, oversight and the formal adoption of sustainability-related frameworks.

Following the IPO, responsibility for strategic oversight, governance arrangements, and the approval of policies, targets and incentive mechanisms has transitioned to the administrative, management and supervisory bodies of CSG N.V. Accordingly, decisions relating to sustainability target setting and sustainability-linked remuneration will be taken under the governance framework of CSG N.V. and will apply from the reporting period in which CSG N.V. acts as the reporting entity.

Due to this change, disclosures in the 2025 reporting period are limited to arrangements, practices and outcomes applicable to CZECHOSLOVAK GROUP a.s. during the reporting period. Where relevant, references are provided to this section to explain why certain forward-looking disclosures are not formally attributed to the reporting entity for 2025.

Impact on Sustainability Targets and Incentive Schemes

During the 2025 reporting period, CSG developed the structure and governance approach for sustainability targets, including climate-related targets, and the integration of sustainability considerations into remuneration frameworks. However, these frameworks were not formally adopted at the level of the 2025 reporting entity.

This is due to the fact that the authority to approve and oversee sustainability targets and sustainability-linked incentive schemes will reside with the governing bodies of CSG N.V. following the IPO.

Disclosures in topical ESRS chapters, including those relating to climate targets and incentive schemes, therefore reflect the situation applicable to CZECHOSLOVAK GROUP a.s. during the reporting period and include cross-references to this section where appropriate.

Forward-Looking Reporting Considerations

CSG intends to further develop and formalize sustainability governance, target setting and performance management following the transition to CSG N.V. as the reporting entity. In subsequent reporting periods, sustainability disclosures are expected to reflect:

- The adoption of ESRS-aligned sustainability targets, including climate-related targets; and
- The implementation of sustainability-linked remuneration mechanisms under the governance framework of CSG N.V.

These matters will be disclosed in the relevant topical sections of future sustainability statements once they become applicable to the reporting entity.

Summary of Material Consequences

The IPO and resulting change in reporting entity constitute a material post-reporting period event with implications for governance, sustainability target setting and incentive disclosures. The effects of this change have been transparently disclosed in this section and are cross-referenced throughout this Consolidated Sustainability Statement where relevant to support clarity, consistency and comparability across reporting periods.

Events in the Middle East

CSG's direct exposure to countries in the Middle East is limited and not material to its overall operations. Based on information currently available, management does not expect developments involving Iran to have a material impact on CSG's operations. CSG continues to monitor developments in the region and will assess any potential impacts as circumstances evolve. Developments in the region do not have any impact on the information presented in this Consolidated Sustainability Statement.

6. Annexes

Annex 1— Flow-Type Data Points

ID	DR	Paragraph	Name
S1-6_11	S1-6	50 c	Number of employees who have left undertaking
S1-6_12	S1-6	50 c	Percentage of employee turnover
S1-13_01	S1-13	83 a	Training and skills development indicators gender [table]
S1-13_03	S1-13	83 b	Average number of training hours by gender [table]
S1-13_04	S1-13	83 b	Average number of training hours per person for employees
S1-14_04	S1-14	88 b-d	Number of recordable work-related accidents, fatalities and ill health for own workforce
S1-14_05	S1-14	88 c	Rate of recordable work-related accidents for own workforce
S1-14_07	S1-14	88 e	Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health related to employees
S1-14_08	S1-14	89	Number of cases of recordable work-related ill health of non-employees
S1-14_09	S1-14	89	Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health related to non-employees
S1-16_01	S1-16	97 a	Gender pay gap
S1-16_02	S1-16	97 b	Annual total remuneration ratio
S1-16_04	S1-16	98	Gender pay gap breakdown by employee category and/or country/segment [table]
S1-16_05	S1-16	98	Gender pay gap breakdown by employee category and ordinary basic salary and complementary/variable components
S1-16_06	S1-16	99	Remuneration ratio adjusted for purchasing power differences between countries
S1-17_01	S1-17	103 a	Number of incidents of discrimination [table]
S1-17_03	S1-17	103 b	Number of complaints filed through channels for people in own workforce to raise concerns
S1-17_05	S1-17	103 c	Amount of fines, penalties, and compensation for damages as result of incidents of discrimination, including harassment and complaints filed
S1-17_08	S1-17	104 a	Number of severe human rights issues and incidents connected to own workforce

Annex 2 — Disclosure Requirements Deriving from Other EU Legislation

Disclosure Requirement and Related Datapoint	SFDR	Pillar 3	Benchmark Regulation	EU Climate Law	Chapter
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II		1.2.1. Role of Administrative, Management, and Supervisory Bodies (ESRS2.GOV-1)
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		1.2.1. Role of Administrative, Management, and Supervisory Bodies (ESRS2.GOV-1)
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				1.2.4. Statement on Due Diligence (ESRS2.GOV-4)
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		1.3.1. Strategy, Business Model, and Value Chain (ESRS2.SBM-1)
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		1.3.1. Strategy, Business Model, and Value Chain (ESRS2.SBM-1)
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		1.3.1. Strategy, Business Model, and Value Chain (ESRS2.SBM-1)
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		1.3.1. Strategy, Business Model, and Value Chain (ESRS2.SBM-1)
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	2.2.2. Transition Plan for Climate Change Mitigation (E1-1)
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g), and Article 12.2		2.2.2. Transition Plan for Climate Change Mitigation (E1-1)
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		2.2.5. Targets Related to Climate Change Mitigation and Adaptation (E1-4)
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator number 5 Table #2 of Annex 1				2.2.6. Energy Consumption and Mix (E1-5)
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				2.2.6. Energy Consumption and Mix (E1-5)
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				2.2.6. Energy Consumption and Mix (E1-5)
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		2.2.7. Gross Scopes 1, 2, 3 and Total GHG Emissions (E1-6)
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		2.2.7. Gross Scopes 1, 2, 3 and Total GHG Emissions (E1-6)
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	2.2.8. GHG Removals and GHG Mitigation Projects Financed through Carbon Credits (E1-7)
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		2.2.10. Anticipated Financial Effects from Material Physical Risks (E1-9)

Disclosure Requirement and Related Datapoint	SFDR	Pillar 3	Benchmark Regulation	EU Climate Law	Chapter
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book—Climate change physical risk: Exposures subject to physical risk.			2.2.10. Anticipated Financial Effects from Material Physical Risks (E1-9)
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book—Climate change transition risk: Loans collateralized by immovable property - Energy efficiency of the collateral			2.2.10. Anticipated Financial Effects from Material Physical Risks (E1-9)
ESRS E1-9 Degree of exposure of the portfolio to climate- related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		2.2.10. Anticipated Financial Effects from Material Physical Risks (E1-9)
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				2.3.5. Pollution of Air (E2-4) 2.3.6. Pollution of Water (E2-4)
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				2.4.2. Policies Related to Water and Marine Resources (E3-1)
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				2.4.2. Policies Related to Water and Marine Resources (E3-1)
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				2.4.2. Policies Related to Water and Marine Resources (E3-1)
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				2.4.5. Water Consumption (E3-4)
ESRS E3-4 Total water consumption in m 3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				2.4.5. Water Consumption (E3-4)
ESRS 2- SBM 3 - E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				2.5.1 Material impacts, risks, and opportunities and their interaction with biodiversity and ecosystems strategy and business model (E4.SBM-3) [Not Material]
ESRS 2- SBM 3 - E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				2.5.1 Material impacts, risks, and opportunities and their interaction with biodiversity and ecosystems strategy and business model (E4.SBM-3) [Not Material]
ESRS 2- SBM 3 - E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				2.5.1 Material impacts, risks, and opportunities and their interaction with biodiversity and ecosystems strategy and business model (E4.SBM-3) [Not Material]
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				2.5.1. General Disclosures Related to Biodiversity & Ecosystems (E4.SBM-3)
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				2.5.1. General Disclosures Related to Biodiversity & Ecosystems (E4.SBM-3)
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				2.5.1. General Disclosures Related to Biodiversity & Ecosystems (E4.SBM-3)
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				2.6.6. Resource Outflows (E5-5)
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				2.6.6. Resource Outflows (E5-5)
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				3.1.1. Material Impacts, Risks, and Opportunities and Their Interaction with Strategy and Business Model (S1.SBM-3)
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				3.1.1. Material Impacts, Risks, and Opportunities and Their Interaction with Strategy and Business Model (S1.SBM-3)
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				3.1.2. Policies Related to Own Workforce (S1-1)
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		3.1.2. Policies Related to Own Workforce (S1-1)
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				3.1.2. Policies Related to Own Workforce (S1-1)

Disclosure Requirement and Related Datapoint	SFDR	Pillar 3	Benchmark Regulation	EU Climate Law	Chapter
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				3.1.2. Policies Related to Own Workforce (S1-1)
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				3.1.4. Processes to Remediate Negative Impacts and Channels for Own Workforce to Raise Concerns (S1-3)
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		3.1.15. Health and Safety Metrics (S1-14)
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				3.1.15. Health and Safety Metrics (S1-14)
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		3.1.17. Remuneration Metrics (Pay Gap and Total Remuneration) (S1-16)
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				3.1.17. Remuneration Metrics (Pay Gap and Total Remuneration) (S1-16)
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				3.1.18. Incidents, Complaints, and Severe Human Rights Impacts (S1-17)
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		3.1.18. Incidents, Complaints, and Severe Human Rights Impacts (S1-17)
ESRS 2- SBM3 – S2 Significant risk of child labor or forced labor in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				3.2.1 Material impacts, risks, and opportunities and their interaction with value chain workers strategy and business model (S2.SBM-3) [Quick Fix]
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				3.2.2 Policies related to value chain workers (S2-1) [Quick Fix]
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				3.2.2 Policies related to value chain workers (S2-1)
ESRS S2-1Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		3.2.2 Policies related to value chain workers (S2-1) [Quick Fix]
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		3.2.2 Policies related to value chain workers (S2-1) [Quick Fix]
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				3.2.5 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities (S2-4) [Quick Fix]
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				3.3.2. Policies Related to Affected Communities (S3-1) [Quick Fix]
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		3.3.2. Policies Related to Affected Communities (S3-1) [Quick Fix]
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				3.3.5. Taking Action on Material Impacts on Affected Communities (S3-4) [Quick Fix]
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				3.4.2. Policies Related to Consumers and End-Users (S4-1) [Quick Fix]
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		3.4.2. Policies Related to Consumers and End-Users (S4-1) [Quick Fix]
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				3.4.5. Taking Action on Material Impacts on Consumers and End-Users (S4-4) [Quick Fix]
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				4.4. Business Conduct Policies and Corporate Culture (G1-1)
ESRS G1-1 Protection of whistle-blowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				4.4. Business Conduct Policies and Corporate Culture (G1-1)
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		4.7. Incidents of Corruption or Bribery (G1-4)
ESRS G1-4 Standards of anti- corruption and anti- bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				4.7. Incidents of Corruption or Bribery (G1-4)

Annex 3 — IROs Identified Across Sustainability Matters Covered in this Consolidated Sustainability Statement

Sustainability Matter	Strategic Sustainability Matter	Name	Type	Potential / Actual	Positive / Negative	Time Horizon	Value Chain	Impact Type[1]
SM_E1-1: Transition Plan for Climate Change Mitigation	Strategic	Lack of credible climate transition plan increasing exposure to carbon and regulatory risks	Impact	Actual	Negative	●	Own Activities	Governance and Compliance
		Loss of capital access or customer contracts due to weak transition alignment	Risk			●	Downstream	
		Regulatory penalties or increased costs due to poor climate transition planning	Risk			●	Own Activities	
		Climate-aligned transition plan improving long-term competitiveness and compliance	Impact	Potential	Positive	●	Own Activities	Governance and Compliance
		Operational cost optimization and risk hedging through climate scenario planning	Opportunity			●	Own Activities	
		Preferred supplier status and stronger stakeholder trust via climate leadership	Opportunity			●	Downstream	
SM_E1-2: Management of Climate Change Mitigation & Adaptation	Strategic	Inadequate climate management exposing operations to physical and transitional risks	Impact	Actual	Negative	●	Own Activities	Governance and Compliance
		Operational disruptions from climate events due to poor adaptation planning	Risk			●	Own Activities	
		Compliance failures and climate-related audit issues due to weak climate governance	Risk			●	Own Activities	
		Integrated climate governance strengthening resilience and regulatory readiness	Impact	Potential	Positive	●	Own Activities	Governance and Compliance
		Improved climate ratings and investment attractiveness through structured climate oversight	Opportunity			●	Own Activities	
		Operational continuity and cost efficiency enabled by climate resilience planning	Opportunity			●	Own Activities	
SM_E1-5: Energy Consumption	Strategic	Excessive or inefficient energy use increasing costs and emissions exposure	Impact	Potential	Negative	●	Own Activities	Operational Efficiency
		Escalating energy costs due to lack of efficiency measures	Risk			●	Own Activities	
		Reputational and regulatory exposure from poor energy performance	Risk			●	Own Activities	
		Efficient energy use improving cost structure and climate alignment	Impact	Actual	Positive	●	Own Activities	Operational Efficiency
		Lower operational costs and emissions via energy efficiency programs	Opportunity			●	Own Activities	
		Improved climate and ESG positioning through proactive energy management	Opportunity			●	Own Activities	
SM_E1-6: GHG Emissions	Strategic	High GHG emissions increasing exposure to regulation, cost, and reputational harm	Impact	Potential	Negative	●	Own Activities	Governance and Compliance
		Carbon cost increases or loss of business due to emissions intensity	Risk			●	Downstream	
		Reputational backlash or legal action related to high emissions and lack of transparency	Risk			●	Own Activities	
		Reduced GHG emissions improving resilience and stakeholder alignment	Impact	Actual	Positive	●	Own Activities	Operational Efficiency
		Improved brand, client access, and compliance through low-carbon operations	Opportunity			●	Own Activities	
		Efficiency gains and long-term savings via emissions reduction initiatives	Opportunity			●	Own Activities	
SM_E1-9: Climate Risk Management	Strategic	Insufficient assessment and control of climate-related risks	Impact	Actual	Negative	●	Own Activities	Governance and Compliance
		Financial losses or asset impairment due to unmitigated physical climate risks	Risk			●	Own Activities	
		Stakeholder distrust and non-compliance due to poor climate risk integration	Risk			●	Own Activities	
		Proactive climate risk management enhancing resilience and performance	Impact	Potential	Positive	●	Own Activities	Governance and Compliance
		Improved insurance access, ratings, and cost control from climate risk oversight	Opportunity			●	Own Activities	
		Stronger investor confidence and stakeholder engagement via transparent climate risk practices	Opportunity			●	Own Activities	

● Short-term ● Medium-term ● Long-term

[1] Reflects whether the matter primarily relates to environmental, social or governance topics, while also capturing impacts directly connected to CSG's operational performance and business model. For this reason, items such as "Operational Efficiency" appear in this column, as they represent impacts that are intrinsically linked to the way CSG conducts its activities and generates value, even where they intersect with ESG topics.

Sustainability Matter	Strategic Sustainability Matter	Name	Type	Potential / Actual	Positive / Negative	Time Horizon	Value Chain	Impact Type[1]
SM_E2-1: Pollution Management	Strategic	Inadequate pollution management increasing environmental and compliance risk	Impact	Potential	Negative	●	Own Activities	Environmental
		Fines, production halts, or loss of license due to pollution management violations	Risk			●	Own Activities	
		Poor management leading to pollution incidents that negatively impact environment	Risk			●	Downstream	
		Advanced control of pollution management through clean technologies	Impact	Actual	Positive	●	Own Activities	Technological
		Improved regulatory access and trust through proactive pollution management controls	Opportunity			●	Own Activities	
SM_E2-5: Substances of Concern & Very High Concern	Strategic	Inadequate control of substances of concern & very high concern increasing environmental and compliance risk	Impact	Potential	Negative	●	Own Activities	Environmental
		Fines, production halts, or loss of license due to substances of concern & very high concern violations	Risk			●	Own Activities	
		Inadequate measures in handling substances of concern & very high concern leading to environmental contamination with negative impacts.	Risk			●	Downstream	
		Advanced control of substances of concern & very high concern through clean technologies	Impact	Actual	Positive	●	Own Activities	Technological
		Improved regulatory access and trust through proactive substances of concern & very high concern controls	Opportunity			●	Own Activities	
SM_E2-A: Pollution of Air	Strategic	Inadequate management of pollution of air increasing environmental and compliance risk	Impact	Potential	Negative	●	Own Activities	Environmental
		Fines, production halts, or loss of license due to pollution of air violations	Risk			●	Own Activities	
		Inadequate measures in preventing air pollution leading to environmental contamination with negative impacts.	Risk			●	Downstream	
		Advanced control of pollution of air through clean technologies	Impact	Actual	Positive	●	Own Activities	Technological
		Improved regulatory access and trust through proactive pollution of air controls	Opportunity			●	Own Activities	
SM_E2-B: Pollution of Water		Advanced control of pollution of water through clean technologies	Impact	Potential	Positive	●	Own Activities	Technological
		Inadequate management of pollution of water increasing environmental and compliance risk	Impact	Potential	Positive	●	Own Activities	Environmental
		Improved regulatory access and trust through proactive pollution of water controls	Opportunity			●	Upstream	
		Fines, production halts, or loss of license due to pollution of water violations	Risk			●	Own Activities	
		Pollution of water leading to detrimental consequences for the environment and affected communities	Risk			●	Downstream	
SM_E3-1: Water & Marine Resources Management	Strategic	Excessive water withdrawal contributing to water shortage, especially in the high-water stress areas	Impact	Potential	Negative	●	Own Activities	Environmental
		Regulatory action or fines due to water management failures	Risk			●	Own Activities	
		Water-efficient technologies reducing environmental impact	Impact	Actual	Positive	●	Own Activities	Environmental
		Cost savings and stakeholder credibility from responsible water use	Opportunity			●	Own Activities	
SM_E3-4: Water Consumption	Strategic	High water consumption impacting local availability and increasing regulatory pressure	Impact	Potential	Negative	●	Own Activities	Environmental
		Loss of license or production delays due to unsustainable water usage	Risk			●	Own Activities	
		Over-withdrawal of water in areas of high-water stress, causing negative impacts to affected communities and local environment.	Risk			●	Downstream	
		Reduced water withdrawals through efficient equipment and closed-loop systems	Impact	Actual	Positive	●	Own Activities	Environmental
		Improved cost structure and environmental ratings from reduced water use	Opportunity			●	Own Activities	

● Short-term ● Medium-term ● Long-term

[1] Reflects whether the matter primarily relates to environmental, social or governance topics, while also capturing impacts directly connected to CSG's operational performance and business model. For this reason, items such as "Operational Efficiency" appear in this column, as they represent impacts that are intrinsically linked to the way CSG conducts its activities and generates value, even where they intersect with ESG topics.

Sustainability Matter	Strategic Sustainability Matter	Name	Type	Potential / Actual	Positive / Negative	Time Horizon	Value Chain	Impact Type[1]
SM_E5-1: Resource Use Management	Strategic	Inefficient or excessive resource use increasing costs	Impact	Potential	Negative	●	Own Activities	Environmental
		Exposure to volatile resource prices or penalties due to industry overuse as well as political instability	Risk			●	Own Activities	
		Circularity and lean processes lowering material and energy intensity	Impact	Actual	Positive	●	Own Activities	Environmental
		Increased competitiveness and brand equity from circular resource strategies	Opportunity			●	Own Activities	
SM_E5-4: Resource Inflows	Strategic	Dependence on non-renewable or unstable material inflows	Impact	Actual	Negative	●	Upstream	Strategic and Market
		Price volatility or supply interruption due to inflow constraints	Risk			●	Upstream	
		Substitution of critical raw materials with lower-impact or recycled alternatives	Impact	Actual	Positive	●	Upstream	Technological
		Strengthened ESG profile and cost control through secure and circular inflow strategies	Opportunity			●	Upstream	
SM_E5-A: Product Management		Poor product management increasing cost and customer dissatisfaction	Impact	Potential	Negative	●	Downstream	Environmental
		Reputational or regulatory risk from inadequate product management	Risk			●	Downstream	
		Advanced product management supporting circularity and product quality	Impact	Actual	Positive	●	Downstream	Technological
		Market differentiation through strong product management	Opportunity			●	Downstream	
SM_E5-B: Repairability of Products		Poor repairability of products increasing cost and customer dissatisfaction	Impact	Potential	Negative	●	Downstream	Environmental
		Reputational or regulatory risk from inadequate repairability of products	Risk			●	Downstream	
		Advanced repairability of products supporting circularity and product quality	Impact	Actual	Positive	●	Downstream	Technological
		Market differentiation through strong repairability of products	Opportunity			●	Downstream	
SM_E5-D: Recyclability of Products		Poor recyclability of products increasing cost and customer dissatisfaction	Impact	Potential	Negative	●	Downstream	Environmental
		Reputational or regulatory risk from inadequate recyclability of products	Risk			●	Downstream	
		Advanced recyclability of products supporting circularity and product quality	Impact	Actual	Positive	●	Downstream	Technological
		Market differentiation through strong recyclability of products	Opportunity			●	Downstream	
SM_E5-E: Waste Management	Strategic	Poor waste handling causing environmental or legal harm	Impact	Potential	Negative	●	Own Activities	Environmental
		Fines, cleanup costs, or license loss from waste mismanagement	Risk			●	Own Activities	
		Waste mismanagement leading to poor disposal practices and negative environmental impacts	Risk			●	Downstream	
		Efficient waste segregation and circular practices reducing environmental impact	Impact	Actual	Positive	●	Own Activities	Environmental
		Lower waste costs and improved ESG performance	Opportunity			●	Own Activities	
SM_E5-F: Hazardous Waste Management	Strategic	Improper handling of hazardous waste causing environmental or health damage	Impact	Potential	Negative	●	Own Activities	Environmental
		Legal violations or environmental accidents due to hazardous waste mismanagement	Risk			●	Own Activities	
		Mismanagement of hazardous waste leading to negative environmental impacts as well as negative impacts on communities	Risk			●	Own Activities	
		Secure and compliant hazardous waste protocols reducing long-term risk	Impact	Actual	Positive	●	Own Activities	Environmental
		Improved ESG profile and audit-readiness through safe hazardous waste practices	Opportunity			●	Own Activities	
SM_G1-1: Business Conduct & Corporate Culture	Strategic	Weak ethical culture enabling misconduct or regulatory violations	Impact	Potential	Negative	●	Own Activities	Governance and Compliance
		Scandals or investigations due to governance failures	Risk			●	Own Activities	
		Strong ethical culture including protection of whistleblowers enhancing stakeholders trust and conduct	Impact	Actual	Positive	●	Own Activities	Governance and Compliance
		Enhanced brand reputation and stakeholder confidence	Opportunity			●	Own Activities	

● Short-term ● Medium-term ● Long-term

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Sustainability Matter	Strategic Sustainability Matter	Name	Type	Potential / Actual	Positive / Negative	Time Horizon	Value Chain	Impact Type[1]
SM_G1-2: Management of Relationships With Suppliers	Strategic	Poor supplier oversight leading to quality, ethical, or compliance failures	Impact	Potential	Negative	●	Upstream	Governance and Compliance
		Operational disruption or regulatory penalties due to supplier non-compliance	Risk			●	Upstream	
		Robust supplier engagement improving quality and ESG alignment	Impact	Actual	Positive	●	Upstream	Governance and Compliance
		Improved resilience, innovation, and brand through supplier partnerships	Opportunity			●	Upstream	
SM_G1-3: Prevention & Detection of Corruption & Bribery	Strategic	Inadequate controls allowing corruption or bribery to occur	Impact	Potential	Negative	●	Own Activities	Governance and Compliance
		Fines, legal sanctions, or contract loss due to corruption exposure	Risk			●	Own Activities	
		Strong anti-corruption policies reducing legal and operational risks	Impact	Actual	Positive	●	Own Activities	Governance and Compliance
		Stronger investor and regulator confidence due to ethical safeguards	Opportunity			●	Own Activities	
SM_G1-5: Political Influence & Lobbying Activities	Strategic	Lack of transparency in political engagement leading to reputational damage	Impact	Potential	Negative	●	Own Activities	Reputation
		Regulatory penalties or public criticism due to lobbying misconduct	Risk			●	Own Activities	
		Transparent lobbying aligned with business values and public interest	Impact	Potential	Positive	●	Own Activities	Governance and Compliance
		Improved regulatory access and license to operate	Opportunity			●	Own Activities	
SM_S1-1: Own Workforce Management	Strategic	Insufficient workforce planning undermining resilience and agility	Impact	Potential	Negative	●	Own Activities	Social (Own Workforce)
		Workforce instability, including inadequate housing, causing operational delays or inefficiencies	Risk			●	Own Activities	
		Resilient and responsive workforce through active management	Impact	Actual	Positive	●	Own Activities	Social (Own Workforce)
		Enhanced retention and project continuity from proactive workforce management	Opportunity			●	Own Activities	
SM_S1-6: Characteristics of Own Workforce	Strategic	Lack of visibility into workforce composition	Impact	Actual	Negative	●	Own Activities	Social (Own Workforce)
		Inability to deliver products or services on time undermining trust of stakeholders	Risk			●	Own Activities	
		Poor strategic planning due to missing HR insights	Risk			●	Own Activities	
		Workforce data enabling informed decision-making	Impact	Actual	Positive	●	Own Activities	Social (Own Workforce)
		Enhanced ability to attract investors and meet ESG expectations	Opportunity			●	Own Activities	
		Improved HR policies tailored to workforce structure	Opportunity			●	Own Activities	
SM_S1-8: Collective Bargaining & Social Dialogue	Strategic	Lack of collective bargaining structures or poor social dialogue	Impact	Potential	Negative	●	Own Activities	Social (Own Workforce)
		Increased risk of strikes or labor disputes	Risk			●	Own Activities	
		Constructive labor dialogue leading to higher employee engagement	Impact	Actual	Positive	●	Own Activities	Social (Own Workforce)
		Improved reputation and stakeholder trust through labor cooperation	Opportunity			●	Own Activities	
SM_S1-9: Diversity Metrics	Strategic	Lack of diversity tracking and analysis	Impact	Actual	Negative	●	Own Activities	Social (Own Workforce)
		Reputational damage or discrimination claims from exclusion of persons belonging to groups at risk of discrimination, including characteristics such as gender, disability and age	Risk			●	Own Activities	
		Data-driven approach to building an inclusive workforce	Impact	Actual	Positive	●	Own Activities	Social (Own Workforce)
		Enhanced stakeholder trust and employer brand	Opportunity			●	Own Activities	

● Short-term ● Medium-term ● Long-term

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Sustainability Matter	Strategic Sustainability Matter	Name	Type	Potential / Actual	Positive / Negative	Time Horizon	Value Chain	Impact Type[1]
SM_S1-10: Adequate Wages	Strategic	Gender inequality and inequal pay for work of equal value reducing workforce satisfaction and competitiveness	Impact	Potential	Negative	●	Own Activities	Social (Own Workforce)
		Reputational damage or legal risks from unfair or uncompetitive pay	Risk			●	Own Activities	
		Fair and competitive wages supporting retention and engagement	Impact	Actual	Positive	●	Own Activities	Social (Own Workforce)
		Improved talent attraction and brand trust through wage fairness	Opportunity			●	Own Activities	
SM_S1-11: Social Protection		Outdated or unequal social protection limiting workforce confidence and stability	Impact	Potential	Negative	●	Own Activities	Social (Own Workforce)
		Audit failures or workforce backlash from weak social protections	Risk			●	Own Activities	
		Strong and inclusive social benefit coverage	Impact	Actual	Positive	●	Own Activities	Social (Own Workforce)
		Enhanced employer reputation through inclusive social coverage	Opportunity			●	Own Activities	
SM_S1-13: Training & Skills Development	Strategic	Lack of training leading to reduced performance	Impact	Potential	Negative	●	Own Activities	Social (Own Workforce)
		Increased operational risks due to insufficient skills	Risk			●	Own Activities	
		Higher employee turnover due to inadequate career development opportunities	Risk			●	Own Activities	
		Comprehensive training programs improving operational efficiency	Impact	Actual	Positive	●	Own Activities	Social (Own Workforce)
		Enhanced employee satisfaction through skill development	Opportunity			●	Own Activities	
		Increased productivity and reduced mistakes due to better-trained workforce	Opportunity			●	Own Activities	
		Mentoring and leadership training developing future leaders	Impact	Actual	Positive	●	Own Activities	Social (Own Workforce)
		Improved organizational resilience with a skilled workforce	Opportunity			●	Own Activities	
		Attraction of top talent due to strong employee development programs	Opportunity			●	Downstream	
SM_S1-14: Health & Safety	Strategic	Unsafe working conditions leading to injuries	Impact	Potential	Negative	●	Own Activities	Social (Own Workforce)
		Legal action, fines or production downtime due to worker injuries	Risk			●	Own Activities	
		Injuries leading to permanent disabilities of own workforce	Risk			●	Own Activities	
		Strong safety training reducing accidents	Impact	Actual	Positive	●	Own Activities	Social (Own Workforce)
		Gaining competitive edge by being a certified ‘safe employer’	Opportunity			●	Own Activities	
		Improving work morale	Opportunity			●	Own Activities	
		Wellness programs reducing stress	Impact	Potential	Positive	●	Own Activities	Social (Own Workforce)
		Higher retention as a result of introduction of well-being programes	Opportunity			●	Own Activities	
		Lower operational risks as a result of introduced well-being programes	Opportunity			●	Own Activities	
SM_S1-15: Work-Life Balance		Unbalanced workloads causing stress and reduced performance	Impact	Potential	Negative	●	Own Activities	Social (Own Workforce)
		Burnout-related turnover or mental health risks	Risk			●	Own Activities	
		Flexible work programs supporting work-life balance	Impact	Actual	Positive	●	Own Activities	Social (Own Workforce)
		Improved employee engagement and loyalty	Opportunity			●	Own Activities	
SM_S1-17: Own Workforce Grievance Management	Strategic	Lack of grievance channels leading to unresolved conflicts or misconduct	Impact	Potential	Negative	●	Own Activities	Governance and Compliance
		Legal or reputational damage due to human rights incidents, such as child and forced labor or violation of privacy rights, and mishandled grievances	Risk			●	Own Activities	
		Effective grievance mechanisms promoting transparency	Impact	Actual	Positive	●	Own Activities	Governance and Compliance
		Improved culture of accountability and conflict resolution	Opportunity			●	Own Activities	

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Sustainability Matter	Strategic Sustainability Matter	Name	Type	Potential / Actual	Positive / Negative	Time Horizon	Value Chain	Impact Type[1]
SM_S2-1: Value Chain Workers Management		Poor oversight of value chain labor conditions, including working time, adequate wages, social dialogue, freedom of association, collective bargaining, work-life balance as well as health and safety, creating ethical and operational risks	Impact	Potential	Negative	●	Upstream	Social (Affected Communities)
		Contract loss or reputational damage due to unethical labor practices in supply chain	Risk			●	Upstream	
		Lack of visibility into value chain enabling human rights abuses, such as child labor and forced labor, violating rights to privacy, inadequate housing as well as water and sanitation	Risk			●	Upstream	
		Transparent and ethical management of value chain workers improving trust and resilience	Impact	Actual	Positive	●	Upstream	Governance and Compliance
		Improved business continuity and stakeholder trust through responsible labor practices, including promoting gender equality and equal pay, training and skills development, diversity and inclusion of persons with disabilities as well as measures against violence and harassment in the workplace	Opportunity			●	Upstream	
SM_S3-1: Affected Communities Management		Disruptive or extractive operations negatively impacting local communities' right to adequate housing and food as well as negatively impacting water resources and sanitation	Impact	Potential	Negative	●	Own Activities	Social (Affected Communities)
		Community protests, litigation, or exclusion from tenders due to local harm, due to disregard of rights of indigenous people, including the right free, prior and informed consent, self-determination and control rights	Risk			●	Own Activities	
		Local community environment and people suffering negative environmental impacts as a result of extractive and disruptive practices.	Risk			●	Own Activities	
		Positive community engagement enhancing social acceptance and local resilience	Impact	Actual	Positive	●	Own Activities	Social (Affected Communities)
		Improved reputation and operational stability from proactive community investment, including support for freedom of assembly and engaging local human rights defenders	Opportunity			●	Own Activities	
SM_S4-1: Consumers & End-Users Management		Inadequate consumer protection or end-user safety practices	Impact	Potential	Negative	●	Downstream	Governance and Compliance
		Legal penalties or brand damage due to consumer safety violations, including the protection of children, health and safety and non-discrimination, or misinformation	Risk			●	Downstream	
		Trust-building practices, including the right to privacy, freedom of expression and access to products and services, leading to enhanced end-user satisfaction and loyalty	Impact	Actual	Positive	●	Downstream	Social (Affected Communities)
		Stronger brand equity and customer retention from responsible end-user management	Opportunity			●	Downstream	

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Annex 4 — Comparison of Prior Year and Current Year Sustainability Matters

New Sustainability Matter	Old Sustainability Matter
SM_E1-1: Transition Plan for Climate Change Mitigation	E1_SM_01: Climate Change Management
	E1_SM_02: Climate Change Mitigation Plans
	E1_SM_03: GHG Emissions and Targets
SM_E1-2: Management of Climate Change Mitigation & Adaptation	E1_SM_01: Climate Change Management
	E1_SM_02: Climate Change Mitigation Plans
	E1_SM_03: GHG Emissions and Targets
SM_E1-5: Energy Consumption	E1_SM_01: Climate Change Management
SM_E1-6: GHG Emissions	E1_SM_01: Climate Change Management
	E1_SM_03: GHG Emissions and Targets
SM_E1-9: Climate Risk Management	E1_SM_01: Climate Change Management
	E1_SM_03: GHG Emissions and Targets
SM_E2-1: Pollution Management	E2_SM_04: Pollution Mitigation and Policy
	E2_SM_05: Pollution Incident and Emergency Preparedness
	E2_SM_06: Substance Management
SM_E2-5: Substances of Concern & Very High Concern	E2_SM_06: Substance Management
SM_E2-A: Pollution of Air	E2_SM_04: Pollution Mitigation and Policy
SM_E2-B: Pollution of Water	E2_SM_04: Pollution Mitigation and Policy
SM_E2-C: Pollution of Soil	E2_SM_04: Pollution Mitigation and Policy
	E2_SM_06: Substance Management
SM_E3-1: Water & Marine Resources Management	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
	E3_SM_11: Marine Resource Preservation
SM_E3-4: Water Consumption	E3_SM_08: Water Treatment and Pollution Prevention
	E3_SM_09: Water Sourcing and Usage
SM_E4-1: Biodiversity & Ecosystems Management	E4_SM_12: Biodiversity Management and Policy
	E4_SM_13: Biodiversity Related Sustainable Practices and Impact Mitigation Plans
SM_E4-5: Biodiversity Footprint	E4_SM_13: Biodiversity Related Sustainable Practices and Impact Mitigation Plans
SM_E5-1: Resource Use Management	E5_SM_14: Waste Management and Reduction Strategies
	E5_SM_15: Sustainable Sourcing and Renewable Resources
	E5_SM_16: Resource Transition and Recycling
	E5_SM_17: Circular Economy Practices
SM_E5-4: Resource Inflows	E5_SM_15: Sustainable Sourcing and Renewable Resources
	E5_SM_16: Resource Transition and Recycling
SM_E5-A: Product Management	E5_SM_17: Circular Economy Practices
SM_E5-B: Repairability of Products	E5_SM_17: Circular Economy Practices
SM_E5-C: Durability of Products	E5_SM_17: Circular Economy Practices
SM_E5-D: Recyclability of Products	E5_SM_17: Circular Economy Practices
SM_E5-E: Waste Management	E5_SM_14: Waste Management and Reduction Strategies
SM_E5-F: Hazardous Waste Management	E5_SM_14: Waste Management and Reduction Strategies
SM_E5-G: Radioactive Waste Management	E5_SM_14: Waste Management and Reduction Strategies

New Sustainability Matter	Old Sustainability Matter
SM_G1-1: Business Conduct & Corporate Culture	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
SM_G1-2: Management of Relationships With Suppliers	G1_SM_36: Corporate Culture and Ethics
	G1_SM_40: Legal Compliance and Investigations
SM_G1-3: Prevention & Detection of Corruption & Bribery	G1_SM_37: Anti-Corruption and Anti-Bribery
	G1_SM_39: Business Conduct Training
	G1_SM_40: Legal Compliance and Investigations
SM_G1-5: Political Influence & Lobbying Activities	G1_SM_36: Corporate Culture and Ethics
SM_G1-A: Animal Welfare	G1_SM_41: Animal Welfare
SM_S1-1: Own Workforce Management	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
SM_S1-10: Adequate Wages	S1_SM_18: Diversity and Inclusion
	S1_SM_23: Workforce Management and Policy
SM_S1-11: Social Protection	S1_SM_21: Health and Safety
SM_S1-13: Training & Skills Development	S1_SM_19: Employee Training and Development
SM_S1-14: Health & Safety	S1_SM_21: Health and Safety
SM_S1-15: Work-Life Balance	S1_SM_23: Workforce Management and Policy
SM_S1-17: Own Workforce Grievance Management	S1_SM_20: Grievance and Compliance
	S1_SM_22: Human Rights and Non-Discrimination
SM_S1-6: Characteristics of Own Workforce	S1_SM_18: Diversity and Inclusion
	S1_SM_23: Workforce Management and Policy
SM_S1-8: Collective Bargaining & Social Dialogue	S1_SM_23: Workforce Management and Policy
SM_S1-9: Diversity Metrics	S1_SM_18: Diversity and Inclusion
	S1_SM_23: Workforce Management and Policy
SM_S2-1: Value Chain Workers Management	S2_SM_24: Value Chain - Employee Training and Development
	S2_SM_25: Value Chain - Grievance and Compliance
	S2_SM_26: Value Chain - Human Rights and Non-Discrimination
	S2_SM_27: Value Chain - Workforce Management and Policy
SM_S3-1: Affected Communities Management	S3_SM_28: Indigenous Peoples and Human Rights
	S3_SM_29: Community Engagement
	S3_SM_30: Community Grievance and Compliance
	S3_SM_31: Community Management and Policy
SM_S4-1: Consumers & End-Users Management	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

Annex 5 — Index of the Material Disclosure Requirements

Sustainability Matter	Sector	Disclosure Requirement	Chapter
Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)	Aerospace Automotive Defence Health Care Chemicals Metal Processing Professional & Commercial Services Rolling Stock Software Transportation Wholesale & Retail Trade Real Estate & Services Textiles, Apparels, Footwear & Accessories		2.1. EU Taxonomy Disclosures
Environment			
ESRS E1—Climate Change			
SM_E1-1: Transition Plan for Climate Change Mitigation	Aerospace Automotive Defence Health Care Chemicals Metal Processing Professional & Commercial Services Rolling Stock Software Transportation Wholesale & Retail Trade Real Estate & Services Textiles, Apparels, Footwear & Accessories	E1-1: Transition plan for climate change mitigation	2.2.2. Transition Plan for Climate Change Mitigation (E1-1)
SM_E1-2: Management of Climate Change Mitigation & Adaptation	Aerospace Automotive Defence Health Care Chemicals Metal Processing Professional & Commercial Services Rolling Stock Software Transportation Wholesale & Retail Trade Real Estate & Services 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 E1-2: 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	2.2.1. General Disclosures Related to Climate Change (E1.GOV-3, E1.IRO-1, E1.SBM-3) 2.2.3. Policies Related to Climate Change Mitigation and Adaptation Including Minimal Disclosures (E1-2) 2.2.4. Actions and Resources in Relation to Climate Change Policies (E1-3) 2.2.5. Targets Related to Climate Change Mitigation and Adaptation (E1-4)
SM_E1-5: Energy Consumption	Aerospace Automotive Defence Health Care Chemicals Metal Processing Professional & Commercial Services Rolling Stock Software Transportation Wholesale & Retail Trade Real Estate & Services Textiles, Apparels, Footwear & Accessories	E1-5: Energy consumption and mix	2.2.6. Energy Consumption and Mix (E1-5)
SM_E1-6: GHG Emissions	Aerospace Automotive Defence Health Care Chemicals Metal Processing Professional & Commercial Services Rolling Stock Software Transportation Wholesale & Retail Trade Real Estate & Services Textiles, Apparels, Footwear & Accessories	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	2.2.7. Gross Scopes 1, 2, 3 and Total GHG Emissions (E1-6) 2.2.8. GHG Removals and GHG Mitigation Projects Financed through Carbon Credits (E1-7) 2.2.9. Internal Carbon Pricing (E1-8)
SM_E1-9: Climate Risk Management	Aerospace Automotive Defence Health Care Chemicals Metal Processing Professional & Commercial Services Rolling Stock Software Transportation Wholesale & Retail Trade Real Estate & Services Textiles, Apparels, Footwear & Accessories	E1-9: Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	2.2.10. Anticipated Financial Effects from Material Physical Risks (E1-9)
ESRS E2—Pollution			
SM_E2-1: Pollution Management	Aerospace Automotive Defence Chemicals 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	2.3.1. General Disclosures Related to Pollution (E2.IRO-1) 2.3.2. Policies Related to Pollution (E2-1) 2.3.3. Actions and Resources Related to Pollution (E2-2) 2.3.4. Targets Related to Pollution (E2-3) 2.3.5. Pollution of Air (E2-4) 2.3.6. Pollution of Water (E2-4) 2.3.8. Anticipated Financial Effects from Material Pollution-related Risks and Opportunities (E2-6)
SM_E2-5: Substances of Concern & Very High Concern	Aerospace Automotive Defence Chemicals Metal Processing Rolling Stock Textiles, Apparels, Footwear & Accessories	E2-5: Substances of concern and substances of very high concern	2.3.7. Substances of Concern and Substances of Very High Concern (E2-5)
SM_E2-A: Pollution of Air	Aerospace Automotive Defence Chemicals Metal Processing Rolling Stock Textiles, Apparels, Footwear & Accessories	E2-4: Pollution of air, water and soil	2.3.5. Pollution of Air (E2-4) 2.3.6. Pollution of Water (E2-4)
SM_E2-B: Pollution of Water	Aerospace Automotive Defence Chemicals Metal Processing Rolling Stock Textiles, Apparels, Footwear & Accessories	E2-4: Pollution of air, water and soil	2.3.5. Pollution of Air (E2-4) 2.3.6. Pollution of Water (E2-4)

Sustainability Matter	Sector	Disclosure Requirement	Chapter
ESRS E3—Water and Marine Resources			
SM_E3-1: Water & Marine Resources Management	Aerospace Automotive Defence Chemicals Metal Processing Rolling Stock 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	2.4.1. General Disclosures Related to Water and Marine Resources (E3.IRO-1) 2.4.2. Policies Related to Water and Marine Resources (E3-1) 2.4.3. Actions and Resources Related to Water and Marine Resources (E3-2) 2.4.4. Targets Related to Water and Marine Resources (E3-3) 2.4.6. Anticipated Financial Effects from Material Water- and Marine-Resources-Related Risks and Opportunities (E3-5)
SM_E3-4: Water Consumption	Aerospace Automotive Defence Chemicals Metal Processing Rolling Stock Textiles, Apparels, Footwear & Accessories	E3-4: Water consumption	2.4.5. Water Consumption (E3-4)
ESRS E5—Resource Use and Circular Economy			
SM_E5-1: Resource Use Management	Aerospace Automotive Defence Chemicals 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 E5-6: Anticipated financial effects from resource use and circular economy-related risks and opportunities	2.6.1. Resource Use and Circular Economy (E5.IRO-1) 2.6.2. Policies Related to Resource Use and the Circular Economy (E5-1) 2.6.3. Actions and Resources Related to Resource Use and the Circular Economy (E5-2) 2.6.4. Targets Related to Resource Use and the Circular Economy (E5-3) 2.6.7. Anticipated Financial Effects from Circular-Economy-Related Risks and Opportunities (E5-6)
SM_E5-4: Resource Inflows	Aerospace Automotive Defence Chemicals Metal Processing Rolling Stock Textiles, Apparels, Footwear & Accessories	E5-4: Resource inflows	2.6.5. Resource inflows (E5-4)
SM_E5-A: Product Management	Rolling Stock	E5-5: Resource outflows	2.6.6. Resource Outflows (E5-5)
SM_E5-B: Repairability of Products	Rolling Stock	E5-5: Resource outflows	2.6.6. Resource Outflows (E5-5)
SM_E5-D: Recyclability of Products	Rolling Stock	E5-5: Resource outflows	2.6.6. Resource Outflows (E5-5)
SM_E5-E: Waste Management	Aerospace Automotive Defence Health Care Chemicals Metal Processing Rolling Stock Textiles, Apparels, Footwear & Accessories	E5-5: Resource outflows	2.6.6. Resource Outflows (E5-5)
SM_E5-F: Hazardous Waste Management	Aerospace Automotive Defence Health Care Chemicals Metal Processing Rolling Stock Textiles, Apparels, Footwear & Accessories	E5-5: Resource outflows	2.6.6. Resource Outflows (E5-5)

Social

ESRS S1—Own Workforce			
SM_S1-1: Own Workforce Management	Aerospace Automotive Defence Health Care Chemicals Metal Processing Professional & Commercial Services Rolling Stock Software Transportation Wholesale & Retail Trade Real Estate & Services	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 S1-2: Processes for engaging with own workforce and workers' representatives about 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	3.1.1. Material Impacts, Risks, and Opportunities and heir Interaction with Strategy and Business Model (S1.SBM-3) 3.1.2. Policies Related to Own Workforce (S1-1) 3.1.3. Processes for Engaging with Own Workforce and Workers' Representatives Regarding Impacts (S1-2) 3.1.4. Processes to Remediate Negative Impacts and Channels for Own Workforce to Raise Concerns (S1-3) 3.1.5. Taking Action on Material Impacts on Own Workforce (S1-4) 3.1.6. Targets Related to Own Workforce (S1-5)
SM_S1-6: Characteristics of Own Workforce	Aerospace Automotive Defence Health Care Chemicals Metal Processing Professional & Commercial Services Rolling Stock Software Transportation Wholesale & Retail Trade Real Estate & Services	S1-6: Characteristics of the undertaking's employees S1-7: Characteristics of non-employee workers in the undertaking's own workforce	3.1.7. Characteristics of CSG's employees (S1-6) 3.1.8. Characteristics of Non-employees in Undertaking's Own Workforce (S1-7)
SM_S1-8: Collective Bargaining & Social Dialogue	Aerospace Automotive Defence Health Care Chemicals Metal Processing Professional & Commercial Services Rolling Stock Software Transportation Wholesale & Retail Trade Real Estate & Services	S1-8: Collective bargaining coverage and social dialogue	3.1.9. Collective Bargaining Coverage and Social Dialogue (S1-8)
SM_S1-9: Diversity Metrics	Aerospace Automotive Defence Health Care Chemicals Metal Processing Professional & Commercial Services Rolling Stock Software Transportation Wholesale & Retail trade Real Estate & Services	S1-9: Diversity metrics S1-12: Percentage of employees with disabilities	3.1.10. Diversity Metrics (S1-9) 3.1.13. Persons with Disabilities (S1-12)

Sustainability Matter	Sector	Disclosure Requirement	Chapter
SM_S1-10: Adequate Wages	Aerospace Automotive Defence Health Care Chemicals Metal Processing Professional & Commercial Services Rolling Stock Software Transportation Wholesale & Retail Trade Real Estate & Services	S1-10: Adequate wages S1-16: Remuneration metrics (pay gap and total remuneration)	3.1.11. Adequate Wages (S1-10) 3.1.17. Remuneration Metrics (Pay Gap and Total Remuneration) (S1-16)
SM_S1-11: Social Protection	Aerospace Automotive Defence Health Care Chemicals Metal Processing Professional & Commercial Services Rolling Stock Software Transportation Wholesale & Retail Trade Real Estate & Services	S1-11: Social protection	3.1.12. Social Protection (S1-11)
SM_S1-13: Training & Skills Development	Aerospace Automotive Defence Health Care Chemicals Metal Processing Professional & Commercial Services Rolling Stock Software Transportation Wholesale & Retail Trade Real Estate & Services	S1-13: Training and skills development metrics	3.1.14. Training and Skills Development Metrics (S1-13)
SM_S1-14: Health & Safety	Aerospace Automotive Defence Health Care Chemicals Metal Processing Professional & Commercial Services Rolling Stock Software Transportation Wholesale & Retail Trade Real Estate & Services	S1-14: Health and safety metrics	3.1.15. Health and Safety Metrics (S1-14)
SM_S1-15: Work-Life Balance	Aerospace Automotive Defence Health Care Chemicals Metal Processing Professional & Commercial Services Rolling Stock Software Transportation Wholesale & Retail Trade Real Estate & Services	S1-15: Work-life balance metrics	3.1.16. Work-Life Balance Metrics (S1-15)
SM_S1-17: Own Workforce Grievance Management	Aerospace Automotive Defence Health Care Chemicals Metal Processing Professional & Commercial Services Rolling Stock Software Transportation Wholesale & Retail Trade Real Estate & Services	S1-17: Incidents, complaints and severe human rights impacts	3.1.18. Incidents, Complaints, and Severe Human Rights Impacts (S1-17)

Governance

Sustainability Matter	Sector	Disclosure Requirement	Chapter
ESRS G1—Business Conduct			
SM_G1-1: Business Conduct & Corporate Culture	Aerospace Automotive Defence Health Care Chemicals Metal Processing Professional & Commercial Services Rolling Stock Software Transportation Wholesale & Retail Trade Real Estate & Services	G1.GOV-1: Governance structure and composition related to business conduct G1-1: Business conduct policies and corporate culture	4.1. General Disclosures Related to Governance (G1.GOV-1) 4.2. Taking Action on Material Impacts on Governance and Business Conduct 4.3. Targets Related to Governance and Business Conduct 4.4 Business Conduct Policies and Corporate Culture (G1-1)
SM_G1-2: Management of Relationships With Suppliers	Aerospace Automotive Defence Health Care Chemicals Metal Processing Professional & Commercial Services Rolling Stock Software Transportation Wholesale & Retail Trade Real Estate & Services	G1-2: Management of relationships with suppliers G1-6: Payment practices	4.5. Management of Relationships with Suppliers 4.9. Payment Practices
SM_G1-3: Prevention & Detection of Corruption & Bribery	Aerospace Automotive Defence Health Care Chemicals Metal Processing Professional & Commercial Services Rolling Stock Software Transportation Wholesale & Retail Trade Real Estate & Services	G1-3: Prevention and detection of corruption and bribery G1-4: Confirmed incidents of corruption or bribery	4.6. Prevention and Detection of Corruption and Bribery (G1-3) 4.7. Incidents of Corruption or Bribery (G1-4)
SM_G1-5: Political Influence & Lobbying Activities	Aerospace Automotive Defence Health Care Chemicals Metal Processing Professional & Commercial Services Rolling Stock Software Transportation Wholesale & Retail Trade Real Estate & Services	G1-5: Political influence and lobbying activities	4.8. Political Influence and Lobbying Activities (G1-5)

Annex 6 — Immaterial Sustainability Matters and Respective Disclosure Requirements

Sustainability Matter	Reasoning for non-inclusion	Disclosure Requirement
Environment		
ESRS E2—Pollution		
SM_E2-C: Pollution of Soil	Only applicable in the event that soil pollution incidents occur during the reporting period. As no such incidents were identified in the reporting year, the related Disclosure Requirements were assessed as non-applicable.	E2-4: Pollution of air, water and soil
SM_E2-D: Microplastics	CSG does not engage in any production processes that may produce microplastics	E2-4: Pollution of air, water and soil
ESRS E4—Biodiversity and Ecosystems		
SM_E4-1: Biodiversity & Ecosystems Management	Immaterial based on the DMA. Notwithstanding this conclusion, CSG provides a brief qualitative disclosure to acknowledge potential relevance for certain operations (e.g., land use, site location and interaction with local ecosystems). Accordingly, CSG does not provide detailed site-level biodiversity disclosures in this reporting period, reflecting a sequencing and data-maturity decision.	E4.IRO-1: Description of the processes to identify and assess material biodiversity and ecosystem-related impacts, risks, and opportunities E4.SBM-3: Material impacts, risks, and opportunities and their interaction with biodiversity and ecosystems strategy and business model E4-1: Transition plan and consideration of biodiversity and ecosystems in strategy and business model E4-2: Policies related to biodiversity and ecosystems E4-3: Actions and resources related to biodiversity and ecosystems E4-4: Targets related to biodiversity and ecosystems E4-6: Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities
SM_E4-5: Biodiversity Footprint	Immaterial based on the DMA	E4-5: Impact metrics related to biodiversity and ecosystems change
ESRS E5—Resource Use and Circular Economy		
SM_E5-C: Durability of Products	Immaterial based on the DMA	E5-5: Resource outflows
SM_E5-G: Radioactive Waste Management	CSG does not use nor produce any radioactive materials	E5-5: Resource outflows
Social		
ESRS S2—Value Chain Workers		
SM_S2-1: Value Chain Workers Management	This Disclosure Requirement is not reported, as CSG has applied the ESRS "quick fix" amendments adopted by the European Commission, which allow the omission of this information for the reporting period. The sustainability matter was nevertheless assessed as material, and the relevant cross-cutting information required by ESRS 2 continues to be disclosed elsewhere in this Consolidated Sustainability Statement, including information on stakeholder considerations (refer to Chapter 1.3.2. Interests and Views of Stakeholders (ESRS2.SBM-2)), material IROs (refer to Chapter 1.4.1. Process to Identify and Assess Material Impacts, Risks and Opportunities (ESRS2.IRO-1)) and their link to the business model and strategy, and the approach used to identify and assess material matters (refer to Chapter 1.3.3. Material Impacts, Risks and Opportunities and Their Interaction with Strategy and Business Model (ESRS2.SBM-3)). Consistent with the quick fix, the disclosures on policies, actions and resources, and metrics for this sustainability matter are omitted for the reporting period.	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 S2-3: 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
ESRS S3—Affected Communities		
SM_S3-1: Affected Communities Management	This Disclosure Requirement is not reported, as CSG has applied the ESRS "quick fix" amendments adopted by the European Commission, which allow the omission of this information for the reporting period. The sustainability matter was nevertheless assessed as material, and the relevant cross-cutting information required by ESRS 2 continues to be disclosed elsewhere in this Consolidated Sustainability Statement, including information on stakeholder considerations (refer to Chapter 1.3.2. Interests and Views of Stakeholders (ESRS2.SBM-2)), material IROs (refer to Chapter 1.4.1. Process to Identify and Assess Material Impacts, Risks and Opportunities (ESRS2.IRO-1)) and their link to the business model and strategy, and the approach used to identify and assess material matters (refer to Chapter 1.3.3. Material Impacts, Risks and Opportunities and Their Interaction with Strategy and Business Model (ESRS2.SBM-3)). Consistent with the quick fix, the disclosures on policies, actions and resources, and metrics for this sustainability matter are omitted for the reporting period.	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
ESRS S4—Consumers and End-users		
SM_S4-1: Consumers & End-Users Management	This Disclosure Requirement is not reported, as CSG has applied the ESRS "quick fix" amendments adopted by the European Commission, which allow the omission of this information for the reporting period. The sustainability matter was nevertheless assessed as material, and the relevant cross-cutting information required by ESRS 2 continues to be disclosed elsewhere in this Consolidated Sustainability Statement, including information on stakeholder considerations (refer to Chapter 1.3.2. Interests and Views of Stakeholders (ESRS2.SBM-2)), material IROs (refer to Chapter 1.4.1. Process to Identify and Assess Material Impacts, Risks and Opportunities (ESRS2.IRO-1)) and their link to the business model and strategy, and the approach used to identify and assess material matters (refer to Chapter 1.3.3. Material Impacts, Risks and Opportunities and Their Interaction with Strategy and Business Model (ESRS2.SBM-3)). Consistent with the quick fix, the disclosures on policies, actions and resources, and metrics for this sustainability matter are omitted for the reporting period.	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
Governance		
ESRS G1—Business Conduct		
SM_G1-A: Animal Welfare	CSG does not engage in any activities related to animals	G1-1: Business conduct policies and corporate culture

Annex 7 — GHG Disaggregation by Subsidiaries

Subsidiary	Total Market-Based Emissions (tCO_2e)	Total Location-Based Emissions (tCO_2e)
14. OKTOBAR d.o.o. Kruševac	21,711.2	20,655.5
ABIENNALE s.r.o.	2,136.6	2,136.6
ARMY TRADE a.s.	276.9	276.9
ATLAN GROUP, spol. s r.o.	10,427.3	10,427.3
ATRAK a.s.	184.7	184.2
AVIA Motors s.r.o.	136.9	136.9
Ammunition Operations LLC	92,617.3	92,617.0
Armi Perazzi S.p.A.	0.0	0.0
AviaNera Technologies, a.s.	173.9	173.9
CS SOFT a.s.	401.7	402.1
CSE USA Inc.	74.9	74.9
CSG DEAL a.s.	131.0	131.0
CSGM a.s.	1,843.8	1,648.5
CZECHOSLOVAK EXPORT a.s.	2,605.4	2,605.4
CZECHOSLOVAK GROUP a.s.	21,750.9	21,750.9
CZG Aviation a.s.	4,561.5	4,561.5
DAKO-CZ INDIA PRIVATE LIMITED	0.0	0.0
DAKO-CZ, a.s.	0.0	0.0
DEFENCE TRADE SLOVAKIA, s.r.o.	1,722.1	1,722.1
DSP Germany N&B Real Estate GmbH & Co. KG	8,035.9	8,035.9
ELDIS Pardubice, s.r.o.	13,682.1	13,734.1
ELTON hodinářská, a.s.	0.0	0.0
EXCALIBUR ARMY spol. s r.o.	78,524.6	77,545.7
EXCALIBUR INTERNATIONAL a.s.	97,340.0	97,340.0
FABRICA DE MUNICIONES DE GRANADA S.L.	61,527.0	60,971.6
Federal Cartridge Company	324,992.8	325,061.1
Fiocchi Munizioni S.p.A.	95,031.2	91,429.3
Fiocchi of America LLC	20,916.3	20,916.6
GAMA OCEL, spol. s r.o.	10,884.1	10,879.9
HYDRAULICS s.r.o.	6,188.8	6,153.5
JOB AIR Technic a.s.	5,258.8	4,927.6
JWL DAKO-CZ (INDIA) PRIVATE LIMITED	0.0	0.0
KARBOX s.r.o.	1,744.0	1,744.0
KARMONIKA AERO a.s.	2,026.6	2,026.6
Lyalvale Express Limited	7,834.7	7,804.6
MSM EXPORT, s.r.o.	287.7	287.7
MSM GREECE Ltd.	102.0	102.0
MSM LAND SYSTEMS s.r.o.	39,220.1	39,018.2
MSM Services, s.r.o.	407.8	407.8
MSM Walsrode GmbH & Co. KG	75,994.9	65,908.8
Mechatronics Unmanned Systems & Technology Solutions d.o.o. Beograd-Palilula	12.0	12.0
POCKET VIRTUALITY a.s.	82.2	73.1
Perazzi USA, Inc.	0.0	0.0
Prague Fertility Centre s.r.o.	0.0	0.0
RETIA, a.s.	6,418.8	6,343.4
SBS ZVS, s.r.o.	26.8	26.8
TATRA DEFENCE SYSTEMS s.r.o.	104,283.8	104,283.8
TATRA DEFENCE VEHICLE a.s.	16,432.0	16,508.0
TRUCK MACHINERY GROUP a.s.	0.0	0.0
TRUCK SERVICE GROUP s.r.o.	1,725.8	1,725.8
The Kinetic Group Operations LLC	239.0	239.0
UpVision s.r.o.	37.1	37.1
VOP Nováky, a.s.	42,917.5	42,746.4
VÝVOJ Martin, a.s.	3,927.8	3,815.7
Walsroder NC GmbH	76,716.5	76,716.5
ZVI a.s.	907.8	887.4
ZVS IMPEX, akciová spoločnosť	6,851.0	6,851.0

Annex 8 — Policies Overview

Policies Related to Climate Change Mitigation and Adaptation

Policy	Policy's Key Contents and Exclusions	Policy's Scope and Exclusions	Negative Impacts (Actual)	Negative Impacts (Potential)	Risks	Positive Impacts (Actual)	Positive Impacts (Potential)	Opportunities	Reference to Third-Party Standards or Initiatives Respected through Policy's Implementation	How the Policy is Made Available to Potentially Affected Stakeholders and/or those who Help Implement it
Environmental and Renewable Energy Policy (IMS-01-002)	The Environmental and Renewable Energy Policy ensuring that the impact of the Group's activities on the environment is minimized, to promote the sustainable use of resources, reducing waste and emissions, and to ensure compliance with legislative requirements and nature conservation principles.	The Environmental and Renewable Energy Policy is applicable to all CSG subsidiaries. This Policy regulates: a) Reducing emissions and environmental impact; b) Protection of natural resources and promotion of biodiversity; c) Promoting environmental awareness and responsible behavior. d) Identification of energy sources; e) Recording and evaluating energy consumption; f) Measures and ESG reporting regarding EMS.	— Lack of credible climate transition plan increasing exposure to carbon and regulatory risks — Inadequate climate management exposing operations to physical and transitional risks — Insufficient assessment and control of climate-related risks	— Excessive or inefficient energy use increasing costs and emissions exposure — High GHG emissions increasing exposure to regulation, cost, and reputational harm	— Loss of capital access or customer contracts due to weak transition alignment — Regulatory penalties or increased costs due to poor climate transition planning — Operational disruptions from climate events due to poor adaptation planning — Compliance failures and climate-related audit issues due to weak climate governance — Escalating energy costs due to lack of efficiency measures — Reputational and regulatory exposure from poor energy performance — Carbon cost increases or loss of business due to emissions intensity — Reputational backlash or legal action related to high emissions and lack of transparency — Financial losses or asset impairment due to unmitigated physical climate risks — Stakeholder distrust and non-compliance due to poor climate risk integration	— Efficient energy use improving cost structure and climate alignment — Reduced GHG emissions improving resilience and stakeholder alignment	— Climate-aligned transition plan improving long-term competitiveness and compliance — Integrated climate governance strengthening resilience and regulatory readiness — Proactive climate risk management enhancing resilience and performance	— Operational cost optimization and risk hedging through climate scenario planning — Preferred supplier status and stronger stakeholder trust via climate leadership — Improved climate ratings and investment attractiveness through structured climate oversight — Operational continuity and cost efficiency enabled by climate resilience planning — Lower operational costs and emissions via energy efficiency programs — Improved climate and ESG positioning through proactive energy management — Improved brand, client access, and compliance through low-carbon operations — Efficiency gains and long-term savings via emissions reduction initiatives — Improved insurance access, ratings, and cost control from climate risk oversight — Stronger investor confidence and stakeholder engagement via transparent climate risk practices	No reference.	Website (extract)[2]

[2] Refer to sections: "For Investors" or "Sustainability" on CSG's website.

Policies Related to Pollution

Policy	Policy's Key Contents and Exclusions	Policy's Scope and Exclusions	Negative Impacts (Actual)	Negative Impacts (Potential)	Risks	Positive Impacts (Actual)	Positive Impacts (Potential)	Opportunities	Reference to Third-Party Standards or Initiatives Respected through Policy's Implementation	How the Policy is Made Available to Potentially Affected Stakeholders and/or those who Help Implement it
Pollution Policy (IMS-01-006)	The purpose of Pollution Policy is to establish principles for the prevention of pollution of the environment in all activities of the CSG subsidiaries. The Policy promotes pollution prevention at source, minimi-zation of emissions to air, soil, and water, responsible handling of chemi-cals and hazardous substances, and compliance with applicable legis-lation and internal standards.	The Pollution Policy is applicable to all CSG subsidiaries. This Policy regulates: a) Prevention of pollution and responsible use of resources; b) Reducing emissions and controlling environmental impacts; c) Compliance with legislation and emergency preparedness.	None.	— Inadequate pollution management increasing environmental and compliance risk — Inadequate control of substances of concern & very high concern increasing environmental and compliance risk — Inadequate management of pollution of air increasing environmental and compliance risk — Operational negative impact through pollution on local biodiversity and habitats — Inability to measure or disclose biodiversity footprint leading to environmental, regulatory or reputational risk — Inadequate management of pollution of water increasing environmental and compliance risk	— Poor management leading to pollution incidents that negatively impact environment — Inadequate measures in handling substances of concern & very high concern leading to environmental contamination with negative impacts. — Inadequate measures in preventing air pollution leading to environmental contamination with negative impacts. — Fines, production halts, or loss of license due to pollution management violations — Fines, production halts, or loss of license due to substances of concern & very high concern violations — Fines, production halts, or loss of license due to pollution of air violations — Permitting delays or reputational backlash due to ecosystem degradation, including introduction of invasive alien species, species degradation and risk of species extinction — Reduced investment or access to tenders due to poor biodiversity metrics — Poor biodiversity management leading to ecosystems degradation and negative effect on local communities	— Advanced control of pollution management through clean technologies — Advanced control of substances of concern & very high concern through clean technologies — Advanced control of pollution of air through clean technologies — Minimized ecological impact through sustainable siting — Clear measurement of biodiversity footprint increasing credibility — Advanced control of pollution of water through clean technologies	None.	— Improved regulatory access and trust through proactive pollution of water controls — Improved regulatory access and trust through proactive pollution management controls — Improved regulatory access and trust through proactive substances of concern & very high concern controls — Improved regulatory access and trust through proactive pollution of air controls — Enhanced brand trust and access to financing through biodiversity stewardship — Improved access to green finance and client preference through biodiversity disclosure	No reference.	Website (extract)

Policies Related to Water And Marine Resources

Policy	Policy's Key Contents and Exclusions	Policy's Scope and Exclusions	Negative Impacts (Actual)	Negative Impacts (Potential)	Risks	Positive Impacts (Actual)	Positive Impacts (Potential)	Opportunities	Reference to Third-Party Standards or Initiatives Respected through Policy's Implementation	How the Policy is Made Available to Potentially Affected Stakeholders and/or those who Help Implement it
Water Management Policy (IMS-01-005)	The purpose of Water Management Policy is to ensure the efficient and responsible use of water, control and optimize consump-tion, minimize pol-lution in discharged water, comply with relevant legisla-tion at the place of business, and thereby contribute to the protection of water resources and environmental sustainability.	The Water Management Policy is applicable to all CSG subsidiaries. This Policy regulates: a) Effective management of water resources; b) Pollution reduction and discharged water monitoring; c) Compliance with legislation and technological innovation.	None.	— Excessive water withdrawal contributing to water shortage, especially in the high-water stress areas — High water consumption impacting local availability and increasing regulatory pressure	— Regulatory action or fines due to water management failures — Loss of license or production delays due to unsustainable water usage — Over-withdrawal of water in areas of high-water stress, causing negative impacts to affected communities and local environment.	— Water-efficient technologies reducing environmental impact — Reduced water withdrawals through efficient equipment and closed-loop systems	None.	— Cost savings and stakeholder credibility from responsible water use — Improved cost structure and environmental ratings from reduced water use	No reference.	Website (extract)

Policies Related to Resource Use and the Circular Economy

Policy	Policy's Key Contents and Exclusions	Policy's Scope and Exclusions	Negative Impacts (Actual)	Negative Impacts (Potential)	Risks	Positive Impacts (Actual)	Positive Impacts (Potential)	Opportunities	Reference to Third-Party Standards or Initiatives Respected through Policy's Implementation	How the Policy is Made Available to Potentially Affected Stakeholders and/or those who Help Implement it
Hazardous Material Management Policy (IMS-01-001)	The purpose of Hazardous Material Management Policy is to ensure the safe handling, storage, transport, and use of hazardous items in all operations of the CSG subsidiary, minimize risks to employee health, protect the environment and property, and ensure full compliance with applicable laws and international standards.	The Hazardous Material Management Policy is applicable to all CSG subsidiaries. This policy governs the obligations of the CSG subsidiaries to: a) classify and record hazardous materials and hazardous substances; b) train and instruct employees; c) ensure compliance with relevant laws and regulations when handling hazardous materials and substances.	None.	None.	None.	None.	None.	None.	No reference.	Website (extract)
Waste Management and Recycling Policy (IMS-01-004)	The purpose of Waste Management and Recycling Policy is to establish principles for effective and environmentally friendly waste management, minimizing waste's negative impact on the environment, promoting recycling and sustainable development, and ensuring compliance with relevant legislative requirements.	The Waste Management and Recycling Policy is applicable to all CSG subsidiaries. This policy regulates: a) minimizing waste generation; b) recycling and reuse; c) compliance with global and local legislation.	None.	None.	— Fines, cleanup costs, or license loss from waste mismanagement — Waste mismanagement leading to poor disposal practices and negative environmental impacts — Legal violations or environmental accidents due to hazardous waste mismanagement — Mismanagement of hazardous waste leading to negative environmental impacts as well as negative impacts on communities	None.	None.	— Lower waste costs and better improved ESG performance — Improved ESG profile and audit-readiness through safe hazardous waste practices	No reference.	Website (extract)

Policies Related to Own Workforce

Policy	Policy's Key Contents and Exclusions	Policy's Scope and Exclusions	Negative Impacts (Actual)	Negative Impacts (Potential)	Risks	Positive Impacts (Actual)	Positive Impacts (Potential)	Opportunities	Reference to Third-Party Standards or Initiatives Respected through Policy's Implementation	How the Policy is Made Available to Potentially Affected Stakeholders and/or those who Help Implement it
Diversity, Equality and Inclusion Policy (HRE-01-002)	The Diversity, Equality, and Inclusion (DEI) Policy (HRE-01-002) establishes formal principles across all CSG subsidiaries to eliminate discrimination and promote an inclusive culture where every employee can fully develop their potential. It mandates transparent recruitment, fair access to professional growth, and strict adherence to the principle of equal pay for equal work based on objective criteria. Compliance is ensured through regular training and audits, with a confidential whistleblowing process available for reporting any violations of these DEI principles.	The Diversity, Equality, and Inclusion (DEI) Policy is applicable to all CSG subsidiaries. The scope of the Policy is to create a fair, safe, and respectful environment for all employees, striving to eliminate discrimination and inequality across the organization.	— Lack of diversity tracking and analysis	None.	— Reputational damage or discrimination claims from exclusion of persons belonging to groups at risk of discrimination, including characteristics such as gender, disability and age	— Data-driven approach to building an inclusive workforce	None.	— Enhanced stakeholder trust and employer brand	The management is committed to promoting diversity in alignment with third-party standards, specifically the Conventions of the International Labour Organization (ILO). Additionally, the Policy respects and implements principles set forth in the OECD Guidelines for Multinational Enterprises. These external frameworks guide CSG's goal of increasing diversity in management and decision-making positions.	Website (full)
Health & Safety Policy (IMS-01-003)	The purpose of Health & Safety Policy is to ensure a safe and healthy working environment for all employees by identifying and managing risks, implementing preventive measures, raising awareness, and training and instructing employees. The desired effect is to minimize occupational accidents and diseases and promote an overall culture of occupational safety and health, regardless of local conditions or legislation.	The Health & Safety Policy is applicable to all CSG subsidiaries. This policy regulates: a) Safety measures in the workplace; b) Training and Instruction of Employees; c) Risk assessment and control.	None.	— Unsafe working conditions leading to injuries	— Legal action, fines or production downtime due to worker injuries — Injuries leading to permanent disabilities of own workforce	— Strong safety training reducing accidents	— Wellness programs reducing stress	— Gaining competitive edge by being a certified 'safe employer' — Improving work morale — Higher retention as a result of introduction of well-being programs — Lower operational risks as a result of introduced well-being programs	ISO 45001	Website (extract)
Human Resource Management (HRE-01_PARENT)	The purpose of the Human Resource Management Policy is to describe the rules and processes for human resource management in CSG subsidiaries. The purpose of the policy is, among other things, to create a fair, safe and supportive work environment that encourages professional growth, respects employee rights and promotes company values. This policy sets out the human resource management principles to be followed. It also lays down the principles for the commencement, change and termination of employment, evaluation, training and development of employees and day-to-day work with employees. It ensures a transparent and fair approach to all staff.	The Human Resource Management Policy is applicable to all CSG subsidiaries. This policy regulates: a) Administration and management of HR documentation b Remuneration c) Employee performance and evaluation d) Onboarding and adaptation of employees e) Development and training f) Compliance with employment legislation g) Promoting company culture and a good working atmosphere h) Employee offboarding	None.	None.	None.	None.	None.	None.	No reference.	Directly communicated to subsidiaries (not publicly available)

Policies Related to Business Conduct and Corporate Culture

Policy	Policy's Key Contents and Exclusions	Policy's Scope and Exclusions	Negative Impacts (Actual)	Negative Impacts (Potential)	Risks	Positive Impacts (Actual)	Positive Impacts (Potential)	Opportunities	Reference to Third-Party Standards or Initiatives Respected through Policy's Implementation	How the Policy is Made Available to Potentially Affected Stakeholders and/or those who Help Implement it
CSG Governance Policy (CMA-01)	Governance Policy is CSG's fundamental systemic internal document, that sets out the rules, processes and procedures for the effective, transparent and responsible governance of CSG. It is the basic framework that determines the internal governance system and rules for the operation of CSG and the subsidiaries controlled by it.	The governance rules apply consistently across all segments and subsegments to ensure uniform decision-making and oversight. Policy establishes binding principles for: — CSG's governance structure, — roles and responsibilities of subsidiary bodies (the Board, statutory bodies, and management), — decision-making processes, — internal controls, — approval and oversight mechanisms, and — the overall corporate direction and management of CSG.	None.	— Weak ethical culture enabling misconduct or regulatory violations — Disruptive or extractive operations negatively impacting local communities' right to adequate housing and food as well as negatively impacting water resources and sanitation	— Scandals or investigations due to governance failures — Community protests, litigation, or exclusion from tenders due to local harm, due to disregard of rights of indigenous people, including the right to free, prior and informed consent, self-determination and control rights — Local community environment and people suffering negative environmental impacts as a result of extractive and disruptive practices.	— Strong ethical culture including protection of whistleblowers enhancing stakeholders trust and conduct — Positive community engagement enhancing social acceptance and local resilience	None.	— Enhanced brand reputation and stakeholder confidence — Improved reputation and operational stability from proactive community investment, including support for freedom of assembly and engaging local human rights defenders	The Governance Policy does not reference any third-party governance standards or external initiatives and relies solely on internal governance principles.	Directly communicated to subsidiaries (not publicly available)
CSG NSA Compliance Policy (SEP-01-02)	The NSA Compliance Policy serves two main purposes. First, it sets forth the commitment of the Transaction Parties to track all Foreign Sales by FOA and to meet all of the recommendations of the U.S. Government for compliance with the U.S. Sanctions Laws and the U.S. Export Control Laws as defined in the NSA, as well as the NSA Initial Audit Recommendation Measures, in connection with all manner in which FOA and the Parent Entities sell, transfer, or use FOA products (including hardware, technology and software).	The NSA Compliance Policy applies to all ways in which all branches, locations, and business units of FOA and CSG, as well as all their business functions and employees (including directors, officers, managers, employees, contractors, and agents), may sell, transfer, or use FOA products domestically and internationally, regardless of their value. This NSA Compliance Policy does not apply to the activities of CSG entities other than FOA in any other business transactions. The scope of the policy specifically includes: — Tracking and oversight of all Foreign Sales (as defined in the National Security Agreement) conducted by Fiocchi of America; — Compliance with U.S. sanctions and export control laws, including regulations administered by OFAC, BIS (EAR), and DDTC (ITAR); — Compliance with applicable international trade laws of non-U.S. jurisdictions, where relevant to Fiocchi of America's foreign sales; and — Implementation of measures required under the - National Security Agreement, including Initial Audit Recommendation Measures.	None.	None.	None.	None.	None.	None.	The NSA Compliance Policy for Fiocchi of America is based on and directly reflects the requirements of the National Security Agreement (NSA) 22 182 entered into between the Transaction Parties and the U.S. Government, represented by the U.S. Department of the Treasury, the Department of Justice, and the Department of Commerce. The policy further incorporates compliance obligations arising from applicable U.S. sanctions and export control regimes, including regulations administered by the Office of Foreign Assets Control (OFAC), the Export Administration Regulations (EAR) enforced by the Bureau of Industry and Security, and the International Traffic in Arms Regulations (ITAR) administered by the U.S. Department of State. These external legal and regulatory frameworks form the binding reference standards for the NSA Compliance Policy and guide its implementation across Fiocchi of America's operations and any relevant involvement of CSG entities.	Directly communicated to subsidiaries (not publicly available)

Policy	Policy's Key Contents and Exclusions	Policy's Scope and Exclusions	Negative Impacts (Actual)	Negative Impacts (Potential)	Risks	Positive Impacts (Actual)	Positive Impacts (Potential)	Opportunities	Reference to Third-Party Standards or Initiatives Respected through Policy's Implementation	How the Policy is Made Available to Potentially Affected Stakeholders and/or those who Help Implement it
Code of Conduct for Suppliers (PUR-01-001)	The purpose of Supplier Code of Conduct is to establish a framework for effective, transparent, and secure cooperation with external partners that supports CSG's strategic objectives. Growing dependence on supplier services and technologies requires clearly defined processes and rules that reduce risks while increasing the added value of the cooperation.	The Supplier Code of Conduct Policy is applicable to all CSG subsidiaries. The aim is to build a stable, transparent, and trustworthy supply chain capable of responding flexibly to market needs, supporting innovation, and ensuring the quality and continuity of services provided.	— Dependence on non-renewable or unstable material inflows	— Inefficient or excessive resource use increasing costs — Poor product management increasing cost and customer dissatisfaction — Poor repairability of products increasing cost and customer dissatisfaction — Poor durability of products increasing cost and customer dissatisfaction — Poor recyclability of products increasing cost and customer dissatisfaction — Poor waste handling causing environmental or legal harm — Improper handling of hazardous waste causing environmental or health damage — Poor supplier oversight leading to quality, ethical, or compliance failures — Poor oversight of value chain labor conditions, including working time, adequate wages, social dialogue, freedom of association, collective bargaining, work-life balance as well as health and safety, creating ethical and operational risks	— Exposure to volatile resource prices or penalties due to industry overuse as well as political instability — Price volatility or supply interruption due to inflow constraints — Reputational or regulatory risk from inadequate product management — Reputational or regulatory risk from inadequate repairability of products — Reputational or regulatory risk from inadequate durability of products — Reputational or regulatory risk from inadequate recyclability of products — Operational disruption or regulatory penalties due to supplier non-compliance — Contract loss or reputational damage due to unethical labor practices in supply chain — Lack of visibility into value chain enabling human rights abuses, such as child labor and forced labor, violating rights to privacy, inadequate housing as well as water and sanitation	— Circularity and lean processes lowering material and energy intensity — Substitution of critical raw materials with lower-impact or recycled alternatives — Advanced product management supporting circularity and product quality — Advanced repairability of products supporting circularity and product quality — Advanced durability of products supporting circularity and product quality — Advanced recyclability of products supporting circularity and product quality — Efficient waste segregation and circular practices reducing environmental impact — Secure and compliant hazardous waste protocols reducing long-term risk — Robust supplier engagement improving quality and ESG alignment — Transparent and ethical management of value chain workers improving trust and resilience	None	— Increased competitiveness and brand equity from circular resource strategies — Strengthened ESG profile and cost control through secure and circular inflow strategies — Market differentiation through strong product management — Market differentiation through strong repairability of products — Market differentiation through strong durability of products — Market differentiation through strong recyclability of products — Improved resilience, innovation, and brand through supplier partnership — Improved business continuity and stakeholder trust through responsible labor practices, including promoting gender equality and equal pay, training and skills development, diversity and inclusion of persons with disabilities as well as measures against violence and harassment in the workplace	The Supplier Code of Conduct is aligned with major global frameworks, specifically the UNGPs, ILO Conventions, and OECD Guidelines for Multinational Enterprises, which form the third-party reference standards for ethics, human rights, labor conditions, and responsible business practices.	Website (full)
Code of Ethics (SEP-01-01)	The Code of Ethics defines the moral and ethical foundations that guide CSG's behavior and serve as the basis for the entire compliance program. It reinforces strict adherence to laws, international standards, fairness, transparency, integrity, and responsible behavior in all business activities.	The Code of Ethics applies to every employee and top management, including members of statutory bodies. The Code is the central document upon which CSG compliance policies and related internal regulations are built.	None.	None.	None.	None.	None.	None.	This Code of Ethics reflects internationally recognized standards, including global human rights principles, anticorruption frameworks, international sanctions and export control rules, and globally accepted environmental and social responsibility practices.	Website (full)

Policy	Policy's Key Contents and Exclusions	Policy's Scope and Exclusions	Negative Impacts (Actual)	Negative Impacts (Potential)	Risks	Positive Impacts (Actual)	Positive Impacts (Potential)	Opportunities	Reference to Third-Party Standards or Initiatives Respected through Policy's Implementation	How the Policy is Made Available to Potentially Affected Stakeholders and/or those who Help Implement it
Compliance Policy (SEP-01)	The purpose of the Compliance Policy is to provide a comprehensive system of internal measures and procedures to prevent, detect and respond to potential illegal or unethical conduct by CSG. Its main objective is to ensure the legality of CSG's activities and at the same time to declare (both internally and externally) CSG's willingness to comply with ethical and moral standards of business. CSG is committed to maintaining a good reputation and building a corporate culture; for this reason it is essential to eliminate the risks and negative consequences associated with violations of the applicable laws and regulations or unethical behavior. This includes in particular: — Reputational risk - e.g., media coverage of cases in the media and on social media leading to a decrease in the trust of investors, business partners, etc., or a decrease in employee motivation, the level of corporate culture, etc.; — Trade risks - contractual penalties, embargoes, etc.; — Legal risks - lawsuits, administrative proceedings, penalties, criminal sanctions, etc.; — Financial impact - interference with the subsidiary's capital resources, etc.	The Compliance Policy is applicable to all CSG subsidiaries. The Policy's function can be broadly divided into three areas: — prevention - preventing illegal or unethical conduct; — detection - detecting compliance violations through internal sources, inspections and audits; — response - CSG's readiness and ability to respond appropriately to compliance violations.	None.	— Inadequate controls allowing corruption or bribery to occur — Lack of grievance channels leading to unresolved conflicts or misconduct	— Fines, legal sanctions, or contract loss due to corruption exposure — Legal or reputational damage due to human rights incidents, such as child and forced labor or violation of privacy rights, and mishandled grievances	— Strong anti-corruption policies reducing legal and operational risks — Effective grievance mechanisms promoting transparency	None.	— Stronger investor and regulator confidence due to ethical safeguards — Improved culture of accountability and conflict resolution	The Compliance Policy does not reference specific third-party standards or external initiatives but requires full adherence to all applicable national and international laws, including export control, sanctions, and regulatory compliance obligations.	Directly communicated to subsidiaries (not publicly available)
CSG Internal Audit Policy (IAG-01)	The purpose of the CSG Internal Audit Policy is to ensure a consistent approach to internal audits across all CSG subsidiaries.	CSG Internal Audit Policy is applicable to all CSG subsidiaries. This Policy regulates: a) CSG internal audit powers; and b) Process of planned / extraordinary internal audit.	None.	None.	None.	None.	None.	None.	Does not formally adopt or certify against any specific external third-party standards or initiatives. The policy establishes CSG's own rules, principles, and processes for the independent and objective performance of internal audit activities across CSG. Nevertheless, the principles set out in the CSG Internal Audit Policy are consistent with generally accepted international internal audit best practices, including widely recognized standards for independence, objectivity, professional judgment, and risk-based audit planning.	Directly communicated to subsidiaries (not publicly available)

Policy	Policy's Key Contents and Exclusions	Policy's Scope and Exclusions	Negative Impacts (Actual)	Negative Impacts (Potential)	Risks	Positive Impacts (Actual)	Positive Impacts (Potential)	Opportunities	Reference to Third-Party Standards or Initiatives Respected through Policy's Implementation	How the Policy is Made Available to Potentially Affected Stakeholders and/or those who Help Implement it
IRO's Policy (ESG-01-001)	This IRO Policy establishes a clear, consistent, and auditable process for identifying, assessing, prioritising, and annually updating CSG's sustainability-related Impacts, Risks, and Opportunities. It defines how Sustainability Matters are listed and maintained, how IROs are co-defined with CSG subsidiaries and the Sustainability Committee, which methodology is applied (actual/potential; positive/negative; value-chain boundaries), how strategic Sustainability Matters are treated, and how scoring is performed (scale, scope, irremediability, likelihood/probability, and magnitude). It also defines how results are documented in the IRO Register to support CSRD/ESRS compliance and decision-making.	The IRO Policy is applicable to all CSG subsidiaries. The Impact, Risk, and Opportunity (IRO) Policy establishes CSG-wide methodology for identifying, assessing, prioritizing, and maintaining sustainability-related impacts, risks, and opportunities, ensuring consistent and traceable application across all CSG subsidiaries. It sets the rules for how IROs are defined collaboratively, how sustainability matters are mapped, how assessment and scoring are performed, and how results are consolidated, approved, documented, and updated annually. The Policy forms a foundation for strategic planning, double materiality assessment, ESG target-setting, and compliance with ESRS-aligned sustainability reporting obligations. **Scope:** The Policy applies to all CSG subsidiaries and governs the full lifecycle of IRO management, including: Establishment and annual updating of the List of Sustainability Matters applicable across CSG. Collaborative definition of IROs by the HQ ESG Team together with CSG subsidiaries and the Sustainability Committee. Application of the methodology covering actual vs. potential impacts, positive vs. negative impacts, value chain coverage, and alignment with strategic Sustainability Matters. Use of a standardized scoring system and consistent documentation in the CSG IRO Register. Annual consolidation, review, challenge, and approval of IROs, and maintenance of the ESRS Mapping Table to ensure regulatory alignment. This scope ensures that all CSG sustainability assessments and reporting activities are based on a unified, ESRS compliant methodology embedded in governance, risk management, and strategic decision-making.	None.	None.	None.	None.	None.	None.	CSG aligns its sustainability reporting and management framework with internationally recognized third-party standards and regulatory frameworks, including the Corporate Sustainability Reporting Directive (CSRD), the European Sustainability Reporting Standards (ESRS), and the EU Taxonomy, ensuring that disclosures follow credible, comparable, and externally validated methodologies.	Directly communicated to subsidiaries (not publicly available)

Policy	Policy's Key Contents and Exclusions	Policy's Scope and Exclusions	Negative Impacts (Actual)	Negative Impacts (Potential)	Risks	Positive Impacts (Actual)	Positive Impacts (Potential)	Opportunities	Reference to Third-Party Standards or Initiatives Respected through Policy's Implementation	How the Policy is Made Available to Potentially Affected Stakeholders and/or those who Help Implement it
Kinetic NSA Compliance Policy (SEP-01-08)	The Kinetic NSA Compliance Policy was issued by Czechoslovak CSG a.s. (CSG) in connection with the acquisition of Vista Outdoor Inc., operating as The Kinetic Group, as required under Article V.B of National Security Agreement (NSA) 24 046. The purpose of the policy is: a) to formally declare CSG's commitment to full compliance with all obligations arising from NSA 24 046, and b) to provide binding written guidance and procedures ensuring that all relevant entities and personnel comply with U.S. national security, export control, and regulatory requirements when conducting business involving The Kinetic Group.	The policy applies to all entities forming part of The Kinetic Group and all CSG entities and personnel to the extent they engage in, influence, or support any activities relating to The Kinetic Group. The policy governs all activities, transactions, and interactions that may involve or affect The Kinetic Group following the acquisition. Its scope includes, in particular: a) adherence to restrictions and obligations set out in NSA 24 046; b) management of access, information flows, and decision making relevant to national security considerations; c) implementation of written procedures and controls required by the U.S. Government; and d) compliance with applicable U.S. laws and regulations linked to the NSA.	None.	None.	None.	None.	None.	None.	National Security Agreement (NSA) 24046, entered into between the Transaction Parties and the U.S. Government; oversight by U.S. authorities acting as CFIUS Monitoring Agencies, including the U.S. Department of Defense (DoD), Department of Justice (DOJ), and Department of the Treasury.	Directly communicated to subsidiaries (not publicly available)
Policy for Foreign Trade in Goods and Technology Subject to ITAR, EAR (SEP-01-06)	The purpose of this Policy for Foreign Trade in Goods and Technology Subject to ITAR, EAR is to establish the basic framework of processes and policies within CSG with respect to foreign trade in military equipment or civilian and commercial products and technologies that may be of significance to the U.S. national security or that may be used to produce weapons, military technology or weapons of mass destruction that originate in the U.S., in accordance with the rules laid down by U.S. regulations, i.e., International Traffic in Arms Regulations (ITAR) and Export Administration Regulations (EAR). The Policy's intent is to provide a basic standard for ensuring compliance of internal policies of CSG subsidiaries with the said regulations, but also for setting minimum rules for the implementation of CSG subsidiaries' own processes according to their scope and line of business.	The Policy for Foreign Trade in Goods and Technology is applicable to all CSG subsidiaries. Its scope covers, in particular: a) the import, export, re-export, and transfer of goods, technologies, software, and technical data subject to ITAR or EAR; b) classification, labelling, and jurisdiction determination of controlled items; c) physical and information security measures, including restricted access to controlled data; d) cooperation with suppliers, customers, and other business partners, such as freight forwarders; e) risk assessment, internal audits, and cooperation on external audits; and f) information, training, and awareness for employees involved in foreign trade activities.	None.	None.	None.	None.	None.	None.	The Policy for Foreign Trade in Goods and Technology Subject to ITAR, EAR is directly based on and implements binding external regulatory frameworks, in particular the International Traffic in Arms Regulations (ITAR) and the Export Administration Regulations (EAR) issued by the United States Government.	Directly communicated to subsidiaries (not publicly available)

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Sales Policy (SAL-01)	The purpose of this Sales Policy is to: Ensure a consistent, transparent, and professional approach to business activities across the entirety of CSG. Minimize commercial and legal risks associated with concluding commercial contracts and providing services. Promote fair and ethical business conduct that complies with CSG's principles and applicable laws and regulations. Establish rules and responsibilities for the sales team in the areas of customer communication, customer data management and protection, conflicts of interest, accepting and giving of gifts and other expressions of hospitality, and prohibition of discrimination. Ensure monitoring and supervision of compliance with business terms and conditions and internal and legal rules.	The Sales Policy applies to all operating CSG subsidiaries, i.e., CSG subsidiaries involved in the sales of products and services through the sales team, sales representatives, sales management, and other support departments (e.g., customer service, logistics, finance). The Policy applies to sales to end customers (B2C), corporate clients (B2B), distributors, consumers, and partners across all sales channels (e.g., direct sales, online shop, and business partners).	None.	— Inadequate consumer protection or end-user safety practices	— Legal penalties or brand damage due to consumer safety violations, including the protection of children, health and safety and non-discrimination, or misinformation	— Trust-building practices, including the right to privacy, freedom of expression and access to products and services, leading to enhanced end-user satisfaction and loyalty	None.	— Stronger brand equity and customer retention from responsible end-user management	This Policy applies primarily to all CSG subsidiaries engaged in sales activities; however, third parties acting on behalf of CSG—including distributors, agents, intermediaries, and representatives—are expected to conduct their activities in a manner consistent with the principles, ethical standards, and legal requirements set out in this Policy, as well as in accordance with the Supplier Code of Conduct and any other applicable CSG regulations.	Directly communicated to subsidiaries (not publicly available)
Stakeholder Engagement Policy (ESG-01-002)	The purpose of the Stakeholder Engagement Policy is to define the principles, responsibilities, and processes governing how CSG engages with its stakeholders. The Policy ensures that stakeholder engagement across all in-scope CSG subsidiaries is conducted in a consistent, transparent, and structured manner, enabling the ESG HQ Team to gather insights, strengthen cooperation, and integrate stakeholder perspectives into CSG's sustainability management and reporting activities.	The Stakeholder Engagement Policy is applicable to all CSG subsidiaries. This policy governs: — The identification, mapping, and categorization of Internal stakeholders, and External stakeholders; — The coordination of stakeholder engagement across all CSG subsidiaries; — The definition of governance structures, responsibilities, and oversight mechanisms for engagement; and — The evaluation, documentation, and continuous improvement of engagement effectiveness.	None.	None.	None.	None.	None.	None.	CSG's stakeholder engagement processes are designed and implemented in alignment with recognized third-party standards and regulatory frameworks, including the Corporate Sustainability Reporting Directive (CSRD), the European Sustainability Reporting Standards (ESRS), and the EU Taxonomy, ensuring that stakeholder identification, engagement, and integration of stakeholder expectations reflect internationally accepted principles of transparency, accountability, and responsible governance.	Website (full)

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Sustainability Reporting & Management Policy (ESG-01)	This Sustainability Reporting Policy defines the principles, responsibilities, and processes for the collection, validation, and reporting of ESG data, in line with the Corporate Sustainability Reporting Directive (CSRD) and related European Sustainability Reporting Standards (ESRS). It ensures that CSG and the relevant CSG subsidiaries fulfil all legal obligations, meet stakeholder expectations, and maintain high standards of accuracy and accountability in sustainability disclosures.	The Sustainability Reporting Policy is applicable to all CSG subsidiaries. This Policy is to establish a unified and transparent framework for environmental, social, and governance ("ESG") management and reporting within CSG.	None.	None.	None.	None.	None.	None.	To ensure the quality, credibility, and comparability of CSG's sustainability disclosures, this Policy is implemented in alignment with internationally recognized third-party standards and initiatives, including the Corporate Sustainability Reporting Directive (CSRD), the European Sustainability Reporting Standards (ESRS), and other globally acknowledged ESG frameworks that support transparent reporting, robust impact assessment, and consistent methodology across all CSG subsidiaries.	Directly communicated to subsidiaries (not publicly available)
Target Setting Approval Policy (ESG-01-003)	The ESG Target Setting & Approval Policy defines the process by which environmental, social, and governance (ESG) targets are proposed, reviewed, and approved across CSG. It establishes a consistent and transparent approach to developing ESG-related objectives that are measurable, traceable, and aligned with CSG's overall sustainability strategy. Targets are derived from the outcomes of the Impact, Risk & Opportunity (IRO) Policy, ensuring a clear link between material sustainability topics, identified impacts, and risks, and CSG's strategic responses.	The Target Setting Approval Policy is applicable to all CSG subsidiaries. This policy governs the development, approval, and management of ESG targets throughout CSG. It applies to all CSG subsidiaries and covers: — The process for proposing ESG targets by the ESG Headquarters Team (ESG HQ); — Validation and endorsement by designated Sponsors (e.g. functional or sectoral leads); — Approval by the Sustainability Committee and escalation to the Board of Directors; and — Annual review, tracking, and reporting of progress through the sustainability-reporting cycle.	None.	None.	None.	None.	None.	None.	CSG's ESG target setting process is aligned with internationally recognized third party standards and regulatory frameworks, including the Corporate Sustainability Reporting Directive (CSRD), the European Sustainability Reporting Standards (ESRS), and the EU Taxonomy, ensuring that ESG targets are developed, validated, and approved in a manner consistent with externally defined sustainability criteria, disclosure requirements, and best practice expectations for reliability, comparability, and governance oversight.	Directly communicated to subsidiaries (not publicly available)
Whistleblowing Policy (SEP-01-03 - Attachment)	The Whistleblower Protection Policy is an important element in detecting possible illegal or other undesirable conduct on the part of CSG, its employees and workers, or other persons performing work for CSG. The purpose of this policy is to encourage employees and other persons who have serious concerns about a particular aspect of CSG's business activities to raise these concerns and to ensure that they are not harmed by CSG or any of its employees as a result of making such a report.	The Whistleblowing Policy is applicable to all CSG subsidiaries. The scope of the Whistleblowing Policy covers all whistleblowing reports made under applicable legislation, all protected persons linked to the whistleblower, and all CSG subsidiaries required to implement a protected internal reporting channel.	None.	None.	None.	None.	None.	None.	This Policy is based on and implemented in accordance with applicable laws and regulations governing whistleblower protection, including relevant European Union directives, national Whistleblower Protection Acts, and other binding legal standards that regulate internal reporting channels, protection of whistleblowers, confidentiality, and protection against retaliation. All processes, rights, and obligations defined in this Policy follow these mandatory external regulatory frameworks, ensuring full compliance with third-party legal standards applicable across the jurisdictions in which CSG subsidiaries operate.	Website (full)

Financial Part

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Consolidated Financial Statements

Consolidated Financial Statements prepared under International Financial Reporting Standards (IFRS) as Adopted by the EU for the year ended December 31, 2025

Consolidated Financial Statements for the year ended December 31, 2025

Components of the Financial Statements:

Consolidated Statement of Profit or Loss and Other Comprehensive Income
Statement of Consolidated Financial Position
Statement of Consolidated Changes in Equity
Statement of Consolidated Cash Flows
Notes to Consolidated Financial Statements

These consolidated financial statements were prepared on March 24, 2026.

Ladislav Štorek

Vice-Chairman of the Board of Directors

Zdeněk Jurák

Member of the Board of Directors

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

(€ thousand)	Note	For the year ended December 31, 2025	For the year ended December 31, 2024 (restated)
Revenues	8	6,741,315	3,925,163
Raw material and consumables	9	(3,705,702)	(2,135,198)
External costs	10	(602,157)	(418,439)
Employee benefits expense	11	(604,014)	(257,096)
Depreciation and amortisation expenses	16,17	(156,161)	(58,297)
Other operating income	12	98,049	44,405
Other operating expense	13	(178,016)	(89,126)
Profit from operating activities		**1,593,314**	**1,011,412**
Financial income	14	200,474	163,613
Financial expense	14	(601,457)	(367,509)
Profit/ (loss) from other financial instruments	14	(10,575)	44,009
Loss from financing activities		**(411,558)**	**(159,887)**
Share of profit/(loss) from associates & JVs, net	18	(2,918)	(300)
Profit (loss) from the sale of equity interests	7	236	2,225
Profit/ (loss) before tax		**1,179,074**	**853,450**
Income tax	15	(306,585)	(209,599)
Net profit from continuing operations		**872,489**	**643,851**
Net profit from discontinued operations	**34**	**1,772**	**(10,464)**
Total profit		**874,261**	**633,387**

(€ thousand)	Note	For the year ended December 31, 2025	For the year ended December 31, 2024 (restated)
Other comprehensive income			
Items not reclassified to profit/loss			
FX differences from presentation currency non recycled		(39,808)	5,491
Items that are or may be subsequently reclassified to profit or loss			
FX differences on foreign operations, net		(134,807)	(1,477)
Fair value gain/(loss) on hedging instruments		2,635	1,474
Other comprehensive income, net		**(171,980)**	**5,488**
Total comprehensive income		**702,281**	**638,875**
Profit attributable to:			
Shareholders of the Company		694,063	526,074
Non-controlling interest	26	180,198	107,313
Profit/ (loss) for the year		**874,261**	**633,387**
Total comprehensive income attributable to:			
Shareholders of the Company		523,433	531,562
Non-controlling interest	26	178,848	107,313
Total comprehensive income for the year		**702,281**	**638,875**

Consolidated Statement of Financial Position

(€ thousand)	Note	December 31, 2025	December 31, 2024 (restated)
ASSETS			
Non – current assets			
Intangible assets	16	807,276	941,850
Goodwill	16	1,205,069	1,285,129
Property, plant and equipment	17	1,021,899	926,855
Investment property		6,517	5,848
Investments in associates and joint ventures	18	83,314	83,923
Loans and other financial assets	19	297,015	77,206
Trade and other receivables	20	28,812	24,666
Prepayments made and deferred expenses and accrued income	20	104,013	154,534
Deferred tax asset	21	33,694	26,773
Contract assets	8	1,677	—
Contract costs		166,438	60,437
Total non-current assets		**3,755,724**	**3,587,221**
Current assets			
Inventory	22	1,630,222	1,255,240
Inventory - prepayments to suppliers	22	1,656,065	939,828
Trade and other receivables	20	1,233,151	520,233
Loans and other financial assets	19	127,369	69,474
Prepayments made and deferred expenses and accrued income	20	245,575	584,886
Tax receivables	23	38,686	21,381
Current income tax receivable	23	12,502	7,401
Cash and cash equivalents	24	1,504,581	1,248,487
Contract Assets	8	43,552	18,913
Total current assets		**6,491,703**	**4,665,843**
Total assets		**10,247,427**	**8,253,064**

(€ thousand)	Note	December 31, 2025	December 31, 2024 (restated)
EQUITY			
Share capital	25	78,427	78,427
Other reserves	25	44,144	65,931
Translation reserve	25	(105,382)	67,393
Retained earnings of past years including profit or loss for the current accounting period		1,697,139	983,864
Equity attributable to the Company's shareholders		**1,714,328**	**1,195,615**
Non-controlling interests	26	364,607	313,307
Total equity		**2,078,935**	**1,508,922**
LIABILITIES			
Non-current liabilities			
Liability from put option	19		5,260
Loans and borrowings	19	1,584,586	1,140,402
Other financial instruments	19	98,462	94,542
Trade and other payables	27	132,425	149,297
Provisions	28	6,682	12,792
Deferred tax liability	21	216,623	288,356
Bonds	19	2,416,574	1,000,830
Contract liabilities	8	423,960	352,229
Total non-current liabilities		**4,879,312**	**3,043,708**
Current liability			
Liability from put option	19	—	143,517
Loans and borrowings	19	238,927	772,094
Other financial instruments	19	22,218	57,622
Trade and other payables	27	1,009,253	632,999
Provisions	28	24,660	18,314
Tax liabilities	29	102,535	45,050
Current income tax payable	29	187,162	174,185
Contract liabilities	8	1,553,494	1,851,788
Bonds	19	150,931	4,865
Total current liabilities		**3,289,180**	**3,700,434**
Total liabilities		**8,168,492**	**6,744,142**
Total equity and liabilities		**10,247,427**	**8,253,064**

Consolidated Statement of Changes in Equity

For the year ended December 31, 2025

(€ thousand)	Note	Share capital	Other reserves	Foreign exchange translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
Balance as at January 1, 2025 (restated) (A)		**78,427**	**65,931**	**67,393**	**983,864**	**1,195,615**	**313,307**	**1,508,922**
Total comprehensive income for the year:								
Profit for the year (B)		—	—	—	694,063	694,063	180,198	874,261
Other comprehensive income:								
Foreign exchange differences on translation of foreign operations non recycled		—	—	(39,753)	—	(39,753)	(55)	(39,808)
Foreign exchange differences on translation of foreign operations recycled		—	—	(133,512)	—	(133,512)	(1,295)	(134,807)
Fair value gain/(loss) arising on hedging instruments during the period		—	2,635	—	—	2,635	—	2,635
Total other comprehensive income (C)		**—**	**2,635**	**(173,265)**	**—**	**(170,630)**	**(1,350)**	**(171,980)**
Total comprehensive income for the year (D) = (B + C)		**—**	**2,635**	**(173,265)**	**694,063**	**523,433**	**178,848**	**702,281**
Additions and disposals:						—		
Changes in non-controlling interests without a change of control	26	—	151,666	490	(3,149)	149,007	(73,630)	75,377
Effects of acquisitions in the form of business combinations	7	—	—	—	—	—	3,535	3,535
Effects of acquisitions under joint control		—	—	—	(3,546)	(3,546)	9	(3,537)
Effects of subsidiaries sold	7	—	—	—	—	—	(4,270)	(4,270)
Changes in ownership interests in subsidiaries (E)		**—**	**151,666**	**490**	**(6,695)**	**145,461**	**(74,356)**	**71,105**
Distribution of other capital funds		—	(150,181)	—	—	(150,181)	—	(150,181)
Dividends	26	—	—	—	—	—	(53,192)	(53,192)
Contributions and distributions to owners (F)	**26**	**—**	**(150,181)**	**—**	**—**	**(150,181)**	**(53,192)**	**(203,373)**
Transfer in equity		—	(25,907)	—	25,907	—	—	—
Balance as at December 31, 2025 (H) = (A + D + E + F + G)		**78,427**	**44,144**	**(105,382)**	**1,697,139**	**1,714,328**	**364,607**	**2,078,935**

For the year ended December 31, 2024 (restated)

		Attributable to the shareholders of the Company						
(€ thousand)	**Note**	**Share capital**	**Other reserves**	**Foreign exchange translation reserve**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
Balance as 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	26	—	858	—	(9,164)	(8,306)	(5,594)	(13,900)
Effects of acquisitions under joint control		—	—	—	—	—	1,064	1,064
Changes in ownership interests in subsidiaries (E)		**—**	**858**	**—**	**(9,164)**	**(8,306)**	**(4,530)**	**(12,836)**
Change in present value of put option liability		—	27,674	—	—	27,674	—	27,674
Capital contribution		—	169,210	—	—	169,210	—	169,210
Dividends	25	—	—	—	—	—	(15,954)	(15,954)
Contributions and distributions to owners (F)		**—**	**196,884**	**—**	**—**	**196,884**	**(15,954)**	**180,930**
Transfer in equity		—	6,560	—	(6,560)	—	—	—
Balance as at December 31, 2024 (H) = (A + D + E + F + G)		**78,427**	**65,931**	**38,150**	**998,070**	**1,180,578**	**313,307**	**1,493,885**
Restatement PPA		—	—	29,243	(14,206)	15,037	—	15,037
Balance as at December 31, 2024 (H) = (A + D + E + F + G) (restated)		**78,427**	**65,931**	**67,393**	**983,864**	**1,195,615**	**313,307**	**1,508,922**

Consolidated Statement of Cash Flows

(€ thousand)	Note	For year ended December 31, 2025	For the year ended December 31, 2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period		**874,261**	**633,387**
Adjustments for:			
Amortisation/depreciation of fixed assets	16,17	161,176	66,291
Impairment of inventory		9,365	4,757
Impairment of property, plant and equipment		3,664	1,551
Impairment of financial assets		3,683	(8,272)
Gain (-) /loss (+) from the sale of property, plant and equipment, investment property and intangible assets	12,13	(45)	44
Gain (-) / loss (+) from financial instruments		(859)	(22,999)
Gain (-) / loss (+) from the disposal of subsidiaries		(16,567)	(2,225)
Net interest income (-) / expense (+)	14	304,561	93,381
Recognition (+) / release (-) of allowances for trade and other receivables, write-offs		26,480	30,896
Recognition (+) / release (-) of provisions	13	7,562	13,190
Income tax	15	307,780	212,451
Unrealised foreign exchange rate (gains)/losses, net		(58,486)	(39,926)
Share of profit (-) /loss (+) of associates and joint ventures	18	2,918	300
Other		32,201	(1,595)
Operating cash flows before movements in working capital		**1,657,694**	**981,231**
Increase (-) / decrease (+) in trade receivables and other assets*		(410,788)	(655,669)
Increase (-) / decrease (+) in inventory (including income from sale)		(1,146,857)	(957,947)
Increase (+) / decrease (-) in trade and other payables**		151,335	1,573,793
Cash generated by operations		**251,384**	**941,408**
Income taxes paid		(295,907)	(85,353)
Net cash from operating activities		**(44,523)**	**856,055**

(€ thousand)	Note	For year ended December 31, 2025	For the year ended December 31, 2024
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds on disposal of property, plant and equipment, investment property and intangible assets		14,498	5,190
Proceeds on disposal of subsidiaries		(58,423)	6,997
Repayment of provided loans		72,991	122,224
Interest received		26,076	39,804
Acquisition of property, plant and equipment, investment property and intangible assets	16,17	(225,226)	(116,804)
Acquisition of investments in subsidiaries, net of cash acquired	7	(160,275)	(2,104,399)
Other investments***		(165,762)	—
Loans provided		(219,507)	(35,615)
Net cash (used in)/from investing activities		**(715,628)**	**(2,082,603)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		1,782,183	1,405,515
Proceeds on bond placements		2,220,770	770,746
Repayments of borrowings		(1,757,090)	(246,514)
Costs related to bond placements		(35,264)	(58,436)
Payments of bonds		(672,549)	(51,663)
Dividends paid		(53,192)	(15,954)
Payments of obligations under leases		(12,143)	(8,828)
Interest paid		(200,201)	(79,299)
Contributions to / (Distributions from) other capital funds	25	(150,181)	214,244
Effect of changes in non-controlling interests****		(103,192)	(10,750)
Net cash (used in)/from financing activities		**1,019,141**	**1,919,061**
Net increase/decrease in cash and cash equivalents		**258,990**	**692,513**
Cash and cash equivalents at beginning of year		**1,248,487**	**563,865**
Foreign exchange rate gains (+) / losses (-) from the translation of cash and cash equivalents		(2,896)	(7,891)
Cash and cash equivalents at end of period		**1,504,581**	**1,248,487**

* 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.

*** Other investments include payment for purchase of shares in Alzchem Group AG and Presto Tech Horizons SCSp.

**** Payments from/to holders of non-controlling interest are predominantly connected to buyout of outstanding non-controlling interest of the Fiocchi Group (Note 27)

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, 2025, encompass the financial statements of the Parent Company and its subsidiaries and its interests in associates and joint ventures (jointly referred to as the “Group” or the “CSG Group”). The entities included in the Czechoslovak Group are disclosed in Note 37—Group Entities.

The Group is a leading defence group in terms of medium-, large- and small-calibre ammunition sales, based in Prague, Czech Republic, operating in Europe, the United States and in other regions, including Asia Pacific. The Group sells its products to key long-term customers, ranging from government bodies (mainly NATO members), including ministries of defence, to well-established companies in the Group's target industries in over 70 countries worldwide.

As of December 31, 2025, the Company’s sole shareholder was CSG FIN a.s., which, as the sole shareholder, acted as the Company’s ultimate authority. The ownership structure remains unchanged compared to 2024.

As of December 31, 2025, the Company’s sole shareholder was as follows:

	Number of shares	Shares Ownership percentage		Voting rights
December 31, 2025	**Pieces**	**€ thousand**	**%**	**%**
CSG FIN a.s., Corporate ID: 141 41 442	20	78,427	100	100

As of December 31, 2025, the Group’s ultimate owner was Mr. Michal Strnad.

Composition of the Board of Directors as of December 31, 2025:

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)
Zdeněk Jurák (Member of the Board of Directors)
Michaela Katolická (Member of the Board of Directors)
Alena Kozáková (Member of the Board of Directors)

Composition of the Supervisory Board as of December 31, 2025:

Zuzana Slováková (Chairman of the Supervisory Board)
Rudolf Bureš (Member of the Supervisory Board)
Aleš Klepek (Member of the Supervisory Board)

2. Statement of Compliance

The consolidated financial statements were authorised for issue by the Board of Directors on March 25, 2026.

The consolidated 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 in the consolidated financial statements determines its 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 consolidated financial statements better than CZK.

The consolidated financial statements are prepared using consistent accounting policies over the whole period covered by the consolidated financial statements (i.e. both the current and comparative periods). These accounting policies are in line with the IFRS Accounting Standards applicable at the end of the reporting period i.e., December 31, 2025.

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 measured at fair value

- Shares and other securities
- Derivative Instruments
- Liability from put option

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.

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).

4. Adoption of new and Revised IFRS Accounting Standards

A. Changes in accounting policies and restatement of comparative information

B. Newly applied accounting policies

Modification of debt instruments

When the group exchanges with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification is recognised in profit or loss as the modification gain or loss within other gains and losses.

Pensions

Accounting for pensions and other postemployment benefits involves making estimates when measuring the Group's retirement benefit obligations. These estimates require assumptions to be made about uncertain events, such as discount rates, inflation rates and longevity. The pension plan is only applied in a few subsidiaries. The calculation is prepared by external appraiser.

C. Restatement of comparative information

Disposal of certain non-core assets and discontinued operations

During the year ended December 31, 2025 the Group's management approved and completed the sale of several subsidiaries to a related party. These subsidiaries can be categorized into three significant subgroups:

CSG Mobility – breaking systems for rail vehicles

Perazzi Group – high-quality shotguns for sport shooters and elite hunters

Prague Fertility Center – clinic for assisted reproduction.

As these represent a separate major line of business or geographical area of operations or significant part of business, which is decided to be sold, the Group classifies these activities as discontinued operations for the year ended December 31, 2025, including restatement of comparatives. These are presented in the consolidated statement of profit or loss and other comprehensive income under a separate line Net profit from discontinued operations. Any intercompany transactions between continuing and discontinued operations are fully eliminated within Net profit from discontinued operations. For details on the impacts of discontinued operations including cash flows on the consolidated financial statements refer to Notes 7 and 35.

Adjustments to purchase price allocation

During the year ended December 31, 2025, the purchase price allocation process for a subsidiary acquired in 2024 was completed. The completion led to adjustments of the provisional amounts in connection with acquisition of The Kinetic Group. For details of the restatement refer to Appendix 1 – Restated Consolidated statement of financial position and Note 1B. Since the opening balance as of January 1, 2024 remained unaffected, restated consolidated statement of financial position as of January 1, 2024 is not presented.

Change of composition of reportable segments

During fiscal year 2025, the Company changed its operating segment structure from five operating segments (CSG Defence, CSG Aerospace, CSG Ammo+, CSG Mobility and CSG Other) into two operating. Under the changed segment structure, Defence Systems encompass the activities previously reported under both CSG Defence and CSG Aerospace. CSG Mobility has been assessed to be a discontinued operation. CSG Ammo+ remains unchanged and CSG Other are identified as corporate activities and not a separate segment.

The main reason for this change was the change of strategic direction of the Company towards the defence industry and also how the Company approaches the market.

The formal reorganisation performed in 2025 aligned internal reporting to the two operating segment structure. From Q3 onwards, the CODM reviewed performance and made resource allocation decisions based on the new segment structure.

Following the change in reportable segments, the Company prepared comparative information in its financial statements for the year ended 2025. In line with IFRS 8, the Company disclosed current period segment information on both the old and new basis of segmentation.

Change in presentation of advances received

During 2025, the Group aligned the presentation of advances received from customers throughout the Group's entities, which resulted in a restatement of prior period figure of Trade and other payables and Contract Liabilities. All advanced payments from customers that represent Group's obligation to transfer goods or services to a customer for which the Group has received consideration are now included under Contract liabilities. For details of the restatement, refer to Appendix 1 – Restated Consolidated statement of financial position.

Change in presentation of prepayments to suppliers

During 2025, the Group revised the presentation of advances paid to suppliers relating to the acquisition of inventories. In order to provide more relevant information, such advances, which were previously included within inventories, are now presented separately as prepayments to suppliers on the face of the statement of financial position. This change represents a reclassification of balances and has no impact on the Group's total assets, equity, or profit or loss.

D. New and amended IFRS Accounting Standards that are effective for the current year

In the current year, the Group has applied amendments to IAS 21 Lack of Exchangeability issued by the International Accounting Standards Board (IASB) and adopted by the EU that are mandatorily effective for reporting period that begins on or after 1 January 2025. Adoption of those amendments has not had any material impact on the disclosures or on the amounts reported in these Interim Financial Statements.

E. 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 new and revised IFRS Accounting Standards that have been issued by IASB and adopted by EU but are not yet effective:

IFRS 18 Presentation and Disclosures in Financial Statements issued by IASB on 9 April 2024 will replace IAS 1 Presentation of Financial Statements. Standard introduces three sets of new requirements to improve companies' reporting of financial performance and give investors a better basis for analysing and comparing companies. The main changes in the new standard compared with IAS 1 comprise: (a) The introduction of categories (operating, investing, financing, income tax and discontinued operations) and defined subtotals in the statement of profit or loss; (b) the introduction of requirements to improve aggregation and disaggregation; (c) The introduction of disclosures on Management-defined Performance Measures (MPMs) in the notes to the financial statements.

The Group is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.

The directors of the Group anticipate that the application of the new standard may have an impact on the group's consolidated financial statements in future periods.

Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures – Amendments to the Classification and Measurement of Financial Instruments issued by IASB on 30 May 2024. Amendments clarify the classification of financial assets with environmental, social and corporate governance (ESG) and similar features. Amendments also clarify the date on which a financial asset or financial liability is derecognised and introduce additional disclosure requirements regarding investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments are effective for annual periods beginning on or after 1 January 2026, with earlier application permitted. The Group is currently reviewing the impact of these amendments to its financial statements and to the disclosures the Group provides.

Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity issued by IASB on 18 December 2024. The own-use requirements in IFRS 9 are amended to include the factors an entity is required to consider when applying IFRS 9:2.4 to contracts to buy and take delivery of renewable electricity for which the source of production of the electricity is nature-dependent. The hedge accounting requirements in IFRS 9 are amended to permit an entity using a contract for nature-dependent renewable electricity with specified characteristics as a hedging instrument to designate a variable volume of forecast electricity transactions as the hedged item if specified criteria are met and to measure the hedged item using the same volume assumptions as those used for the hedging instrument. Amend-

ments to IFRS 7 and IFRS 19 also introduce disclosure requirements.

The amendments are effective for annual periods beginning on or after 1 January 2026, with earlier application permitted. The Group is currently reviewing the impact of these amendments to its financial statements and to the disclosures the Group provides.

Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 – Annual Improvements to IFRS Accounting Standards – Volume 11 issued by IASB on 18 July 2024. These amendments include clarifications, simplifications, corrections and changes in the following areas: (a) hedge accounting by a first-time adopter (IFRS 1); (b) gain or loss on derecognition (IFRS 7); (c) disclosure of deferred difference between fair value and transaction price (IFRS 7); (d) introduction and credit risk disclosures (IFRS 7); (e) lessee derecognition of lease liabilities (IFRS 9); (f) transaction price (IFRS 9); (g) determination of a 'de facto agent' (IFRS 10); (h) cost method (IAS 7).

The amendments are effective for annual periods beginning on or after 1 January 2026, with earlier application permitted. The Group is currently reviewing the impact of these amendments to its financial statements and to the disclosures the Group provides.

Amendments to IFRS 10 consolidated financial statements and IAS 28 Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture issued by IASB on 11 September 2014. The amendments address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. Endorsement process postponed indefinitely until the research project on the equity method has been concluded. The amendment is effective for annual periods beginning on or after 1 January 2027.

The Group is currently reviewing the impact of the new standard to its financial statements and to the disclosures the Group provides.

F. New and revised IFRS Accounting Standards issued by the IASB but not yet adopted by the EU

At present, IFRS Accounting Standards as adopted by the EU do not significantly differ from IFRS Accounting Standards adopted by the International Accounting Standards Board (IASB) except for the following new standards and amendments to the existing standards, which were not adopted by the EU as at the date of authorisation of these Interim Financial Statements:

IFRS 19 Subsidiaries without Public Accountability: Disclosures

IFRS 19 permits an eligible subsidiary (defined as a subsidiary that does not have public accountability and has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards) to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements

The new standard is effective for reporting periods beginning on or after 1 January 2027 with earlier application permitted.

The directors of the Group do not anticipate that IFRS 19 will be applied for purposes of the consolidated financial statements of the group.

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates – Translation to a Hyperinflationary Presentation Currency

The amendments to IAS 21 require an entity with the functional currency of a non-hyperinflationary economy but the presentation currency of a hyperinflationary economy to translate all amounts in its financial statements, including comparatives, at the closing rate at the date of the most recent statement of financial position.

When the entity's presentation currency ceases to be the currency of a hyperinflationary economy and its functional currency continues to be the currency of a non-hyperinflationary economy, the entity applies prospectively (without restatement of the comparative amounts) the method currently applicable to such situations under IAS 21.

The amendments are effective for annual reporting periods beginning on or after 1 January 2027. They would have to be applied retrospectively with certain transition provisions.

The directors of the entity anticipate that the application of these amendments will not have an impact on the group's consolidated financial statements in future periods.

5. Basis of Preparation of the Consolidated Financial Statements

A. Going concern

These consolidated financial statements were prepared on a going concern basis. The Board of Directors has at the time of approving the consolidated financial statements, a reasonable expectation that CSG Group has adequate resources to continue in operational existence for the foreseeable future.

B. Basis of consolidation

Subsidiaries

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.

Non-controlling interests

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 are initially measured at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets.

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.

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. 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.

Transactions eliminated on consolidation

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the group are eliminated on consolidation.

Loss of control

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.

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.

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. Acquisition related costs are recognized in cost of the investment. 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.

The group discontinues the use of the equity method from the date when the investment ceases to be 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. 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.

4) 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.

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 non-current contracts, namely in security services, production of radar equipment, military vehicles, weapon systems, 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. 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. Some contracts 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.	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. 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 assesses and identifies separable goods and services and reports them as a separate contractual obligation representing a separate performance obligation. If a contract grants a customer a financing benefit, the benefits is 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 is separated from sales of assets and is 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). 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 assesses and identifies separable goods and services and reports them as a separate performance obligation.
Sales of goods	Sales of goods namely include income from the sale of armaments goods, radar equipment and ammunition. 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 assesses and identifies separable goods and services and reports them as a separate performance obligation.
Sales of services	Sales of services namely include servicing and repairs of military machinery 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 assesses and identifies separable goods and services and reports them as a separate performance obligation.

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.

F. 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.

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 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.

The incremental borrowing rate for the Group is derived from PRIBOR + margin 3.9% for contracts concluded in CZK and EURIBOR + margin 3.9% for contract concluded in EUR, entered into in 2025.

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, and
- 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 "Rental" in profit or loss (see note 10).

The Group applies the practical expedient upon which 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.

G. Foreign currencies

In preparing the financial statements of the Group entities, transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate at the transaction date. 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). Differences arising in entities with the same functional currency as the parent entity are recognized as non-recyclable, while differences arising in entities whose functional currency is neither the functional currency of the parent, being CZK, nor the presentation currency, being EUR, are recognized as recyclable.

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.

H. 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 corresponding 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.

I. Property, plant, and equipment and Right-of-Use assets

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.

Property, plant, and equipment and Right-of-Use assets are aggregated in the row Property, plant, and equipment in the consolidated Statement of Financial Position.

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.

J. Intangible assets acquired separately

Intangible assets, including Trademarks, 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, including Trademarks, with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. They are tested for impairment at least annually or whenever there is any indication that impairment occurred.

K. Internally-generated intangible assets

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; and
- 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.

Intangible assets are amortized on a straight-line basis over their estimated useful lives. The useful life is determined individually based on the nature of the asset and license terms, and is generally 3 to 5 years, corresponding to an annual amortization rate of approximately 33.3% or 20% respectively.

L. 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.

M. 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.

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.

N. 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.

O. Advances to suppliers

Prepayments to suppliers are disclosed separately in the Balance sheet if the relevant deliveries are already clearly defined and there is certainty that they will be delivered as inventories.

P. 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 insig-

nificant risk of changes in value. Cash equivalents are held for the purpose of meeting current cash commitments rather than for investment or other purposes.

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.

Q. 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, and
- 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 current 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 guaranteed 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 current profit-taking; or
- 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; or
- 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 20 and 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.

R. 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.

S. 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.

T. 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.

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.

Revenue recognition

The Group recognises revenue in accordance with IFRS 15 when control of goods or services is transferred to the customer. Management applies judgement in identifying performance obligations, determining the transaction price (including estimates of variable consideration), allocating the transaction price to individual performance obligations and assessing whether revenue is recognised over time or at a point in time. Estimates are also required when measuring progress towards completion for performance obligations satisfied over time. See Note 8 for more information about revenue from customers.

Contract assets and contract liabilities

Contract assets and contract liabilities arise when the timing of revenue recognition differs from the timing of invoicing or cash receipts. Management applies judgement in determining the measurement of contract assets, including the assessment of the Group's enforceable right to payment and the recoverability of recognised amounts. See Note 8.A for more information about contract assets recognised.

Business combinations

In applying the acquisition method under IFRS 3 (see Note 5.C), the Group is required to measure the identifiable assets acquired and liabilities assumed at fair value at the acquisition date. The determination of these fair values involves significant judgement, particularly in respect of intangible assets, due to the use of valuation models and assumptions that are inherently subjective. See Note 7.A describing recent business acquisitions.

Goodwill

Goodwill arising from acquisitions is tested annually for impairment. The impairment test requires management to estimate the recoverable amount of cash-generating units, which involves assumptions about future cash flows, discount rates and long-term growth rates. Refer to Note 16 describing assumptions used in assessing impairment of goodwill.

U. 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.

V. Impairment testing of Goodwill

Following the assessment of the recoverable amount of goodwill allocated to groups subsidiaries to which goodwill of €1,097 million is allocated, the directors consider the recoverable amount of goodwill to be most sensitive to the achievement of the 2026—2030 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 CSG Defence Systems segment and CSG Ammo+ segment.

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.

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

a. Newly established subsidiaries

2025

Company name	Acquisition type	Establishment date	Effective ownership
AviaNera Technologies, a.s. (CSG Ammo+ Trade a.s.)	Established	28/02/2025	100.00%
AERIS TRADE a.s.	Established	03/03/2025	89.00%
ERION TRADE a.s.	Established	03/03/2025	89.00%
FORTIS TRADE a.s.	Established	03/03/2025	100.00%
CSG AI a.s.	Established	24/06/2025	92.50%
MSM LS SPV, s. r. o.	Established	03/04/2025	89.00%
CSE GREECE SINGLE MEMBER PRIVATE COMPANY	Established	21/05/2025	89.00%
EVIKOM LABS a.s.	Established	08/08/2025	100.00%
GARAIDOS ENERGY a.s.	Established	08/08/2025	100.00%
LUKARIO DYNAMICS a.s.	Established	08/08/2025	100.00%
SNORPEX a.s.	Established	08/08/2025	100.00%
MSM SPV VI, s. r. o.	Established	16/12/2025	80.20%
MSM SPV VII, s. r. o.	Established	16/12/2025	80.20%

2024

Company name	Acquisition type	Establishment date	Effective ownership
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

2025

Company name	Type of acquisition	Establishment date	Effective ownership
FIOCCHI DEFENCE SYSTEMS a.s. (DEFENCE SPV a.s.)	Common control	03/13/2025	89.00%
MSMG Services CZ a.s. (TITANIUM DEFENCE a.s.)	Common control	05/28/2025	100.00%
BlackBird Services a.s	Common control	07/01/2025	100.00%
CZECHOSLOVAK INDUSTRIAL a.s.	IFRS 3 Business Combinations	02/01/2025	100.00%
ZVI a.s.	IFRS 3 Business Combinations	08/19/2025	45.39%
MSM Walsrode Group	IFRS 3 Business Combinations	05/09/2025	80.20%
NOBEL DEFENSE s.r.o. (K2 MACHINE SPV s.r.o.)	IFRS 3 Business Combinations	11/05/2025	80.00%
GAMA OCEL, spol. s r.o.	IFRS 3 Business Combinations	10/31/2025	100.00%
HYDRAULICS s.r.o.	IFRS 3 Business Combinations	12/15/2025	89.00%
Mechatronics Unmanned Systems & Technology Solutions d.o.o. Beograd-Palilula	IFRS 3 Business Combinations	11/25/2025	51.00%

MSM Walsrode Group Acquisition

On May 9, 2025 the Group, via its subsidiary MSM Group s.r.o., completed the acquisition of 100% of shares in the Walsrode industrial park in Bomlitz, Germany, including the production plant for Walsroder nitrocellulose for a total consideration of €140,753 thousand. The acquisition supports CSG's strategy to build a vertically integrated ammunition production chain and to secure reliable access to nitrocellulose, a key material for defence and other strategic sectors.

The purchase price allocation is provisional and as such the assets acquired and liabilities assumed are measured at their provisional values during the measurement period. The contractually agreed process to determine the final purchase price has not been completed as of December 31, 2025.

Effect of acquisitions as of December 31, 2025

The below table summarizes the effect of acquisitions for the period ended December 31, 2025, split separately to impact of MSM Walsroder Group and Other that includes the aggregate impact of all other not material acquisitions.

(€ thousand)	MSM Walsrode	Other*	Total
Month of acquisition	**May 9, 2025**		
Assets			
Intangible assets and Goodwill	1,528	268	1,796
Property, plant and equipment	103,294	10,925	114,219
Trade and other non-current receivables	65	2,499	2,564
Deferred tax asset	18,542	25	18,567
Inventory	20,510	13,480	33,990
Trade and other current receivables	37,971	2,673	40,644
Loans and other non-current financial assets	34,640	78	34,718
Current prepayments and accruals	—	84	84
Tax assets	9,517	—	9,517
Cash and cash equivalents	5,184	5,145	10,329
Total acquired identifiable assets	**231,251**	**35,177**	**266,428**
Liabilities			
Non-current loans and borrowings	(72)	(2,885)	(2,957)
Trade and other non-current payables	(33,104)	(1,315)	(34,419)
Deferred tax liability	(16,020)	—	(16,020)
Current financial instruments and liabilities	—	(4)	(4)
Current loans and borrowings	(60)	(2,379)	(2,439)
Trade and other current payables	(42,378)	(6,480)	(48,858)
Current provisions	—	(31)	(31)
Deferred income		6	6
Tax liabilities	(36,197)	(279)	(36,476)
Total identifiable assumed liabilities	**(127,831)**	**(13,367)**	**(141,198)**
Acquired identifiable assets and assumed liabilities (D)	**103,420**	**21,810**	**125,230**
Payment for the acquired company effective (A)	140,753	28,449	169,202
Deferred payment (G)	—	9,926	9,926
Paid (H)	140,753	28,459	169,212
Acquired non-controlling interests EUR (E)	—	3,544	3,544
Goodwill or bargain purchase (F) = (G + A – D – E)	**37,333**	**20,109**	**57,442**
RE correction	—	3,546	3,546
Less: Acquired cash (B)	**5,184**	**5,145**	**10,329**
Net cash income (+)/ expense (-) of the transactions (C) = (B – H)	**(135,569)**	**(23,314)**	**(158,883)**

* Other consist of CZECHOSLOVAK INDUSTRIAL a.s., ZVI a.s., GAMA OCEL, spol. s r.o., HYDRAULICS s.r.o. and Mechatronics Unmanned Systems & Technology Solutions d.o.o. Beograd-Palilula

The following table provides information on the (unaudited) estimated revenues and profit or loss that would have been included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, if the acquisition had occurred at the beginning of the reporting period (i.e. as at January 1, 2025)

(€ thousand)	MSM Walsrode	Other*	Total
Month of acquisition	**May 9, 2025**		
Revenues	283,392	14,866	**298,258**
Profit (+) / loss (-) from operating activities	(48,536)	(1,865)	**(50,401)**
Profit (+) / loss (-) before taxation	12,083	(1,779)	**10,304**
Income tax	(60,618)	(86)	**(60,704)**
Profit (+) / loss (-) for the period	**(48,536)**	**(1,865)**	**(50,401)**
— of which profit (+) / loss (-) attributable to shareholders	(38,925)	(2,466)	**(41,391)**
Total comprehensive income	(48,536)	(1,865)	**(50,401)**
Share of the Group in total comprehensive income	**(38,925)**	**(2,315)**	**(41,240)**

* Other consist of CZECHOSLOVAK INDUSTRIAL a.s., ZVI a.s., GAMA OCEL, spol. s r.o., HYDRAULICS s.r.o. and Mechatronics Unmanned Systems & Technology Solutions d.o.o. Beograd-Palilula

The following table provides information on revenues and profit or loss of acquirees that have been included in the Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income for the reporting period.

(€ thousand)	MSM Walsrode	Other*	Total
Month of acquisition	**May 2025**		
Revenues from acquisition till 31/12/2025	188,928	4,570	**193,498**
Profit (+) / loss (-) from operating activities	(32,357)	185	**(32,172)**
Profit (+) / loss (-) before taxation	8,055	227	**8,282**
Income tax	(40,412)	(17)	**(40,429)**
Profit (+) / loss (-) for the period	**(32,357)**	**210**	**(32,147)**
— of which profit (+) / loss (-) attributable to shareholders	(25,950)	(121)	**(26,071)**
Other comprehensive income	**—**	**1**	**1**
Total comprehensive income	**(32,357)**	**211**	**(32,146)**
Share of the Group in total comprehensive income	**(25,950)**	**(104)**	**(26,054)**
Acquisition Costs	1,063	—	**1,063**

* Other consist of CZECHOSLOVAK INDUSTRIAL a.s., ZVI a.s., GAMA OCEL, spol. s r.o., HYDRAULICS s.r.o. and Mechatronics Unmanned Systems & Technology Solutions d.o.o. Beograd-Palilula

The below table summarizes the impact of the MSM Walsrode Group acquisition upon the preliminary purchase price allocation as of acquisition date.

(€ thousand)	Carrying Amount	Fair value adjustments	Total
Assets			
Goodwill	67,875	(67,875)	**—**
Intangible assets	15,881	(14,353)	**1,528**
Property, plant and equipment	52,314	50,980	**103,294**
Financial assets	65	—	**65**
Deferred tax asset	18,542	—	**18,542**
Inventory	20,364	146	**20,510**
Trade and other current receivables	85,793	(3,666)	**82,128**
Cash and cash equivalents	5,184	—	**5,184**
Total acquired identifiable assets	**266,018**	**(34,768)**	**231,251**
Liabilities			
Non-current provisions	—	—	**—**
Other non-current financial instruments	(72)	—	**(72)**
Trade and other non-current payables	(46,648)	13,544	**(33,104)**
Deferred tax liability	(6,781)	(9,239)	**(16,020)**
Other current financial instruments	(60)	—	**(60)**
Trade and other current payables	(38,823)	(3,555)	**(42,378)**
Current income tax payable	(36,197)	—	**(36,197)**
Tax liabilities	—	—	**—**
Total assumed liabilities	**(128,581)**	**750**	**(127,831)**
Acquired identifiable assets and assumed liabilities (D)	**137,437**	**(34,018)**	**103,420**

Effect of acquisitions as of December 31, 2024

(€ thousand)	VÝVOJ Martin, a.s.	Cs BROSS, s.r.o.	PLATINUM DEFENCE a.s.	Total without The Kinetic Group
Month of acquisition	**December 2024**	**September 2024**	**February 2024**	
Assets				
Intangible assets and Goodwill	1,659	—	—	**1,659**
Property, plant and equipment	6,665	389	—	**7,054**
Inventory	1,453	—	11,506	**12,959**
Trade and other current receivables	4,159	9	—	**4,168**
Currnet prepayments and accruals	3,381	—	—	**3,381**
Tax assets	49	—	—	**49**
Cash and cash equivalents	6,543	3	634	**7,180**
Total acquired identifiable assets	**23,909**	**401**	**12,140**	**36,450**
Liabilities				
Non-current loans and borrowings	—	4	—	**4**
Trade and other non-current payables	1,580	—	—	**1,580**
Current loans and borrowings	8,334	—	—	**8,334**
Trade and other current payables	5,172	3	91	**5,266**
Current provisions	1,089	—	—	**1,089**
Current contract liabilities	2,190	—	12,058	**14,248**
Tax liabilities	125	—	—	**125**
Total identifiable assumed liabilities	**18,490**	**7**	**12,149**	**30,646**
Acquired identifiable assets and assumed liabilities (D)	**5,419**	**394**	**(9)**	**5,804**
Payment for the acquired company effective (A)	24,397	1,390	—	**25,787**
Paid (H)	24,397	1,390	—	**25,787**
Acquired non-controlling interests EUR	1,073	—	(9)	**1,064**
Goodwill or bargain purchase (F) = (G + A + I – (D – E)	**20,051**	**996**	**—**	**21,047**
Less: Acquired cash (B)	6,542	3	634	**7,179**
Net cash inflow (+) / outflow (-) of the transactions (C) = (B – H)	**(17,855)**	**(1,387)**	**634**	**(18,608)**

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.

During 2025 the Group has finalised the acquisition purchase accounting that had not been completed before issuing the 2024 consolidated financial statements. Consequently, the Group has retrospectively adjusted values of identifiable assets acquired and liabilities assumed of The Kinetic Group provisionally used in the 2024 consolidated financial statements. The resulting adjustments stemming from the finalized purchase price allocation were reflected in the statement of financial position as of December 31, 2024.

The below table summarizes the impact of The Kinetic Group acquisition upon the finalization of purchase price allocation as of acquisition date.

(€ thousand)	Carrying Amount	Fair value adjustments	Total
Assets			
Intangible assets	55,160	644,124	**699,284**
Property, plant and equipment	130,908	274,736	**405,644**
Trade and other non-current receivables	1,341	—	**1,341**
Inventory	352,153	47,326	**399,479**
Trade and other current receivables	168,178	—	**168,178**
Cash and cash equivalents	69,628	—	**69,628**
Total acquired identifiable assets	**777,368**	**966,186**	**1,743,554**
Liabilities			
Non-current provisions	(4,783)	—	**(4,783)**
Other non-current financial instruments	(5,055)	—	**(5,055)**
Trade and other non-current payables	(21,173)	—	**(21,173)**
Deferred tax liability	(7,474)	(209,890)	**(217,364)**
Other current financial instruments	(2,566)	—	**(2,566)**
Trade and other current payables	(122,975)	—	**(122,975)**
Current income tax payable	(7,127)	—	**(7,127)**
Tax liabilities	(17,515)	—	**(17,515)**
Total assumed liabilities	**(188,668)**	**(209,890)**	**(398,558)**
Acquired identifiable assets and assumed liabilities (D)	**588,700**	**756,296**	**1,344,996**
Payment for the acquired company effective (A)	2,172,518	—	**2,172,518**
Paid (H)	2,172,518	—	**2,172,518**
Goodwill or bargain purchase (F) = (G+ A + I - (D - E)	—	—	**827,522**
Less: Acquired cash (B)	69,628	—	**69,628**
Net cash inflow (+)/outflow (-)) of the transactions (C) = (B - H)	**(2,102,890)**	**—**	**(2,102,890)**

B. Acquisitions of non-controlling interests

On April 15, 2025 the Group acquired additional 30% minority stake in Fiocchi Munizioni S.p.A., upon the seller exercising the put option over the non-controlling interest. As a result, the Group became the sole shareholder of the subsidiary, effective interest of the Group increased from 70% to 100%. The transaction resulted in derecognition of non-controlling interest in the amount of €139,779 thousand as well as derecognition of put option liability in the amount of €148,777 thousand, with the remainder difference booked against equity.

In October the Group acquired a additional minority share of NIKA Development a.s. for €25,000 thousand and became the sole shareholder of the company. As a result, the Group became the sole shareholder of the subsidiary, effective interest of the Group increased from 89.90% to 100%. The transaction resulted in derecognition of non-controlling interest in the amount of €8,341 thousand.

C. Effect of disposed subsidiaries

On September 30, 2025 the Group disposed of several non-core activities, that consisted mainly of the following sub-groups:

- CSG Mobility – breaking systems for rail vehicles
- Perazzi Group – high-quality shotguns for sport shooters and elite hunters
- Prague Fertility Center – clinic for assisted reproduction.

The table below summarizes the impact of disposed subsidiaries during the period ended December 31, 2025 including the net assets disposed as well as the gain on disposal split between continuing and discontinued operations for all disposals that occurred during the period.

(€ thousand)	ELTON hodinářská, a.s.	ReDat Recording, a.s.	REALID SPV a.s.	LBP 80 Group*	Envercote Group **	Mobility Group ***	CSG Industry Group ****	HTH land a.s.	Total
Disposal date	**June 6, 2025**	**July 7, 2025**	**September 30, 2025**	**September 30, 2025**	**September 30, 2025**	**September 30, 2025**	**September 30, 2025**	**October 16, 2025**	
Assets									
Intangible assets and Goodwill	334	103	—	18,753	170	5,094	—	—	24,454
Property, plant and equipment	2,593	51	1,957	9,678	183	57,157	2,028	131	73,778
Rights of use	215	—	—	429	3,215	991	—	—	4,850
Investment property	—	—	—	—	—	—	2,582	—	2,582
Financial investments	—	—	—	11	—	19	10,237	—	10,267
Trade and other non-current receivables	120	—	—	102	63	3,252	1,124	—	4,661
Deferred tax asset	88	—	—	(6,616)	308	28	269	—	(5,923)
Inventory	1,937	305	—	11,400	175	34,244	—	—	48,061
Current investments	—	—	—	—	—	—	20,666	20	20,686
Trade and other current receivables	236	1,536	—	5,572	5,913	33,053	2,376	—	48,686
Tax assets	—	21	—	—	—	—	—	—	21
Cash and cash equivalents	45	295	5	1,866	375	60,471	240	2	63,299
Total assets disposed (A)	**5,568**	**2,311**	**1,962**	**41,195**	**10,402**	**194,309**	**39,522**	**153**	**295,422**
Liabilities									
Non-current loans and borrowings	(1,196)	—	—	(486)	—	(109,450)	(5)	—	(111,137)
Non-current provisions	—	—	—	(224)	—	(5,798)	—	(20)	(6,042)
Trade and other non-current payables	(127)	—	—	(281)	(2,931)	(826)	—	—	(4,165)
Non-current contract liabilities	—	—	—	—	—	(289)	—	—	(289)
Deferred tax liability	—	(18)	—	—	—	(5,072)	(256)	—	(5,346)
Other non-current financial liabilities	—	—	—	(5,585)	—	(1)	—	—	(5,586)
Current loans and borrowings	(196)	—	—	(23,597)	(15,452)	(13,976)	(10,151)	—	(63,372)
Trade and other current payables	(931)	(359)	(1)	(18,566)	(2,692)	(23,441)	(24)	(2)	(46,016)
Current provisions	(57)	(14)	—	—	—	—	—	—	(71)
Other current financial liabilities	(3)	—	—	—	—	—	—	—	(3)
Current contract liabilities	—	(13)	—	—	—	(56)	—	—	(69)
Tax liabilities	(56)	(186)	—	(395)	(451)	(961)	(526)	—	(2,575)
Total liabilities disposed (B)	(2,566)	(590)	(1)	(49,134)	(21,526)	(159,870)	(10,962)	(22)	(244,671)
Assets and liabilities sold (C = A – B)	**3,002**	**1,721**	**1,961**	**(7,939)**	**(11,124)**	**34,439**	**28,560**	**131**	**50,751**
Non-controlling interest (D)	848	116	—	(472)	(4,444)	(318)	—	—	(4,270)
Goodwill not written off (E)	160	—	—	—	7,586	278	1,026	—	9,050
Total consideration (F)	2,926	3,293	2,014	11,394	459	37,917	28,139	81	86,223
Gain/(loss) on disposal o subsidiaries classified as discontinued operations	612	—	—	13,283	(448)	2,884	—	—	16,331
Gain/(loss) on disposal of subsidiaries	—	1,679	53	—	—	—	(1,447)	(49)	236
Total gain/(loss) on disposal of subsidiaries = (F - C + D - E)	**612**	**1,679**	**53**	**13,283**	**(448)**	**2,884**	**(1,447)**	**(49)**	**16,567**
Cash disposed	45	295	5	1,866	375	60,471	240	2	63,299
Sales receivable outstanding as of period end	—	—	—	11,668	470	38,828	28,815	—	79,781
Proceeds (outflows) on disposal of subsidiaries, net of cash disposed	2,881	2,998	2,009	(2,140)	(386)	(61,382)	(916)	79	(56,857)

* LBP 80 Group consists of the following entities: LBP 80 S.r.l.; Armi Perazzi S.p.A.; Perazzi USA, Inc.
** Envercote Group consists of the following entities: ENVERCOTE a.s.; CSG HEALTH CARE a.s.; Prague Fertility Centre s.r.o.; AsterIVF s.r.o.; Sondany s.r.o.
*** Mobility Group consists of the following entities: CSG MOBILITY a.s.; DAKO-CZ, a.s.; JWL DAKO-CZ (INDIA) PRIVATE LIMITED; DAKO-CZ RE, s.r.o.; TRUCK MACHINERY GROUP a.s.; DAKO-CZ EN, a.s.; DAKO-CZ INDIA PRIVATE LIMITED; MEDHA DAKO-CZ PRIVATE LIMITED
**** CSG Industry Group consists of the following entities: CSG INDUSTRY a.s.; RADIATIK a.s.; TATRA AVIATION a.s.; TECHPARK Hradubická a.s.; EXCALIBUR USA a.s.; MADE CS a.s.; TATRA MANUFACTURE a.s.; LOSTR a.s.; LIAZ TRUCKS a.s.; PROGRESS SPV a.s.; ENGINEERING SPV a.s.; VORNEA SPV s.r.o.; AVIEN, spol. s r.o.; TABLON SPV a.s.; GERLENAIR a.s.; TATRA a.s.; MEFITIS TRADE a.s.; MANDURIA TRADE a.s.; Cs BROSS, s.r.o.; FORTIS TRADE a.s.; CZECHOSLOVAK INDUSTRIAL a.s.

8. Revenues

The table below shows the split of revenue by geography, key products and services, as well as the basis on which revenue is recognized.

For the year ended December 31, 2025

(€ thousand)	CSG Defence Systems	CSG Ammo+	CSG Other	Total continued activities
Revenues by geographic location				
Europe excl. Ukraine	2,990,400	189,038	31,613	**3,211,051**
Ukraine	1,831,403	2,748	—	**1,834,151**
USA	52,319	1,088,051	—	**1,140,370**
Rest of the World	471,535	84,208	—	**555,743**
Total revenues	**5,345,657**	**1,364,045**	**31,613**	**6,741,315**
Revenues of the key products and services				
Land Systems	1,068,442	—	—	**1,068,442**
Aerospace & Defence Electronics	170,679	—	—	**170,679**
M/L Ammo	4,106,536	—	—	**4,106,536**
Small Ammo	—	1,364,045	—	**1,364,045**
Other	—	—	31,613	**31,613**
Total revenues	**5,345,657**	**1,364,045**	**31,613**	**6,741,315**
Revenues by timing of revenue recognition				
Products and services transferred at a point in time	4,934,840	1,364,045	31,613	**6,330,498**
Products and services transferred over time	410,817	—	—	**410,817**
Total revenues	**5,345,657**	**1,364,045**	**31,613**	**6,741,315**

For the year ended December 31, 2024

(€ thousand)	Defence Systems	CSG Ammo+	Other	Total continued activities
Revenues by geographic location				
Europe excl. Ukraine	1,724,409	175,329	21,136	**1,920,874**
Ukraine	1,713,337	1,166	—	**1,714,503**
USA	8,304	260,246	—	**268,550**
Rest of the World	3,333	17,903	—	**21,236**
Total revenues	**3,449,383**	**454,644**	**21,136**	**3,925,163**
Revenues of the key products and services				
Land Systems	453,153	—	—	**453,153**
Defence Electronics	143,546	—	—	**143,546**
M/L Ammo	2,852,684	—	—	**2,852,684**
Small Ammo	—	454,644	—	**454,644**
Other	—	—	21,136	**21,136**
Total revenues	**3,449,383**	**454,644**	**21,136**	**3,925,163**
Revenues by revenue reporting period				
Products and services transferred at a point in time	2,936,825	454,644	21,136	**3,412,605**
Products and services transferred during a period	512,558	—	—	**512,558**
Total revenues	**3,449,383**	**454,644**	**21,136**	**3,925,163**

Contractual Balances

The following tables provide information on receivables, contract assets and contract liabilities from contracts with customers in compliance with IFRS 15:

(€ thousand)	December 31, 2025	December 31, 2024
Contract assets	45,229	18,913
Trade receivables and other receivables	1,261,963	544,899
Contract liabilities	1,977,454	2,204,017

The table below shows significant changes in contractual balances in the period ended December 31, 2025.

Changes in contract assets (€ thousand)	December 31, 2025	December 31, 2024
Contract asset as of January 1	18,913	15,211
Invoicing of contract assets reported as of January 1	(11,019)	(7,803)
Increase in contract assets based on an ongoing revenue recognition	36,503	11,792
Change in the amount of contract assets due to impairment	—	(11)
Other changes (such as exchange rate impact)	832	(276)
Contract asset as of December 31	**45,229**	**18,913**

Changes in contract liabilities (€ thousand)	December 31, 2025	December 31, 2024
Contract liabilities as of January 1	2,204,017	840,524
Revenue arising from contract liabilities recognised as of January 1	(1,516,799)	(572,184)
Partial invoicing and prepayments received for which no revenue was recognised	1,276,150	1,913,778
Other changes (such as exchange rate impact)	14,086	21,899
Contract liability of December 31	**1,977,454**	**2,204,017**

The amount of €687,218 thousand (2024: €268,340 thousand) reported as a contract liability as of January 1, 2025 was reported as part of revenue for the year ended December 31, 2025.

9. Raw Material and Consumables

	For the year ended	
(€ thousand)	December 31, 2025	December 31, 2024
Consumed material	1,150,046	506,722
Movements in stock of products and work in progress	182,847	(146,653)
Purchase costs of sold goods	2,363,338	1,770,561
Change in allowance for inventory	9,471	4,568
Total costs	**3,705,702**	**2,135,198**

10. External Costs

	For the year ended	
(€ thousand)	December 31, 2025	December 31, 2024
Administrative costs and other services	227,338	194,335
Services and supplies relating to production	264,268	170,157
Transport and travel expenses	15,332	11,793
Cost of energy	43,259	16,420
Rental	17,746	11,080
Repairs and maintenance	34,214	14,654
Total external costs	**602,157**	**418,439**

11. Employee Benefits Costs

	For the year ended December 31, 2025	
(€ thousand)	Total employee benefit costs	Of which key management costs
Payroll costs	435,209	29,251
Social security and health insurance	73,192	4,707
Other employee benefits costs	95,613	1,099
Total employee benefits costs	**604,014**	**35,057**

	For the year ended December 31, 2024	
(€ thousand)	Total employee benefit costs	Of which key management costs
Payroll costs	184,768	29,286
Social security and health insurance	54,787	4,711
Other staff costs	17,541	1,100
Total employee benefits costs	**257,096**	**35,097**

As of December 31, 2025, the Group had 10,572 regular employees (2024: 9,405 employees) and 195 key managers (2023: 195).

12. Other Operating Income

(€ thousand)	2025	2024
Loss from the sale of tangible and intangible assets	(263)	(1,812)
Gain from the sale of material	36,918	(10,734)
Gain from the ceased receivables	221	937
Proceeds from insurance claims	6,498	1,656
Own assets capitalized Net	41,492	31,263
Other operating income	13,183	23,095
Total other operating income	**98,049**	**44,405**

13. Other Operating Expenses

(€ thousand)	2025	2024
Net Loss from the sale of material	2,241	163
Change in provisions	7,035	12,863
Taxes and fees	11,315	5,125
Insurance costs	18,729	7,460
Other	108,140	29,676
Charge/release of asset allowances	4,321	1,848
Impairment losses and gains (including reversals of impairment losses) on financial assets and contract assets	26,235	31,991
Total other operating expenses	**178,016**	**89,126**

14. Financial Income and Expenses

(€ thousand)	2025	2024
Interest income	37,574	22,599
Foreign exchange gain	121,049	135,169
Other financial income	41,851	5,845
Total financial income	**200,474**	**163,613**
Interest expense	(333,080)	(105,683)
Foreign exchange loss	(177,132)	(146,238)
Interest expense from lease liabilities	(4,838)	(3,412)
Other financial expenses	(86,407)	(112,176)
Total financial expenses	**(601,457)**	**(367,509)**
Charge/(release) of allowances	(3,685)	8,263
Other financial gain/(loss)	(21,638)	12,255
Gains /(losses) from remeasurement of derivatives	14,748	23,491
Profit/(loss) from other financial instruments	(10,575)	44,009
Net financial income/(expenses)	**(411,558)**	**(159,887)**

Increase in Other financial income is driven by the difference between the carrying amount of the liability before modification of the significant credit and the present value of the cash flow after modification.

Increase in interest expense is mainly driven by new issues of bonds and financing that is connected to dynamic growth of the CSG group.

15. Income Tax

Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year.

Income tax reported in profit or loss

(€ thousand)	2025	2024
Current tax	346,777	229,470
Deferred tax	(40,192)	(19,871)
Total income tax	**306,585**	**209,599**

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, 2025 is 21% in the Czech Republic (2024: 19%), 24% in Slovakia (2024: 21%), 15% in Serbia (2024: 15%), 25% in Spain (2024: 25%), 25% (2024: 24%) in Italy and 20% (2024: 21%) in USA.

Reconciliation of the Effective Tax Rate

(€ thousand)	%	2025	%	2024
Profit before tax on continued operations	—	1,179,074	—	853,450
Tax calculated using the local corporate income tax rate of the Company	19.62%	231,400	22.19%	189,417
Change in the opening balance of deferred tax due to a change in the tax rate	—	(1,641)	—	(3,667)
Tax effect:				
Non-deductible expenses	—	373,414	—	125,979
Tax-exempt income	—	(282,014)	—	(101,710)
Loss for the current year with no deferred tax receivable identified	—	6,852	—	1,767
Tax bonuses	—	(1,148)	—	(35)
Declaration of the tax effect of non-allowable tax losses of prior periods	—	(3,607)	—	325
Changes in estimates relating to prior periods	—	(16,671)	—	(2,477)
Income tax reported in the statement of comprehensive income	26.00%	306,585	24.56%	209,599

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 2025 financial statements, as, based on the available information, its application is not expected.

16. Intangible Assets and Goodwill

(€ thousand)	Goodwill	Concessions, licences, rights and software	Internally generated intangible assets	Intangible assets under construction	Other intangible assets	Total
Balance as at January 1, 2025	**1,285,129**	**891,077**	**15,371**	**9,389**	**26,013**	**2,226,979**
Acquisition costs	1,285,129	941,207	29,257	10,059	37,716	2,303,368
Amortization	—	(50,130)	(13,293)	—	(11,703)	(75,126)
Impairment	—	—	(593)	(670)	—	(1,263)
Acquisitions through business combinations	57,743	(5,080)	—	8	6,567	59,238
Additions	—	5,120	1,496	9,992	18,000	34,608
Depreciation for the period	—	(40,539)	(3,876)	—	(1,921)	(46,336)
Allowance	—	—	(308)	—	—	(308)
Disposals	—	(525)	(68)	(691)	(17,404)	(18,688)
Divestment disposals	(8,817)	(10,198)	(1,476)	(1,401)	(2,562)	(24,454)
Reclassification	—	294	(123)	(171)	—	—
Impact of exchange rate changes	(128,986)	(79,201)	450	(799)	(10,158)	(218,694)
Balance as at December 31, 2025	**1,205,069**	**760,948**	**11,466**	**16,327**	**18,535**	**2,012,345**
Acquisition costs	1,205,069	860,644	16,386	16,997	24,783	2,123,879
Amortization	—	(99,696)	(4,019)	—	(6,248)	(109,963)
Impairment	—	—	(901)	(670)	—	(1,571)

(€ thousand)	Goodwill	Concessions, licences, rights and software	Internally generated intangible assets	Intangible assets under construction	Other intangible assets	Total
Balance as at January 1, 2024	**416,910**	**182,933**	**18,465**	**835**	**15,249**	**634,392**
Acquisition costs	416,910	215,280	23,171	850	25,505	681,716
Amortization	—	(32,347)	(4,706)	(15)	(10,256)	(47,324)
Impairment	—	—	—	—	—	—
Acquisitions through business combinations	868,234	696,335	2,344	699	1,661	1,569,273
Additions	—	14,145	1,001	7,296	13,582	36,024
Amortisation for the period	—	(7,381)	(1,490)	—	(2,560)	(11,431)
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	**1,285,129**	**891,077**	**15,371**	**9,389**	**26,013**	**2,226,979**
Acquisition costs	1,285,129	941,207	29,257	10,059	37,716	2,303,368
Amortization	0	(50,130)	(13,293)	0	(11,703)	(75,126)
Impairment	0	0	(593)	(670)	0	(1,263)

Goodwill

(€ thousand)	December 31, 2025	December 31, 2024
The Kinetic Group, Fiocchi of America	1,051,114	863,909
Fiocchi Italia	46,069	355,350*
ELDIS Pardubice, s.r.o.	26,028	25,056
VÝVOJ Martin, a.s.	20,302	20,052
MSM Walsrode Group	37,333	—
Other	24,223	20,762
Goodwill	**1,205,069**	**1,285,129**

* Fiocchi Italia and Fiocchi of America were presented in previous year as one group.

In 2025, the balance of goodwill increased by €37,333 thousand due to acquisition of MSM Walsrode Group and decreased by €9,050 thousand due to disposal of several subsidiaries, see Note 7. The remaining movement of goodwill is attributable to movement of foreign exchange rates.
Impairment testing

General information

The Group performs annual impairment testing of goodwill and other intangible assets with indefinite useful lives.

The Group management decided to apply the value-in-use method to impairment testing.

As at December 31, 2025 the enterprise value for individual cash-generating units was estimated using the discounted cashflow method based on financial plans prepared by the Group's management throughout the period until 2026–2030. As the enterprise value exceeds the carrying amount of individual cash-generating units, no related impairment of goodwill, trademarks and other intangible assets was recognized.

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.

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 revenue and profit before interest and tax
- Discount rate
- Continuing value growth rate

The budget revenue and profit before interest and tax: projections of revenue 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 operates. 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 value is the same for all Cash Generating units and is based on market conditions obtained from external sources and the value for 2025 is 2%.

Sensitivity analysis of 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, 2025, no goodwill impairment was identified for Fiocchi Munizioni Group. The calculation was based on budgets for 2026–2030. For the calculation there is used the WACC in the amount of 7.27%.

Based goodwill impairment testing of Fiocchi Munizioni Group performed in 2025, 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, 2025**
Discount rate before tax	2.73 p. p
Growth rate of intrinsic value:	(3.59) p. p.

Sensitivity analysis of goodwill relating to The Kinetic Group

Based on a calculation, the estimated recoverable amount exceeds the carrying amount and as such, as of December 31, 2025, no goodwill impairment was identified The Kinetic Group. The calculation was based on budgets for 2026–2030. For the calculation there is used the WACC in the amount of 8.99%.

Based goodwill impairment testing of The Kinetic Group performed in 2025, 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, 2025**
Discount rate before tax	0.71 p. p
Growth rate of intrinsic value:	(0.92) p. p.

17. Property. Plant and Equipment

(€ thousand)	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, 2025	**308,943**	**397,287**	**10,271**	**48,255**	**59,464**	**102,635**	**926,855**
Acquisition costs	420,226	839,322	252,654	61,555	94,133	103,020	1,770,910
Amortization	(111,283)	(441,874)	(242,304)	(13,300)	(34,635)	—	(843,396)
Impairment	—	(161)	(79)	—	(34)	(385)	(659)
Acquisitions through business combinations	56,302	49,565	591	329	3,856	3,576	114,219
Additions	15,958	39,301	2,943	20,107	8,232	162,851	249,392
Depreciation for the period	(14,603)	(80,452)	(2,719)	(10,031)	(8,017)	(71)	(115,893)
Allowance	—	121	80	—	(40)	188	349
Disposals	(5,887)	(8,285)	(747)	(725)	(316)	(20,165)	(36,125)
Divestment disposals	(45,080)	(20,340)	(2,520)	(4,299)	(529)	(5,860)	(78,628)
Reclassification	39,168	(16,344)	579	(366)	328	(23,365)	—
Impact of exchange rate changes	(7,255)	(24,803)	(338)	1,361	1,392	(8,627)	(38,270)
Balance as at December 31, 2025	**347,546**	**336,050**	**8,140**	**54,631**	**64,370**	**211,162**	**1,021,899**
Acquisition costs	451,707	785,311	279,881	72,764	104,352	211,363	1,905,378
Amortization	(104,161)	(449,221)	(271,741)	(18,133)	(39,908)	—	(883,164)
Impairment	—	(40)	—	—	(74)	(201)	(315)

(€ thousand)	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**
Acquisition costs	260,056	247,773	29,261	37,199	59,714	51,774	685,777
Amortization	(84,037)	(157,427)	(22,124)	(12,057)	(35,712)	(975)	(312,332)
Impairment	—	(124)	(80)	—	—	(168)	(372)
Acquisitions through business combinations	112,053	281,666	958	4,603	4,352	7,597	411,229
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	**308,943**	**397,287**	**10,271**	**48,255**	**59,464**	**102,635**	**926,855**
Acquisition costs	420,226	839,322	252,654	61,555	94,133	103,020	1,770,910
Amortization	(111,283)	(441,874)	(242,304)	(13,300)	(34,635)	—	(843,396)
Impairment	—	(161)	(79)	—	(34)	(385)	(659)

The most significant additions to tangible assets under construction include prepayments for machinery and capacity expansion projects at ZVS Holding, a.s. amounting to €61,499 thousands other significant amount include development of a new prototype unit at RETIA, a.s. amounting to €11,466 thousands, other additions are individually immaterial.

18. Leases

Group as the lessee

The incremental rate for the Group is derived from PRIBOR+ margin 3.90% for contracts concluded in CZK and EURIBOR+ margin 3.90% for contract concluded in EUR, entered in 2025.

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 in 2024.

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.

Amounts reported in the Statement of Profit or loss and other comprehensive income

(€ thousand)	2025	2024
Right-of-use assets amortisation	17,668	10,048
Interest expense from lease liabilities	4,620	3,259
Costs related to current leases	545	158
Costs related to leases of low-value assets	123	154
Costs related to variable lease payments not included in lease liabilities	496	505
Total	**23,452**	**14,124**

The Group does not report any lease contracts with an early termination or extension option which are highly likely to be utilised.

Lease liabilities

As of December 31, 2025, the Group reported the following lease liabilities:

(€ thousand)	December 31, 2025	December 31, 2024
Non-current lease liabilities	96,584	84,905
Current lease liabilities	21,316	14,116
Total lease liabilities	**117,900**	**99,021**

As of December 31, 2025 the lease liability in the amount of €80,048 thousands would have been classified as operating leases under IAS 17 and the lease liability in the amount of €37,852 thousands would have been classified as financial leases under IAS 17.

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:

(€ thousand)		Direct ownership percentage December 31, 2025	Investment carrying amount December 31, 2025	Direct ownership percentage December 31, 2024	Investment carrying amount December 31, 2024
TATRA group*	Czech Republic	65.00	79,161	65.00	81,119
Other			4,153		2,804
Total			**83,314**		**83,923**

* 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.

The following tables provide summarized financial information relating to joint ventures with TATRA group which is deemed to be material:

Effective ownership percentage	TATRA group Joint venture 65%	TATRA group Joint venture 65%
(€ thousand)	**December 31, 2025**	**December 31, 2024**
Summary balance sheet		
Non-current assets	144,788	124,969
Current assets (including cash and cash equivalents)	291,098	270,343
Non-current liabilities	17,970	27,143
Current liabilities	289,024	250,456
Net assets (100%)	**128,892**	**117,713**
The Group’s share in the profit (+) / loss (-) of the associate	**4,300**	**(1,545)**
Summary income statement		
Revenues	467,367	388,882
Profit (+) / loss (-) from operating activities	8,100	6,751
Profit (+) / loss (-) before tax	6,929	(3,848)
Income tax	1,529	1,471
Profit (+) / loss (-) for the year/reporting period	**5,400**	**(2,377)**
of which profit (+)/loss (-) attributable to owners	3,510	(1,545)
Other comprehensive income	3,264	(1,541)
Other changes in equity	48	(821)
— of which dividends paid	—	(767)
— of which derivatives remeasured	2,122	(487)
The Group’s share in other changes in equity	**1,410**	**(47)**
Adjustment for retained earnings at the intercompany sale of inventory	—	(196)
The Group’s share in retained earnings	—	(172)
The Group’s adjusted share in the total comprehensive income and other changes in equity	**4,222**	**(87)**

20. Financial Instruments

A. Loans and Other Financial Assets

(€ thousand)	December 31, 2025	December 31, 2024
Assets at amortised cost		
Granted loans	171,041	45,723
Other financial assets	24,214	36,108
Total assets at amortised cost	**195,255**	**81,831**
Assets at fair value		
Derivative instruments	7,268	6,983
Other financial assets	221,861	57,866
Total assets at fair value	**229,129**	**64,849**
Non-current	297,015	77,206
Current	127,369	69,474
Total loans and other financial assets	**424,384**	**146,680**

Granted loans in 2025 primarily consist of a loan of €54 million provided to a third party, which represents the largest loan in this category.

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.

The weighted average interest rate relating to loans other than to lending institutions was 4.44% in 2025 (2024: 7.09%).

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 at amortised cost primarily comprise deposits in bank accounts with limited access (2025: €4 million, 2024: €14 million).

Other financial assets at fair value in 2025 predominantly consist of investment to Alzchem Group AG in amount of €158 million, to BlackBird RE Office in the amount of €41 million and to Presto Tech Horizons SCSp in amount of €18 million. In 2024 financial assets at fair value consist of investment in BlackBird RE Office in amount of €41 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

(€ thousand)	December 31, 2025	December 31, 2024
Bank overdraft	575	449,589
Collateralised bank loan	1,798,848	1,414,816
Uncollateralised bank loans	709	44,077
Loans from related parties	2,508	1,216
Other loans	20,873	2,798
Total loans and borrowings at amortised cost	**1,823,513**	**1,912,496**
Liability from put option	—	148,777
Derivative instruments	2,769	13,017
Total financial liabilities at fair value	**2,769**	**161,794**
Other financial liabilities	11	40,126
Financial liabilities from leases	117,900	99,021
Total loans, borrowings, derivatives and other financial instruments	**1,944,193**	**2,213,437**
Non-current loans and borrowings	1,584,586	1,140,402
Current loans and borrowings	238,927	772,094
Total loans and borrowings	**1,823,513**	**1,912,496**
Non-current other financial instruments	98,462	99,802
Current other financial instruments	22,218	201,139
Financial instruments and lease liabilities	**120,680**	**300,941**
Non-current loans, borrowings and other financial instruments	1,683,048	1,240,204
Current loans, borrowings and other financial instruments	261,145	973,233
Total loans, borrowings and other financial instruments	**1,944,193**	**2,213,437**

Settlement of put option over non-controlling interest

The put option was settled by purchase of the outstanding Non-controlling interest of Fiocchi Munizioni in April 2025, which resulted in the Group becoming the sole shareholder of Fiocchi Munizioni S.p.A.

Protego Senior Facilities

On May 1, 2025, the Group entered into a €600,000 thousand and $100,000 thousand senior term facilities agreement (the “Protego Senior Facilities Agreement”), provided by a syndicate of banks led by Deutsche Bank Aktiengesellschaft. The loan bears a floating interest rate of 3M EURIBOR + 3% margin and matures in November 2029.

Borrowings under the Protego Senior Facilities Agreement are available to (i) finance or refinance the acquisition (purchase price and related costs) of Walsroder NC GmbH, Walsroder Ipark GmbH and NC1 USA LLC, (ii) finance or refinance the capital expenditure of the Issuer and its subsidiaries outlined in the agreement (other than any capital expenditure related to Azerbaijan), (iii) repay or refinance any existing Financial Indebtedness of the Issuer and its subsidiaries outlined in the agreement, and (iv) finance the working capital requirements of the Issuer and its subsidiaries outlined in the agreement (other than any working capital requirements related to Azerbaijan). The outstanding balance of Protego Senior Facilities as of December 31, 2025 amounts to €555,723 thousand.

Refinancing of the Existing Senior Facilities

The Group entered into an €1,545,000 thousand senior facilities agreement on November 22, 2024 with a syndicate of banks led by UniCredit Bank Czech Republic and Slovakia, a.s., UniCredit S.p.A. The facilities set out in the Existing Senior Facilities Agreement consist of (1) an amortizing euro-denominated term loan facility with a total commitment, as of November 22, 2024, of €498,000 thousand ("Facility A") (2) a non-amortizing euro-denominated term loan facility with a total commitment, as of November 22, 2024, of €747,000 thousand ("Facility B") (3) a multi-currency revolving credit facility with a total commitment, as of November 22, 2024, of €300,000 thousand (the "Revolving Facility").

As of December 31, 2025 the outstanding balance of Facility A amounts to €384,189 thousand and of Facility B to €719,793 thousand.

During the period the terms of the Existing Senior Facilities were re-negotiated resulting in reduced margin by 75–100 basis points. As a result, the group disclosed the modification gain in the amount of €35,459 thousand.

In July 2025, the Group fully repaid and terminated the original €300,000 thousand revolving facility within the UniCredit-led syndicate. This facility was replaced with a new revolving credit line provided by UniCredit Bank Czech Republic and Slovakia, a.s., with credit limit of €450,000 thousand with zero outstanding balance as of December 31, 2025.

Other development

In March 2025, our company CSG CAPITAL a.s., entered into an overdraft facility agreement with UniCredit Bank Czech Republic and Slovakia, a.s., with a limit of €40,000 thousand, intended to support the Group's cash pooling structure.

During 2025, the revolving credit facilities of EXCALIBUR ARMY, spol. s r.o., and CSG DEFENCE, a.s., were also repaid and closed.

At the beginning of 2025, Asset Based Loan (ABL) of 102 million USD was drawn by The Kinetic Group to finance company's working capital needs. It was subsequently fully repaid in mid-year and then redrawn in December 2025 in the amount of $50 million as working capital financing. This facility is planned to be repaid and terminated during 2026. Outstanding balance as of December 31, 2025 was €42,549 thousand.

Financial liabilities from leases are reported in Note 18 Leases.

In 2025, the weighted average interest rate of loans amounted to 4,75% (2024: 6.41%).

C. Terms and Summary of Loan Maturities

The following terms applied to outstanding loans and borrowings as of December 31, 2025:

(€ thousand)	Currency	Nominal interest rate*	Balance as at December 31, 2025	Due in 1 year	Due in 1 to 5 years
Loans from related parties	CZK	Fixed	392	392	—
Loans from related parties	CZK	Interest free	40	40	—
Loans from related parties	CZK	Variable	1,934	589	1,345
Loans from related parties	EUR	Variable	78	—	78
Loans from related parties	RSD	Interest free	64	64	—
Other loans	CZK	Fixed	415	415	—
Other loans	CZK	Interest free	148	148	—
Other loans	EUR	Fixed	19,990	17,850	2,140
Other loans	EUR	Interest free	99	20	79
Other loans	EUR	Variable	139	30	109
Other loans	EUR	Variable	82	42	40
Bank overdraft	EUR	Fixed	230	230	—
Bank overdraft	EUR	Interest free	330	330	—
Bank overdraft	EUR	Variable	15	15	—
Collateralised bank loan	CZK	Fixed	85	—	85
Collateralised bank loan	CZK	Variable	147	—	147
Collateralised bank loan	EUR	Fixed	5,701	708	4,993
Collateralised bank loan	EUR	Interest free	172,318	172,318	—
Collateralised bank loan	EUR	Variable	1,577,958	45,463	1,532,495
Collateralised bank loan	USD	Variable	42,639	90	42,549
Uncollateralised bank loans	CZK	Variable	709	183	526
Total			**1,823,513**	**238,927**	**1,584,586**

* 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, 2024:

(€ thousand)	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	1,146,038	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
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	22,155	21,928	230	—
Uncollateralised bank loans	EUR	Variable	21,357	21,341	16	—
Total			**1,912,496**	**772,094**	**1,139,360**	**1,042**

* 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.
- The Group meets all covenants.

D. Bonds

The following tables contain basic information on the Group's issued bonds:

(€ thousand)	December 31, 2025	December 31, 2024
Issued bonds	2,540,754	1,049,719
Outstanding interest	60,698	15,297
Transaction costs	(33,947)	(59,321)
Total bonds	**2,567,505**	**1,005,695**
Non-current	2,416,574	1,000,830
Current	150,931	4,865
Total bonds	**2,567,505**	**1,005,695**

The following conditions applied to bonds at December 31, 2025 and December 31, 2024:

(€ thousand)	Currency	Nominal interest rate	Due in	Principal and accrued interest as at December 31, 2025	Due in 1 year	Due in 1 to 5 years	Due in subsequent years
CSG VAR/26	CZK	variable	2021–2026	82,472	82,472	—	—
CSG VAR/26	EUR	fixed (step-up)	2021–2026	15,027	15,027	—	—
CSG VAR/27	EUR	variable	2022–2027	11,119	19	11,100	—
CSG 8,00/2028	CZK	fixed	2023–2028	214,385	8,155	206,230	—
CSG 5,75/2030	CZK	fixed	2025–2030	376,239	1,284	374,955	—
CSG FIX 6,50/2031	USD	fixed	2025–2031	875,935	24,939	—	850,996
CSG FIX 5,25/2031	EUR	fixed	2025–2031	1,026,275	26,275	—	1,000,000
Total				**2,601,452**	**158,171**	**592,285**	**1,850,996**

(€ thousand)	Currency	Nominal interest rate	Due in	Principal and accrued interest 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**

CZK 10,000,000,000 notes with fixed coupon due 2030

On June 10, 2025, CSG issued CZK 10,000 million (€412,456 thousand) notes due 2030, with a fixed rate of 5.75% p.a., payable on the 10th day of December and June of every year until the final maturity date, with the first interest payment due on December 10, 2025. The final maturity date of the bonds is June 10, 2030, these are traded on the Prague Stock Exchange.

2031 Notes

On June 25, 2025, CSG issued €1,000,000,000 of 5.25% senior secured notes due 2031 and $1,000,000,000 (€850,980 thousand) of 6.50% senior secured notes due 2031, with interest payable semi-annually in arrears, with the first payment due January 10, 2026. The final maturity date of the 2031 Notes is January 10, 2031.

Repayment of CSG USD 2030 bonds

During July and August 2025, the nominal value of $704,5 million was repaid, the remainder of $70.5 million was repaid on December 2, 2025.

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

(€ thousand)	December 31, 2025	December 31, 2024
Receivables from retentions	—	240
Trade receivables	780,770	425,034
Receivables from sale of shares and associates	98,042	13,495
Receivables from assignment	242,894	63,123
Other receivables	113,279	38,914
Estimated receivables	24,309	3,814
Accrued income	2,669	278
Trade and other receivables	**1,261,963**	**544,899**
Deferred expenses	52,083	49,882
Prepayments made	297,505	689,538
Prepayments made and deferred expenses and accrued income	349,588	739,420
Trade and other receivables and total other assets	1,611,551	1,284,319
Non-current	132,825	179,200
Current	1,478,726	1,105,119
Trade and other receivables and total other assets	**1,611,551**	**1,284,319**

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, 2025, the allowance for trade and other receivables was €58,292 thousand (2024: €43,939 thousand). As of December 31, 2025, trade and other receivables that were provided as collateral to bank loans amounted to €99,661 thousand (2024: €0 thousand).

22. Deferred Tax Assets and Liabilities

A. Reported Deferred Tax Assets and Liabilities

The following deferred tax assets (liabilities) were reported:

	December 31, 2025			December 31, 2024		
(€ thousand)	**Assets**	**Liabilities**	**Net**	**Assets**	**Liabilities**	**Net**
Intangible fixed assets	8 781	(177,063)	(168,282)	3,902	(208,834)	(204,932)
Property, plant and equipment	15,564	(109,938)	(94,374)	6,212	(109,483)	(103,271)
Investment property	—	(958)	(958)	—	(793)	(793)
Other investments	9,555	(1,065)	8,490	29,802	(32,874)	(3,072)
Provided loans	267	(1)	266	19	(258)	(239)
Receivables	41,477	(752)	40,725	18,118	(1,266)	16,852
Other assets	—	—	—	533	(84)	449
Inventories	59,739	(15,291)	44,448	36,011	(8,435)	27,576
Provisions	16,468	(370)	16,098	9,656	(36)	9,620
Loan interest	676	(677)	(1)	—	(4,602)	(4,602)
Payables	28,915	(200)	28,715	17,007	(4,713)	12,294
Other payables	35,483	(2,526)	32,957	8,757	(6,543)	2,214
Tax losses of prior years	585	—	585	174	—	174
Other temporary differences	5,831	(97,429)	(91,598)	2,529	(16,382)	(13,853)
Total	223,341	(406,270)	(182,929)	132,720	(394,303)	(261,583)
Tax offsetting	(189,647)	189,647	—	(105,947)	105,947	—
Net deferred tax asset (tax liability)	**33,694**	**(216,623)**	**(182,929)**	**26,773**	**(288,356)**	**(261,583)**

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:

(€ thousand)	2025	2026	2027	2028	2029	2029 onwords	Total
Total tax losses	**29**	**6**	**668**	**579**	**1,872**	**267**	**3,421**
Tax losses – utilized	1	1	434	42	107	—	585
Tax losses – unutilized	28	5	234	537	1,765	267	2,836

B. Movements in Temporary Differences During the Year

(€ thousand) Temporary difference in relation to the below items:	Balance as at January 1, 2025	Reported through comprehensive income	Reported through equity	Acquired	Sold	Effect of changes in foreign exchange rates	Balance as at December 31, 2025
Intangible fixed assets	(204,932)	6,939	9	6,055	7,169	16,478	(168,282)
Property, plant and equipment	(103,271)	7,136	(83)	(3,528)	7,064	(1,692)	(94,374)
Investment property	(793)	(691)	—	—	542	(16)	(958)
Other investments	(3,072)	13,075	—	—	(379)	(1,134)	8,490
Loans provided	(239)	503	—	—	—	2	266
Receivables	16,852	30,566	—	3	(495)	(6,201)	40,725
Other assets	449	—	(481)	—	—	32	—
Inventories	27,576	17,074	—	—	(262)	60	44,448
Provisions	9,620	7,553	256	—	(1,442)	111	16,098
Loan interest	(4,602)	4,423	-	—	—	178	(1)
Payables	12,294	11,955	(11)	10	(986)	5,453	28,715
Other liabilities	2,214	25,139	53	—	—	5,551	32,957
Tax losses of prior years	174	479	—	—	(1)	(67)	585
Other temporary differences	(13,853)	(83,618)	11	32	42	5,788	(91,598)
Total	**(261,583)**	**40,533**	**(246)**	**2,572**	**11,252**	**24,543**	**(182,929)**

(€ thousand) Temporary difference in relation to the below items:	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
Intangible fixed assets	(48,842)	4,268	(799)	(160,287)	—	728	(204,932)
Property, plant and equipment	(17,681)	(18,259)	8,593	(76,123)	11	188	(103,271)
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	(7,599)	—	(87)	27,576
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)**	**(225,904)**	**11**	**771**	**(261,583)**

23. Inventory

(€ thousand)	December 31, 2025	December 31, 2024
Material	587,109	543,353
Finished products	310,010	303,053
Goods	458,495	211,065
Work in progress	274,608	197,769
Total inventory	**1,630,222**	**1,255,240**

(€ thousand)	December 31, 2025	December 31, 2024
Prepayments to suppliers	1,656,065	939,828

As of December 31, 2025, the allowance for inventory was €45,832 thousand (2024: €8,015 thousand).

As of December 31, 2025, there was no inventory pledged (2024: €187,975 thousand was provided as collateral to secure bank loans).

24. Tax Receivables

(€ thousand)	December 31, 2025	December 31, 2024
Value added tax	35,451	18,328
Other taxes	3,235	3,053
Total tax receivables	**38,686**	**21,381**

25. Cash and Cash Equivalents

(€ thousand)	December 31, 2025	December 31, 2024
Current accounts with banks	858,671	1,160,661
Term deposits	263,899	31,979
Cash on hand	309	19,256
Promissory notes*	381,702	36,591
Cash and cash equivalents in the cash flow statement	**1,504,581**	**1,248,487**

* Promissory notes are short-term (max 3 months), highly liquid with unambiguous amount.

26. Equity

A. Share Capital

As of December 31, 2025, 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, 2024, share capital consisted of twenty ordinary registered shares in the book entry form in the nominal value of CZK 100,000,000.

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 2025, the Company paid no dividends (2024: €0 thousand).

	Number of shares	Shares Ownership percentage		Voting rights
December 31, 2025	**Pieces**	**€ thousand**	**%**	**%**
CSG FIN a.s., Corporate ID: 141 41 442	20	78,427	100	100

Funds reported in equity include the following items:

(€ thousand)	**December 31, 2025**	**December 31, 2024**
Other reserves	44,144	65,931
Foreign currency translation reserve	(105,382)	67,393
Total	**(61,238)**	**133,324**

B. Other Reserves

These reserves include contributions outside the share capital provided by the Company's sole shareholder, which amounted to €57,106 thousand as of December 31, 2025 (2024: €202,472 thousand) and conditional commitment to acquire non-controlling share which amounted to €(148,777) thousand as of December 31, 2024 (2025: €0).

The conditional commitment to acquire non-controlling interest is disclosed as Put option liability at the same value.

In 2025 the Group repaid €150,181 thousands (2024: €0 thousand) from capital funds to its shareholder.

C. Reserve from foreign currency translation

The reserve includes changes in the equity of companies with a functional currency other than the EURO 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, 2025 (€ thousand)	ZVS Holding, a.s. Slovak Republic	EXCALIBUR ARMY spol. s r.o. Czech Republic	MSM EXPORT, s.r.o. Slovak Republic	VOP Nováky, a.s. Slovak Republic	Walsroder NC GmbH Germany	DSP Germany N&B Real Estate GmbH & Co. KG Germany	TATRA DEFENCE VEHICLE a.s. Czech Republic	EXCALIBUR INTERNATIONAL a.s. Czech Republic	MSM Walsrode GmbH & Co. KG Germany	FABRICA DE MUNICIONES DE GRANADA S.L. Spain	Other immaterial subsidiaries	Total
Non-controlling interest percentage	59.90%	11.00%	19.80%	19.80%	19.80%	19.80%	19.90%	11.00%	19.80%	19.80%	—	—
Non-current assets	99,925	148,812	43,280	30,770	76,608	58,509	23,174	167,680	45,079	14,479	—	—
Current assets	249,583	2,077,295	1,534,965	237,431	55,320	7,350	269,456	493,450	54,886	392,470	—	—
Non-current liabilities	9,751	61,671	103	3,040	37,539	—	84,500	198,984	35,749	130,850	—	—
Current liabilities	170,187	1,618,812	1,311,040	131,035	39,705	20,812	166,664	389,514	32,118	245,290	—	—
Net assets	**169,570**	**545,624**	**267,102**	**134,126**	**54,684**	**45,047**	**41,466**	**72,632**	**32,098**	**30,809**	**—**	**—**
Carrying amount of the non-controlling interest	101,572	60,019	52,886	26,557	10,827	8,919	8,252	7,990	6,355	6,100	75,130	**364,607**
Revenue	230,686	3,368,649	1,840,776	389,847	77,810	5,320	204,928	659,426	92,903	226,650	—	—
Profit (+)/loss (-)	42,598	508,930	267,036	109,397	5,903	(2,636)	27,702	58,691	678	23,112	—	—
Total comprehensive income	**42,598**	**508,930**	**267,036**	**109,397**	**5,903**	**(2,636)**	**27,702**	**58,691**	**678**	**23,112**	**—**	**—**
Profit (+)/loss (-) attributable to the NCI	25,516	55,982	52,873	21,661	1,169	(522)	5,513	6,456	134	4,576	6,840	**180,198**
Net increase (+)/decrease (-) in cash and cash equivalents	**(9,414)**	**(518,465)**	**(34,514)**	**(13,140)**	**5,906**	**686**	**3,890**	**(39,070)**	**3,969**	**10,589**	**—**	**—**
Dividends paid to the NCI	**5,252**	**—**	**—**	**—**	**—**	**—**	**—**	**3,718**	**—**	**—**	**44,222**	**53,192**

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, 2025:

- Fiocchi Munizioni from 30% to 0% (effective interest) as of 16 April 2025;
- NIKA Development a.s. from 19.8% to 0% (effective interest) as of 15 October 2025.

For effects of changes in non-controlling interests reported through equity, refer to the consolidated statement of changes in equity.

December 31, 2024 (€ thousand)	Fiocchi Munizioni S.p.A. Italy	EXCALIBUR ARMY spol. s r.o. Czech Republic	ZVS Holding, a.s. Slovak Republic	NIKA Development a.s. Czech Republic	VOP Nováky, a.s. Slovak Republic	Fiocchi of America Inc. USA	Lyalvale Express Limited United Kingdom	Baschieri & Pellagri S.p.A. Italy	MSM EXPORT, s.r.o. Slovak Republic	Armi Perazzi S.p.A. Italy	TATRA DEFENCE VEHICLE a.s. Czech Republic	Other immaterial subsidiaries	Consolidation elimination	Total
Non-controlling interest percentage	**30.00%**	**10.90%**	**30.00%**	**19.80%**	**59.50%**	**19,8%**	**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	—	—	—
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 declared 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% 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.

28. Trade and Other Payables

(€ thousand)	December 31, 2025	December 31, 2024
Prepayments received	267	107,965
Trade payables	628,398	342,340
Other payables	98,340	134,681
Payables to employees	94,890	56,169
Payables arising from outstanding vacation days	9,326	9,349
Government grants	629	14,334
Trade and other payables – subtotal	**831,850**	**664,838**
Unbilled supplies	284,132	105,762
Accrued expenses	25,696	11,696
Estimated payables – subtotal	**309,828**	**117,458**
Trade and other payables – total	**1,141,678**	**782,296**
Non-current	132,425	149,297
Current	1,009,253	632,999
Trade and other payables – total	**1,141,678**	**782,296**

29. Provisions

(€ thousand)	Provision for complaints	Provision for legal claims	Other provisions	Total
Balance as at January 1, 2025	**12,543**	**4,914**	**13,649**	**31,106**
On acquisition of subsidiary	—	—	31	**31**
Additions provision in the year	17,790	3,034	837	**21,661**
Creation/(release) of provisions through balance sheet	—	—	154	**154**
Utilisation of provision	(263)	—	(6,946)	**(7,209)**
Release – provisions released in the given year	(3,073)	—	(3,817)	**(6,890)**
Disposed subsidiaries	(5,812)	—	(301)	**(6,113)**
Effects of changes in exchange rates	640	(509)	(1,529)	**(1,398)**
Balance as at December 31, 2025	**21,825**	**7,439**	**2,078**	**31,342**
Non-current	1,056	4,469	1,157	**6,682**
Current	20,769	2,970	921	**24,660**
Total provisions	**21,825**	**7,439**	**2,078**	**31,342**

(€ thousand)	Provision for complaints	Provision for legal claims	Other provisions	Total
Balance as at January 1, 2024	**7,452**	**3,386**	**2,575**	**13,413**
Acquisitions through business combinations	—	4,854	1,089	**5,943**
Additions – provisions created in the given year	7,881	—	12,022	**19,903**
Creation (+) and release (-) of provisions through balance sheet	—	—	6	**6**
Use – provisions used in the given year	(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**

The expected timeframe for the use of non-current Provisions for complaints is two years, for the other provisions it is 5–10 years.

30. Tax Payables

(€ thousand)	December 31, 2025	December 31, 2024
Value added tax	9,946	4,624
Social security and health insurance	9,650	7,256
Other taxes	82,939	33,170
Total tax payables	**102,535**	**45,050**

Other taxes in 2025 primarily represent excise tax in Vista Outdoor Inc / The Kinetic Group.

31. Financial Guarantees and Contingent Liabilities

(€ thousand)	December 31, 2025	December 31, 2024
Contingent Liabilities	5,928	5,071

There is a change of presentation of contingent liabilities and financial guarantees when compared to the 2024 consolidated financial statements. To increase transparency, the Company decided to present separately contingent liabilities that newly represent the liabilities arising from guarantees for companies outside the consolidated group.

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, 2025 (€ thousand)	Note	Mandatorily at fair value FVTPL – other	Level 1	Level 2	Level 3	Total
Financial assets at fair value						
Derivatives	20	7,268	—	7,268	—	**7,268**
Other financial assets	20	221,861	—	221,861	—	**221,861**
Total		**229,129**	**—**	**229,129**	**—**	**229,131**
Financial liabilities reported at fair value						
Derivatives	20	2,769	—	2,769	—	**2,769**

December 31, 2024 (€ thousand)	Note	Mandatorily at fair value FVTPL – other	Level 1	Level 2	Level 3	Total
Financial assets at fair value						
Derivatives	20	6,983	—	6,983	—	**6,983**
Other financial assets	20	57,866	—	57,866	—	**57,866**
Total		**64,849**	**—**	**64,849**	**—**	**64,849**
Financial liabilities reported at fair value						
Liability from put option		148,777	—	—	148,777	**148,777**
Derivatives	20	13,017	—	13,017	—	**13,017**
Total		**161,794**	**—**	**13,017**	**148,777**	**161,794**

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 2024 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, 2025 (3.52% as of December 31, 2024). This probability corresponds with a one-year probability of default of a corporate client included in the speculative grade (refer to Standard and Poors 2024 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 1.9%. 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, 2025

(€ thousand)	Gross	Allowance	Average credit loss	Credit impaired
Group*				
1	940,907	(14,735)	(1,57)%	No
2	117,814	(8,181)	(6,94)%	No
3	306,763	(35,376)	(11,53)%	No
Total	**1,365,484**	**(58,292)**		

* Low risk (Group 1), Middle risk (Group 2), High risk (Group 3)

(€ thousand)	Gross	Allowance	Average credit loss	Credit impaired
Maturity				
Covered portion of financial assets	4,660	—	—	No
Before due date	1,072,681	(10,858)	(1,01)%	No
1–90 days past due	186,986	(5,449)	(2,91)%	No
91–180 days past due	36,857	(1,588)	(4,31)%	No
181–360 days past due	47,925	(24,415)	(50,94)%	Yes
More than 360 days past due	16,375	(15,982)	(97,60)%	Yes
Total	**1,365,484**	**(58,292)**		

As at December 31, 2024

(€ thousand)	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)

(€ thousand)	Gross	Allowance	Average credit loss	Credit mpaired
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)**		

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, 2025

(€ thousand)	Gross	Allowance	Average credit loss	Credit impaired
Group*				
1	326,665	(3,265)	(0,96)%	No
2	58,781	(1,174)	(2,00)%	No
3	44,960	(1,583)	(3,52)%	No
Total	**430,406**	**(6,022)**		

* Low risk (Group 1), Middle risk (Group 2), High risk (Group 3)

(€ thousand)	Gross	Allowance	Average credit loss	Credit impaired
Maturity				
Covered portion of financial assets	1,228	—	—	No
Before due date	428,623	(5,604)	(1,27)%	No
91–180 days past due	18	(1)	(5,56)%	No
181–360 days past due	240	(120)	(50,00)%	Yes
More than 360 days past due	297	(297)	(100,00)%	Yes
Total	**430,406**	**(6,022)**		

As at December 31, 2024

(€ thousand)	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)

(€ thousand)	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
Total	**45,813**	**(19)**		

The movements reported in allowances against financial assets are as follows:

	Allowance as of	
(€ thousand)	**2025**	**2024**
Balance as at January 1, 2024	**46,601**	**34,014**
Impairment losses reported during the period	44,256	19,243
Cancellation of the impairment loss reported during the period	(23,539)	(14,152)
Acquisitions through business combinations	211	7,967
Sale of equity investment with loss of control	(3,617)	—
Impact of changes in FX rates	402	(471)
Balance as at December 31, 2025	**64,314**	**46,601**

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, 2025

(€ thousand)	**Legal entities (non-financial institutions)**	**State, government**	**Financial institutions**	**Individuals**	**Other**	**Total**
Assets						
Loans and other financial assets	412,304	—	11,457	623	—	424,384
Trade and other receivables	930,951	297,598	4,597	28,195	622	1,261,963
Contract assets	13,912	29,640	—	—	1,677	45,229
Tax receivables	3,253	47,929	6	—	—	51,188
Cash and cash equivalents	1,193	202	1,503,160	—	26	1,504,581
Total	**1,361,613**	**375,369**	**1,519,220**	**28,818**	**2,325**	**3,287,345**

As at December 31, 2024

(€ thousand)	**Legal entities (non-financial institutions)**	**State, government**	**Financial institutions**	**Individuals**	**Other**	**Total**
Assets						
Loans and other financial assets	122,993	—	17,163	6,503	21	146,680
Trade and other receivables	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 equivalents	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**

4) Credit Risk by Territory

As at December 31, 2025

(€ thousand)	**Czech Republic**	**EU**	**USA**	**Ukraine**	**Other***	**Total**
Assets						
Loans and other financial assets	138,896	212,800	442	—	72,246	424,384
Trade receivables and other assets	427,955	172,518	165,557	232,417	263,516	1,261,963
Contract assets	7,645	10,722	—	—	26,862	45,229
Tax receivables	11,258	27,024	9,035	—	3,871	51,188
Cash and cash equivalents	1,118,522	110,513	71,490	53	204,003	1,504,581
Total	**1,704,276**	**533,577**	**246,524**	**232,470**	**570,498**	**3,287,345**

* The category of "Other" primarily includes receivables from other countries, such as UAE, and Vietnam.

The trade and other receivables and other assets in Other category primarily comprises receivables held against debtors located in Israel (€89 million), in Kenya (€21 million) and Azerbaijan (€15 million).

The Cash and cash equivalents Other category primarily comprises promissory notes held against debtors located in the UAE in amount €150 million.

As at December 31, 2024

(€ thousand)	**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.

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 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.

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, 2025

(€ thousand)	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	1,823,513	2,131,245	37,946	280,454	1,812,747	—	98
Bonds	2,567,505	3,268,652	38,187	262,448	1,108,195	1,859,822	—
Trade and other payables	1,141,681	1,141,681	559,109	176,969	27,703	17,639	360,261
Lease liabilities	117,899	117,899	6,946	14,370	75,274	21,309	—
Total	**5,650,598**	**6,659,477**	**642,188**	**734,241**	**3,023,919**	**1,898,770**	**360,359**

As at December 31, 2024

(€ thousand)	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**

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, 2025, 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 2.81% to 5.39% in the total volume of CZK 1,800,000 thousand (€120,257 thousand) due in period 2026.

For a credit facility in EUR, the Group hedged floating 1M–6M Euribor interest rates at fixed rates from 1.21% to 3.41% in total volume of €687 thousand. For a credit facility in EUR, the Group hedged floating SOFR interest rate at fixed rates from 3.13% to 3.25% in the total volume of €363 thousand.

Additionally, the Group had concluded currency interest rate swap CZK/EUR 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, 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 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, 2025, and December 31, 2024, not including the effects of derivatives are as follows:

As at December 31, 2025	Floating interest rate			Fixed interest rate or unspecified	
(€ thousand)	Less than 1 year	1 year to 5 years	More than 5 years		Total
Interest-bearing financial assets					
Loans and other financial assets	127,369	42,597	158,533	95,885	**424,384**
Interest-bearing financial liabilities					
Loans and borrowings	1,579,651	51,370	—	192,492	**1,823,513**
Bonds	93,571	—	—	2,473,934	**2,567,505**
Total	**1,673,222**	**51,370**	**—**	**2,666,426**	**4,391,018**
Net interest-rate risk balance	**1,800,591**	**93,967**	**158,533**	**2,762,311**	**4,815,402**

As at December 31, 2024	Floating interest rate			Fixed interest rate or unspecified	
(€ thousand)	Less than 1 year	1 year to 5 years	More than 5 years		Total
Interest-bearing financial assets					
Loans and other financial assets	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	**1,796,685**	**1,144,767**	**1,085**	**271,111**	**3,213,648**

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.

(€ thousand)	For the year ended December 31, 2025	For the year ended December 31, 2024
Interest rate decrease of 100 basis points	16,310	6,704
Interest rate increase of 100 basis points	(16,310)	(6,704)

Following the recognition of the above-described derivative, only a portion of €19,329 thousand (2024: €752,934 thousand) of the financial liabilities from issued bonds is effectively exposed to the floating interest rate risk.

Bonds

(€ thousand)	For the year ended December 31, 2025	For the year ended December 31, 2024
Interest rate decrease of 100 basis points	193	7,529
Interest rate increase of 100 basis points	(193)	(7,529)

The fair value of CSG's bonds (net price without accrued interest) as of December 31,2025 is €83,148 thousand for the VAR/26 issue, €15,063 thousand for the FIX/26 issue issued in EUR, €11,423 thousand for the VAR/27 issue issued in EUR, 218,785 thousand for the CSG 8,00/28 issued in CZK, €375,899 thousand for the CSG 5,75/30 issue issued in CZK, €1,036,000 thousand for the CSG 5,25/31 issue issued in EUR and €878,022 thousand for the CSG 6,5/31 issue issued in USD.

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.

Received Loans

The Fair value of loans received from other parties as of December 31, 2025 is €1,885,861 thousand.

For all the other categories of financial assets and financial liabilities that are not measured at fair value, the carrying amount is a reasonable approximation of fair value.

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 2026–2028 recorded by the Group as of December 31, 2025 (the values are presented in EUR thousand as equivalents):

	2026			2027			2028		
(€ thousand)	**EUR**	**USD**	**Total**	**EUR**	**USD**	**Total**	**EUR**	**USD**	**Total**
Currency derivatives for purchase									
FX forward	77,349	22,045	99,394	—	—	—	—	—	—
Total currency derivatives for purchase	**77,349**	**22,045**	**99,394**	**—**	**—**	**—**	**—**	**—**	**—**
Currency derivatives for sale									
FX forward	105,268	4,772	110,040	56,209	—	56,209	21,988	—	21,988
FX Option	1,639	—	1,639	—	—	—	—	—	—
FX Swap	48,227	—	48,227	—	—	—	—	—	—
Total currency derivatives for sale	**155,134**	**4,772**	**159,906**	**56,209**	**—**	**56,209**	**21,988**	**—**	**21,988**

As at December 31, 2024

	2025			2026			2027			2028		
(€ thousand)	**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 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**

The fair value of the open positions disclosed above amounts to €7,268 thousand in the financial assets line and €2,769 thousand in the financial liabilities line, see Note 21.

The following tables present the structure of assets and liabilities as of December 31, 2025 (December 31, 2024) by currency (translated to EUR thousand) at the level of the Group:

As at December 31, 2025

(€ thousand)	CZK	EUR	USD	Other	Total
Assets					
Loans and other financial assets	65,611	323,813	28,190	6,770	424,384
Trade and other receivables	188,116	722,228	348,398	3,221	1,261,963
Contract assets	4,304	36,759	4,166	—	45,229
Cash and cash equivalents	429,678	782,462	289,846	2,595	1,504,581
Total assets	**687,709**	**1,865,262**	**670,600**	**12,586**	**3,236,157**
Liabilities					
Loans, borrowings and other financial instruments	45,273	1,809,825	82,681	6,414	1,944,193
Bonds	667,960	1,038,023	861,522	—	2,567,505
Trade and other payables	223,715	714,774	197,549	5,640	1,141,678
Total liabilities	**936,948**	**3,562,622**	**1,141,752**	**12,054**	**5,653,376**
Net currency risk balance	**(249,239)**	**(1,697,360)**	**(471,152)**	**532**	**(2,417,219)**

As at December 31, 2024

(€ thousand)	CZK	EUR	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
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)**

The following tables present the exposure to currency risk as of December 31, 2025 (December 31, 2024) without the recognition of financial derivatives:

As at December 31, 2025

(€ thousand)	CZK	EUR	USD	Other	Total
Assets					
Loans and other financial assets	—	263,329	28,135	6,770	298,234
Trade and other receivables	—	444,680	173,779	461	618,920
Contract assets	—	23,417	4,166	—	27,583
Cash and cash equivalents	20	654,462	218,376	827	873,685
Total assets	**20**	**1,385,888**	**424,456**	**8,058**	**1,818,422**
Liabilities					
Loans, borrowings and other financial instruments	—	1,713,874	33,233	2,769	1,749,876
Trade and other payables	14	329,432	92,519	272	422,237
Total liabilities	**14**	**2,043,306**	**125,752**	**3,041**	**2,172,113**
Net currency risk balance	**6**	**(657,418)**	**298,704**	**5,017**	**(353,691)**

As at December 31, 2024

(€ thousand)	CZK	EUR	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)**

The following material exchange rates were applied during the year:

	December 31, 2025		December 31, 2024	
CZK	**Average rate**	**Spot exchange rate as of the balance sheet date**	**Average rate**	**Spot exchange rate as of the balance sheet date**
1 EUR	24.693	24.245	25.119	25.185
1 USD	21.914	20.632	23.208	24.237

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, 2025	December 31, 2024
EUR (10% strengthening)	169,544	190,461
USD (10% strengthening)	56,290	52,525

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:

(€ thousand)	December 31, 2025	December 31, 2024
Total liabilities	8,168,492	6,744,142
Decrease for cash and cash equivalents	(1,504,581)	(1,248,487)
Adjusted net debt	**6,663,911**	**5,495,655**
Equity attributable to the Company's shareholders	**1,714,328**	**1,195,615**
Ratio of Adjusted net debt to the Equity attributable to the Company's shareholders	**3.89**	**4.60**

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.

			Non-Cash changes				
(€ thousand)	January 1, 2025	Financing cash flows	Acquisition of subsidiary (note 7)	Disposal of subsidiary (note 7)	New leases	Other changes	December 31, 2025
Bank loans (note 20)	1,908,482	(63,289)	—	—	—	(45,061)	1,800,132
Loans from related parties (note 20)	1,216	(886)	—	—	—	2,178	2,508
Loans from third parties (Note 20)	2,798	18,158	—	—	—	(83)	20,873
Lease liabilities (note 18)	99,021	(12,143)	5,521	(4,752)	30,253	—	117,900
Bonds (Note 20)	1,005,695	1,512,957	—	—	—	48,853	2,567,505
Interest rate swaps fair value hedging, cash flow hedging or economically hedging financing liabilities	13,017	—	—	—	—	(10,248)	2,769
Total liabilities from financing activities	**3,030,229**	**1,454,797**	**5,521**	**(4,752)**	**30,253**	**(4,361)**	**4,511,687**

As at December 31, 2024

			Non-Cash changes			
(€ thousand)	January 1, 2024	Financing cash flows	Acquisition of subsidiary (note 7)	New leases	Other changes	December 31, 2024
Bank loans (note 20)	718,054	1,191,063	8,338	—	(8,973)	1,908,482
Loans from related parties (note 20)	38,288	(34,298)	—	—	(2,774)	1,216
Loans from third parties (Note 20)	1,057	2,236	—	—	(495)	2,798
Lease liabilities (note 18)	42,523	(8,828)	9,712	46,785	8,829	99,021
Bonds (Note 20)	337,445	660,647	—	—	7,603	1,005,695
Interest rate swaps fair value hedging, cash flow hedging or economically hedging financing liabilities	6,984	—	—	—	6,033	13,017
Total liabilities from financing activities	**1,144,351**	**1,810,820**	**18,050**	**46,785**	**10,223**	**3,030,229**

34. Operating Segments

The Group's organizational structure comprises four divisions, which are managed by its own management coordinating the development, production, and business activities in order to implement complex projects and achieve synergies. For the purposes of segment reporting, the three divisions Land Systems, M/L Ammunition and Aerospace & Defence Electronics are combined into one segment – CSG Defence Systems. The resulting two reportable segments are as follows:

a. CSG Defence Systems

CSG Defence Systems offers a diverse portfolio ranging from land systems such as militariy, wheeled and tracked vehicles,heavy off-road trucks and weapon systems (Land Systems), through medium and larg-calibre ammunition for combat vehicles, artillery and tanks (M/L Ammunition), to electronic systems used for multi mission sets including surveillance, communications and command and control (Aerospace & Defence Electronics).

b. CSG Ammo+

CSG Ammo + segment includes small calibre ammunition products including ammunition for pistols, revolvers, rifles and shotguns for both civilian customers, law enforcement and military.

All financial measures presented herein are based upon continuing operations.

The tables below shows the segment information provided to the CODM for reportable segments for the nine months ended December 31, 2025 and December 31, 2024, respectively:

For the year ended December 31, 2025

(€ thousand)	CSG Defence Systems	CSG Ammo+	CSG Other	Elimination of intersegment relations	Consolidated data
External revenues	5,345,299	1,364,046	31,970	—	6,741,315
Intersegment revenues	745	31,452	84,313	(116,515)	—
Revenues	**5,346,044**	**1,395,498**	**116,288**	**(116,515)**	**6,741,315**
Raw material and consumables	(3,034,695)	(693,967)	(1,467)	24,427	(3,705,702)
External costs	(506,423)	(118,362)	(61,463)	84,091	(602,157)
Employee benefits expense	(218,105)	(360,152)	(25,759)	2	(604,014)
Depreciation and amortisation expense	(35,131)	(113,857)	(7,285)	112	(156,161)
Other operating income	42,158	54,668	1,187	36	98,049
Other operating expense	(91,627)	(79,067)	(7,554)	232	(178,016)
Operating EBIT	**1,502,221**	**84,761**	**13,947**	**(7,615)**	**1,593,314**
Depreciation and amortisation expense	(35,131)	(113,857)	(7,285)	112	(156,161)
OPERATING EBITDA	**1,537,352**	**198,618**	**21,232**	**(7,727)**	**1,749,475**
CAPEX	**185,210**	**35,791**	**745**	**—**	**221,746**

For the year ended December 31, 2024

(€ thousand)	CSG Defence Systems	CSG Ammo+	CSG Other	Elimination of intersegment relations	Consolidated data
External revenues	3,442,373	457,960	24,830	—	3,925,163
Intersegment revenues	928	24,226	56,617	(81,771)	—
Revenues	**3,443,301**	**482,186**	**81,447**	**(81,771)**	**3,925,163**
Raw material and consumables	(1,917,701)	(237,387)	(4,267)	24,157	(2,135,198)
External costs	(371,770)	(61,261)	(42,560)	57,152	(418,439)
Employee benefits expense	(138,607)	(100,436)	(18,054)	1	(257,096)
Depreciation and amortisation expense	(23,457)	(29,904)	(4,945)	9	(58,297)
Other operating income	31,349	11,573	1,752	(269)	44,405
Other operating expense	(58,627)	(14,717)	(15,895)	113	(89,126)
Operating EBIT	**964,488**	**50,054**	**(2,522)**	**(608)**	**1,011,412**
Depreciation and amortisation expense	(23,457)	(29,904)	(4,945)	9	(58,297)
OPERATING EBITDA	**987,945**	**79,958**	**2,423**	**(617)**	**1,069,709**
CAPEX	**117,378**	**27,842**	**72,833**	**—**	**218,053**

Sales between segments are carried out at arm's length and are eliminated on consolidation. The amounts reported to the Board of Directors with respect to segment revenue are measured consistently with the Group's external reporting.

Major customers

For the 2025, the Group's analysis of its customer base identified three major customers. Two of them are in the CSG Defence Systems segment, accounting for 47% of Defence systems segment revenues, namely the Ministry of Defence of Ukraine amounted to €1,342,933 thousand (€1,052,874 thousand as of December 31, 2024) and the Ministry of Defence of the Czech Republic amounted to €1,173,741 thousand (€144,905 thousand as of December 31, 2024). In the CSG Ammo+ segment, the main customer is Sports Inc. amounted to €89,115 thousand (€10,162 thousand as of December 31, 2024), accounting for 7% of Ammo+ segment revenues.

The table below presents reconciliation of Operating EBIT and Operating EBITDA to Profit before tax and Net profit from continuing operations.

Reconciliation of Operating EBIT

(€ thousand)	For the year ended December 31, 2025	For the year ended December 31, 2024
Reportable segments Operating EBIT	1,586,982	1,014,542
Other segments Operating EBIT	13,947	(2,522)
Elimination of intersegment relations in Operating EBIT	(7,615)	(608)
Total Operating EBIT	**1,593,314**	**1,011,412**
Finance income	200,474	163,613
Financial expense	(601,457)	(367,509)
Profit/(loss) from other financial instruments	(10,575)	44,009
Profit/(loss) from financing activities	**(411,558)**	**(159,887)**
Share of profit/(loss) of associates and joint ventures, net	(2,918)	(300)
Profit from the sale of equity interests	236	2,225
Profit before tax	**1,179,074**	**853,450**
Income tax	(306,585)	(209,599)
Net profit from continuing operations	**872,489**	**643,851**

Reconciliation of Operating EBITDA

(€ thousand)	For the year ended December 31, 2025	For the year ended December 31, 2024
Reportable segments Operating EBITDA	1,735,970	1,067,903
Other segments Operating EBITDA	21,232	2,423
Elimination of intersegment relations in Operating EBITDA	(7,727)	(617)
Total Operating EBITDA	**1,749,475**	**1,069,709**
Depreciation and amortisation expense	(156,161)	(58,297)
Finance income	200,474	163,613
Financial expense	(601,457)	(367,509)
Profit/(loss) from other financial instruments	(10,575)	44,009
Profit/(loss) from financing activities	**(411,558)**	**(159,887)**
Share of profit/(loss) of associates and joint ventures, net	(2,918)	(300)
Profit from the sale of equity interests	236	2,225
Profit before tax	**1,179,074**	**853,450**
Income tax	(306,585)	(209,599)
Net profit from continuing operations	**872,489**	**643,851**

Following the re-segmentation performed during 2025, we present a bridge between the former and the new reporting segments.

The former operating segments (before re-segmentation):

For the year ended December 31, 2024

(€ thousand)	CSG Aerospace	CSG Defence	CSG Mobility	CSG Ammo+	CSG Other	Elimination of intersegment relations	Consolidated data
External revenues	218,336	3,212,523	74,807	457,963	44,985	—	4,008,614
Intersegment revenues	70,325	88,695	3,016	24,228	57,344	(243,608)	—
Revenues	**288,661**	**3,301,218**	**77,823**	**482,191**	**102,329**	**(243,608)**	**4,008,614**
Raw material and consumables	(157,953)	(1,831,594)	(33,518)	(250,379)	(7,196)	109,984	(2,170,656)
External costs	(29,386)	(402,740)	(13,485)	(61,261)	(54,660)	119,248	(442,284)
Employee benefits expense	(47,179)	(92,290)	(21,070)	(100,436)	(25,239)	2	(286,212)
Depreciation and amortisation expense	(8,536)	(14,704)	(4,116)	(35,421)	(9,078)	47	(71,808)
Other operating income	9,486	34,220	4,175	11,573	1,977	(403)	61,028
Other operating expense	(5,202)	(64,955)	(2,026)	(14,717)	(16,322)	(1,096)	(104,318)
Profit/(loss) from operating activities (Operating EBIT)	**49,891**	**929,155**	**7,783**	**31,545**	**(8,189)**	**(15,826)**	**994,364**
Depreciation and amortisation expense	(8,536)	(14,704)	(4,116)	(35,421)	(9,078)	47	(66,291)
OPERATING EBITDA	**58,427**	**943,859**	**11,899**	**66,966**	**889**	**(15,873)**	**1,060,655**

The bridge between the former and the new operating segments:

For the year ended December 31, 2024

(€ thousand)	Former Part of (A) CSG Defence	Former Part of (B) CSG Aerospace	Former Part of (C) CSG Other	Former Part of (D) CSG Mobility	A+B+C+D Adjusted	Intersegment Eliminations	New CSG Defence Systems
External revenues	3,212,523	218,336	3,055	3,609	3,437,523	—	3,437,523
Intersegment revenues	88,695	70,325	15,354	115	174,489	(168,711)	5,778
Revenues	**3,301,218**	**288,661**	**18,409**	**3,724**	**3,612,012**	**(168,711)**	**3,443,301**
Raw material and consumables	(1,831,594)	(157,953)	(18,469)	(2,300)	(2,010,316)	92,615	(1,917,701)
External costs	(402,740)	(29,386)	(4,82)	(419)	(437,367)	65,597	(371,770)
Employee benefits expense	(92,290)	(47,179)	(6,677)	(799)	(146,946)	8,339	(138,607)
Depreciation and amortisation expense	(14,704)	(8,536)	(447)	(242)	(23,929)	473	(23,457)
Other operating income	34,220)	34,220	992	15	44,713	(13,364)	31,349
Other operating expense	(64,955)	(64,955)	(-124)	(101)	(70,382)	11,755	(58,627)
Profit/(loss) from operating activities (Operating EBIT)	**929,155**	**929,155**	**(11,138)**	**(123)**	**967,785**	**(3,297)**	**964,488**
Depreciation and amortisation expense	**(14,704)**	**(8,536)**	**(447)**	**(242)**	**(23,929)**	**473**	**(23,457)**
OPERATING EBITDA	**943,859**	**58,427**	**(10,691)**	**119**	**991,714**	**(3,769)**	**987,945**

(€ thousand)	Former Part of (A) CSG Mobility	Former Part of (B) CSG Other	Former Part of (C) CSG Mobility	Former Part of (D) CSG Other	A+B+C+D Adjusted	Intersegment Eliminations	New CSG Other
External revenues	74,807	44,985	(3,609)	(3,055)	113,127	—	113,127
Intersegment revenues	3,016	57,344	(115)	(15,354)	44,891	(76,572)	(31,681)
Revenues	**77,823**	**102,329**	**(3,724)**	**(18,409)**	**158,019**	**(76,572)**	**81,446**
Raw material and consumables	(33,518)	(7,196)	2,300	18,469	(19,945)	15,678	(4,267)
External costs	(13,485)	(54,660)	419	4,822	(62,904)	20,344	(42,560)
Employee benefits expense	(21,070)	(25,239)	799	6,677	(38,832)	20,778	(18,054)
Depreciation and amortisation expense	(4,116)	(9,078)	242	447	(12,505)	7,560	(4,945)
Other operating income	(4,175)	1,977	(15)	(992)	5,145	(3,393)	1,752
Other operating expense	(2,026)	(16,322)	101	124	(18,123)	2,228	(15,895)
Profit/(loss) from operating activities (Operating EBIT)	**7,783**	**(8,189)**	**123**	**11,138**	**10,855**	**(13,377)**	**(2,522)**
Depreciation and amortisation expense	**(4,116)**	**(9,078)**	**242**	**447**	**(12,505)**	**7,560**	**(4,945)**
OPERATING EBITDA	**11,899**	**889**	**(119)**	**10,691**	**23,360**	**(20,937)**	**2,423**

35. Net Profit from discontinued operations

Consolidated Statement of Profit or Loss of Discontinued Activities

	Discontinued activities	
(€ thousand)	**For the year ended December 31, 2025**	**For the year ended December 31, 2024**
Revenues	60,292	83,451
Raw material and consumables	(14,855)	(22,466)
External costs	(25,176)	(23,845)
Employee benefits expense	(21,155)	(29,116)
Depreciation and amortisation expenses	(5,007)	(7,994)
Other operating income	744	3,927
Other operating expense	(2,193)	(2,496)
Profit from operating activities	**(7,350)**	**1,461**
Financial income	488	2,236
Financial expense	(2,912)	(10,827)
Profit/ (loss) from other financial instruments	(3,589)	(483)
Profit from financing activities	**(6,013)**	**(9,074)**
Profit/ (loss) before tax	**(13,363)**	**(7,613)**
Income tax	(1,196)	(2,852)
Discontinued operations	(14,559)	(10,465)
Gain/ (loss) on disposals of discontinued operations	16,331	—
Net profit/ (loss) from discontinued operations	**1,772**	**(10,465)**
Net profit (loss) from discontinued operations attributable to:		
Shareholders of the Company	2,329	(8,284)
Non-controlling interest	(557)	(2,181)
Total net profit (loss) from discontinued operations	**1,772**	**(10,465)**

	Discontinued activities	
(€ thousand)	**For the year ended December 31, 2025**	**For the year ended December 31, 2024**
Net cash from operating activities	(28,466)	47,621
Net cash (used in)/from investing activities	(3,359)	(7,028)
Net cash (used in)/from financing activities	84,240	(33,635)
Cash and cash equivalents at beginning of year	**10,587**	**3,629**
Net increase/decrease in cash and cash equivalents	52,415	6,958
Cash and cash equivalents at end of period	63,002	10,587

36. 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, 2025 and December 31, 2024:

	Receivables and other financial assets	Payables and other financial liabilities	Receivables and other financial assets	Payables and other financial liabilities
(€ thousand)	**2025**	**2025**	**2024**	**2024**
Ultimate owner and entities under his control	296,386	—	—	45,115
Related parties and related individuals	12,942	14,872	4,272	732
Joint ventures	41,865	74,696	31,500	16,992
Associates	164	11,415	267	584
Total	**351,357**	**100,983**	**36,039**	**63,423**

The balance of related party receivables includes €81,522 thousand and €195,555 thousands related to the disposal of subsidiaries during the period (YTARA SPV a.s.). The related gain on this disposal amounts to €16,331 thousand. The selling price was stated according to external expert appraisal.

B. Summary of transactions with related parties for the years ended December 31, 2025 and December 31, 2024:

	Income	Expense	Income	Expense
(€ thousand)	**2025**	**2025**	**2024**	**2024**
Ultimate owner and entities under his control	1,421	—	4,882	5,062
Related parties and individuals	2,234	5,050	1,303	582
Joint ventures	36,130	172,766	29,922	68,639
Associates	137,562	6	412	1,298
Total	**177,347**	**177,822**	**36,519**	**75,581**

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 consist of revenues from the sale of goods, while the main expenses relate to the purchase of materials.

All arrangements were entered into on an arm's-length basis.

Remuneration of the key management is disclosed in Note 11, Employee Benefits Costs.

37. Group Entities

Entity	Country of registration	December 31, 2025 Effective ownership percentage	December 31, 2025 Ownership interest**	December 31, 2025 Consolidation method*	December 31, 2024 Effective ownership percentage	December 31, 2024 Ownership interest**	December 31, 2024 Consolidation 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
AERIS TRADE a.s	Czech Republic	89.00%	direct	full	—	direct	full
AEX DEFENCE SLOVAKIA s. r. o.	Slovakia	89.00%	direct	full	—		
Alzchem Group AG	Germany	9.90%	indirect	not consolidated	—		
Ammunition Operations LLC	USA	100.00%	indirect	full	100.00%	indirect	full
Armi Perazzi S.p.A.	Italy	—			80.00%	direct	full
ARMY TRADE a.s.	Czech Republic	100.00%	direct	full	100.00%	direct	full
ASTRAAN DEFENCE LIMITED	India	44.64%	indirect	full	—		
AsterIVF s.r.o.	Czech Republic	—			59.88%	direct	full
ATLAN GROUP, spol. s r.o.	Slovakia	80.20%	Direct	full	80.20%	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
AVIA Motors s.r.o.	Czech Republic	100.00%	direct	full	100.00%	direct	full
AviaNera Technologies, a.s.	Czech Republic	100.00%	direct	full	100.00%	direct	full
AVIEN, spol. s r.o.	Czech Republic	—			100.00%	direct	full
BlackBird Services a.s.	Czech Republic	100.00%	direct	full	—		
C.F.L. S.a.s.	Italy	20.00%	direct	equity	14.00%	direct	equity
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
CSE GREECE SINGLE MEMBER PRIVATE COMPANY	Greece	89.00%	direct	full	—		
CSE USA Inc.	USA	89.00%	direct	full	—		
CSG AEROSPACE a.s.	Czech Republic	100.00%	direct	full	100.00%	direct	full
CSG AI a.s.	Czech Republic	92.50%	direct	full	—		
CSG Ammo+ a.s.	Czech Republic	100.00%	direct	full	100.00%	direct	full
CSG CAPITAL a.s.	Czech Republic	100.00%	direct	full	100.00%	direct	full
CSG CENTRAL ASIA a.s.	Czech Republic	—			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	100.00%	direct	full
CSG Elevate II Inc.	USA	100.00%	direct	full	100.00%	direct	full
CSG Engineering, a.s.	Czech Republic	84.55%	indirect	full	84.55%	indirect	full
CSG EXPORT a.s.	Czech Republic	100.00%	direct	full	100.00%	direct	full
CSG HEALTH CARE a.s.	Czech Republic	—			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
CSG Land System SK a.s.	Slovakia	89.00%	direct	full	89.00%	direct	full
CSG Land Systems CZ a.s.	Czech Republic	89.00%	direct	full	89.00%	direct	full
CSG NADAČNÍ FOND	Czech Republic	100.00%	direct	not consolidated	—		
CSG MOBILITY a.s.	Czech Republic	—			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	71.20%	direct	full
CZECH DEFENCE SYSTEMS a.s.	Czech Republic	89.00%	direct	full	89.00%	direct	full
CZECHOSLOVAK EXPORT a.s.	Czech Republic	89.00%	direct	full	90.00%	direct	full
CZECHOSLOVAK GROUP POLSKA SP. Z O.O.	Poland	90.00%	direct	full	90.00%	direct	full
CZECHOSLOVAKIA TRADE a.s.	Slovakia	89.00%	direct	full	80.20%	direct	full
CZG Aviation a.s.	Czech Republic	100.00%	direct	full	100.00%	direct	full
DAKO-CZ EN, a.s.	Czech Republic	—			100.00%	direct	full
DAKO-CZ INDIA PRIVATE LIMITED	India	—			100.00%	direct	full
DAKO-CZ RE, s.r.o.	Czech Republic	—			100.00%	direct	full
DAKO-CZ, a.s.	Czech Republic	—			100.00%	direct	full

Entity	Country of registration	December 31, 2025 Effective ownership percentage	December 31, 2025 Ownership interest**	December 31, 2025 Consolidation method*	December 31, 2024 Effective ownership percentage	December 31, 2024 Ownership interest**	December 31, 2024 Consolidation method*
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	89.00%	direct	full
Development Přelouč s.r.o.	Czech Republic	89.00%	direct	full	89.00%	direct	full
DSP Germany N&B Real Estate GmbH & Co. KG	Germany	80.20%	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
ENGINEERING SPV a.s.	Czech Republic	—			100.00%	direct	full
ENVERCOTE a.s.	Czech Republic	—			60.00%	direct	full
ERION TRADE a.s.	Czech Republic	89.00%	indirect	full	100.00%	indirect	full
EUROPEAN AIR SERVICES s.r.o.	Czech Republic	89.00%	direct	full	89.00%	direct	full
EVIKOM LABS a.s.	Czech Republic	100.00%	direct	full	—		
EXCALIBUR ARMY HELLAS LTD	Cyprus	44.50%	direct	not consolidated	45.00%	direct	not consolidated
EXCALIBUR ARMY spol. s r.o.	Czech Republic	89.00%	direct	full	89.00%	direct	full
EXCALIBUR DEFENCE SYSTEMS PRIVATE LIMITED	India	43.61%	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
FABRICA DE MUNICIONES DE GRANADA S.L.	Spain	80.20%	direct	full	80.20%	direct	full
FALCON CSG a.s.	Czech Republic	—			30.00%	direct	equity
Federal Cartridge Company	USA	100.00%	indirect	full	100.00%	indirect	full
FIOCCHI DEFENCE SYSTEMS a.s.	Czech Republic	89.00%	indirect	full	100.00%	indirect	full
FIOCCHI DEFENCE SYSTEMS SLOVAKIA s. r. o.	Slovakia	89.00%	direct	full	—		
FIOCCHI MUNIZIONI S.P.A.	Italy	100.00%	direct	full	70.00%	direct	full
Fiocchi of America Inc.	USA	100.00%	direct	full	70.00%	direct	full
FIOCCHI UNITED KINGDOM LIMITED	Great Britain	95.50%	direct	not consolidated	52.50%	direct	full
FORTIS TRADE a.s.	Czech Republic	—			100.00%	indirect	full
FulSpec Dynamics, Inc.	USA	89.00%	indirect	not consolidated	—		
GAMA OCEL, spol. s r.o.	Czech Republic	100.00%	indirect	full	—		
GARAIDOS ENERGY a.s.	Czech Republic	100.00%	indirect	full	—		
GAUSSIN S.A.	Francie	—			23.15%	direct	not consolidated
GERLENAIR a.s.	Czech Republic	—			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
HYDRAULICS s.r.o.	Czech Republic	89.00%	direct	full	—		
JATIS MRO a.s.	Czech Republic	83.25%	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
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	100.00%	direct	full
Kopřivnice Energy s.r.o.	Czech Republic	—			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
LIAZ TRUCKS a.s.	Czech Republic	—			100.00%	direct	full
LOSTR a.s.	Czech Republic	—			100.00%	direct	full
LUKARIO DYNAMICS a.s.	Czech Republic	100.00%	direct	full	—		
Lyalvale Express Limited	Great Britain	95.50%	direct	full	66.85%	direct	full
MADE CS a.s.	Czech Republic	—			100.00%	direct	full
MANDURIA TRADE a.s.	Czech Republic	—			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
MEFITIS TRADE a.s.	Czech Republic	—			100.00%	direct	full

Entity	Country of registration	December 31, 2025 Effective ownership percentage	December 31, 2025 Ownership interest**	December 31, 2025 Consolidation method*	December 31, 2024 Effective ownership percentage	December 31, 2024 Ownership interest**	December 31, 2024 Consolidation method*
Mechatronics Unmanned Systems & Technology Solutions d.o.o. Beograd-Palilula	Srbia	51.00%	direct	full	—		
MERIT SPV a.s.	Czech Republic	89.00%	direct	full	92.50%	direct	full
Milconn, a.s.	Czech Republic	50.00%	direct	equity	50.00%	direct	full
MSM - OPTICAL s.r.o.	Slovakia	80.20%	direct	full	80.20%	direct	full
MSM EXPORT, s.r.o.	Slovakia	80.20%	direct	full	80.20%	direct	full
MSM Germany GmbH.	Germany	80.20%	direct	full	—		
MSM GREECE Ltd.	Slovakia	80.20%	direct	full	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	full	80.20%	indirect	not consolidated
MSM GROUP s.r.o.	Slovakia	80.20%	direct	full	80.20%	direct	full
MSM LAND SYSTEMS s.r.o.	Slovakia	89.00%	direct	full	89.00%	direct	full
MSM LS SPV, s. r. o.	Slovakia	89.00%	direct	full	—		
MSM Martin, s.r.o.	Slovakia	80.20%	direct	full	80.20%	direct	full
MSM North America Holdings LLC	USA	80.20%	indirect	full	80.20%	indirect	not consolidated
MSM Services, s.r.o.	Slovakia	80.20%	direct	full	80.20%	direct	full
MSM SPV III, s. r. o.	Slovakia	80.20%	indirect	full	80.20%	indirect	full
MSM SPV IV, s. r. o.	Slovakia	80.20%	indirect	full	80.20%	indirect	full
MSM SPV V, s. r. o.	Slovakia	80.20%	indirect	full	80.20%	indirect	full
MSM SPV VI, s. r. o.	Slovakia	80.20%	indirect	full	—		
MSM SPV VII, s. r. o.	Slovakia	80.20%	indirect	full	—		
MSM Walsrode GmbH & Co. KG	Germany	80.20%	indirect	full	—		
MSMG Services CZ a.s.	Czech Republic	80.20%	indirect	full	—		
N&B Real Estate Verwaltungs-GmbH	Germany	80.20%	indirect	full	—		
NC1 USA LLC	USA	80.20%	indirect	full	—		
NIKA Development a.s.	Czech Republic	100.00%	direct	full	89.90%	direct	full
NOBEL DEFENSE s.r.o.	Czech Republic	80.00%	direct	full	—		
Perazzi USA, Inc.	USA	—			80.00%	direct	full
PLATINUM DEFENCE a.s.	Czech Republic	89.00%	direct	full	89.00%	direct	full
POCKET VIRTUALITY a.s.	Czech Republic	70.27%	direct	full	69.99%	direct	full
PPS VEHICLES, s.r.o.	Slovakia	72.18%	direct	full	72.18%	direct	full
Prague Fertility Centre s.r.o.	Czech Republic	—			59.88%	direct	full
Presto Tech Horizons a.s.	Czech Republic	50.00%	indirect	not consolidated	50.00%	indirect	not consolidated
PROGRESS SPV a.s.	Czech Republic	—			100.00%	direct	full
PTH Services s.r.o.	Czech Republic	50.00%	indirect	not consolidated	50.00%	indirect	not consolidated
RADIATIK a.s.	Czech Republic	—			100.00%	direct	full
Real Info d.o.o. Kruševac	Serbia	—			100.00%	direct	full
REAL TRADE PRAHA a.s.	Czech Republic	80.99%	direct	full	80.99%	direct	full
REALID SPV a.s.	Czech Republic	—			100.00%	direct	full
ReDat Recording, a.s.	Czech Republic	—			90.00%	direct	not consolidated
Regionální muzeum v Kopřivnici, o.p.s.	Czech Republic	0.00%	direct	not consolidated	0.00%	direct	not consolidated
Remington Licensing Corporation	USA	50.00%	indirect	full	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	40.10%	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	80.20%	direct	full
Slovak industry s.r.o.	Slovakia	80.20%	direct	full	80.20%	direct	full
SNORPEX a.s.	Czech Republic	100.00%	direct	full	—		
Sondany s.r.o.	Czech Republic	—			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	40.10%	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 Zeland	28.57%	direct	equity	20.00%	direct	equity
TATRA a.s.	Czech Republic	—			100.00%	direct	full
TATRA AVIATION a.s.	Czech Republic	—			100.00%	direct	full
TATRA CLASSIC s.r.o.	Czech Republic	65.00%	direct	not consolidated	54.36%	direct	not consolidated
TATRA DEFENCE PROJECTS s.r.o.	Czech Republic	80.10%	direct	full	80.10%	direct	full
TATRA DEFENCE SLOVAKIA s.r.o.	Slovakia	74.02%	direct	full	74.02%	direct	full
TATRA DEFENCE SYSTEMS s.r.o.	Czech Republic	80.10%	direct	full	80.10%	direct	full

		December 31, 2025			December 31, 2024		
Entity	**Country of registration**	**Effective ownership percentage**	**Ownership interest****	**Consolidation method***	**Effective ownership percentage**	**Ownership interest****	**Consolidation method***
TATRA DEFENCE VEHICLE a.s.	Czech Republic	80.10%	direct	full	80.10%	direct	full
TATRA EURASIA t.o.o.	Kazakhstan	23.40%	direct	not consolidated	19.57%	direct	not consolidated
TATRA EXPORT s.r.o.	Czech Republic	65.00%	direct	equity	54.36%	direct	equity
TATRA MACHINERY s.r.o.	Czech Republic	65.00%	direct	not consolidated	54.36%	direct	not consolidated
TATRA MANUFACTURE a.s.	Czech Republic	—			100.00%	direct	full
TATRA METALURGIE a.s.	Czech Republic	65.00%	direct	equity	54.36%	direct	equity
TATRA Slovensko spol. s .r.o.	Slovakia	65.00%	direct	not consolidated	54.36%	direct	not consolidated
TATRA TRUCK GULF COMMERCIAL BROKERS L.L.C.	United Arab Emirates	31.85%	direct	not consolidated	26.64%	direct	not consolidated
TATRA TRUCK INDIA PRIVATE LIMITED	India	65.00%	direct	not consolidated	48.92%	direct	not consolidated
TATRA TRUCKS a.s.	Czech Republic	65.00%	direct	equity	54.36%	direct	equity
TATRA VOSTOK, OOO	Russia	65.00%	direct	not consolidated	54.36%	direct	not consolidated
TATRABRAS LTDA	Brasil	—			54.36%	direct	not consolidated
TECHNOLOGY CS a.s.	Czech Republic	—			100.00%	direct	full
TECHPARK Hradubická a.s.	Czech Republic	—			100.00%	direct	full
Tendrio a.s.	Czech Republic	83.25%	direct	full	100.00%	direct	full
The Kinetic Group Operations LLC	USA	100.00%	indirect	full	—		
The Kinetic Group Sales LLC	USA	100.00%	indirect	full	100.00%	indirect	full
The Kinetic Group, Inc.	USA	100.00%	indirect	full	100.00%	indirect	full
TKG Holding Company Inc.	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
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	80.20%	direct	full
VMT Trade s.r.o.	Slovakia	40.10%	direct	equity	40.50%	direct	not consolidated
VOP Nováky, a.s.	Slovakia	80.20%	direct	full	80.20%	direct	full
VORNEA SPV s.r.o.	Czech Republic	—			100.00%	direct	full
VÝVOJ Martin, a.s.	Slovakia	80.20%	direct	full	80.20%	direct	full
Walsroder IPark GmbH	Germany	80.20%	direct	full	—		
Walsroder NC GmbH	Germany	80.20%	direct	full	—		
ZVI a.s.	Czech Republic	45.39%	indirect	full	—		
ZVS holding, a.s.	Slovakia	40.10%	indirect	full	40.10%	indirect	full
ZVS IMPEX, akciová spoločnosť	Slovakia	80.20%	direct	full	80.20%	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.

38. Legal Disputes

Provisions for legal disputes are disclosed in the Note 29. the Group has currently no significant legal disputes.

39. Subsequent Events

Significant Changes After the Reporting Period

This chapter describes material events and changes that occurred after the end of the 2025 reporting period and before the approval of this Consolidated Statement of Profit or Loss and Other Comprehensive Income.

- On January 30, 2026, CSG and the Greek state-owned company Hellenic Defence Systems S.A. signed the key founding documents for the establishment of a joint venture 'Hellenic Ammunition S.A' focused on the production of large-calibre ammunition in Greece. This further strengthens CSG's vertical integration in ammunition manufacturing.
- On March 4, 2026, a joint memorandum was signed between EURENCO and ZVS holding, a joint venture of the Slovak Republic and MSM GROUP, part of the CSG Group to establish a joint venture and the construction of a new manufacturing facility for Modular Artillery Charge Systems (MACS) for artillery systems.
- On March 11, 2026, CSG and Polska Grupa Zbrojeniowa S.A. (PGZ) signed a Framework Cooperation Agreement that establishes the foundation for further deepening industrial, technological, and business cooperation. Cooperating includes development and production of engines for the next generation of unmanned systems and missiles, the ammunition segment, and modern land platforms.
- On March 20, 2026, CSG, through its subsidiary CZECHOSLOVAK GROUP POLSKA Sp. z o.o. signed a preliminary agreement to acquire DOMAR MS Sp. z o. o., one of the leading Polish manufacturers of cabling, cable harnesses, electrical boxes and distributor of electrical connectors used in defence systems and other specialized products.

Initial Public Offering and Change in Reporting Entity

After the end of the reporting period, CSG completed an initial public offering and the admission to trading of shares of CSG N.V. on the regulated market of Euronext Amsterdam on January 23, 2026. The offering raised total gross proceeds of €3,800 million, representing 15.2% of issued share capital post-settlement. This comprised a primary offering of newly issued shares raising €750 million and a secondary offering of existing shares totalling €2,554 million by CSG FIN a.s. As a result of this transaction, CSG N.V., a public limited liability company incorporated in the Netherlands, became the listed parent entity of the Company.

This transaction represents a material structural change for sustainability reporting purposes. While the operational activities, business model and consolidation scope of CSG remain unchanged, the IPO has resulted in a change to the legal entity that will act as the reporting entity for future sustainability reporting cycles under the Corporate Sustainability Reporting Directive and the European Sustainability Reporting Standards.

For the 2025 reporting period, the Company remains the reporting entity for the purposes of this Consolidated Sustainability Statement. CSG N.V. will become the reporting entity from the 2026 reporting period onwards.

Transactions with holders of non-controlling interest

After the reporting date the Group decreased minority interests in EXCALIBUR INTERNATIONAL a.s., CSG Land Systems CZ a.s., MSM GROUP s.r.o., TATRA DEFENCE VEHICLE a.s. and TRADITION CS a.s., resulting in a reduction of non-controlling interests and an increase in equity attributable to the Group.

Implications for Governance and Sustainability Reporting

The change in reporting entity has direct implications for governance, oversight and the formal adoption of sustainability-related frameworks.

Following the IPO, CSG N.V. adopted a one-tier board structure governed by Dutch law, combining executive and supervisory responsibilities within a single Board of Directors. The Board consists of an executive component (Executive Directors), responsible for the day-to-day management of the Group, and an independent non-executive component (Non-Executive Directors), whose role is to oversee strategy, leadership performance, risk management and long-term value creation.

The executive leadership of CSG comprises Michal Strnad (Chairman and Chief Executive Officer), David Chour (Chief Operating Officer), Ladislav Štorek (General Counsel), Petr Formánek (Chief Investment Officer) and Zdeněk Jurák (Chief Financial Officer). Four independent Non-Executive Directors were appointed to the Board in connection with the listing: General (Ret.) John Nicholson (Senior Independent Director), Lynn Fordham, Susanne Wiegand and Virginie Banet.

Responsibility for strategic oversight, governance arrangements, and the approval of policies, targets and incentive mechanisms has therefore transitioned to the administrative, management and supervisory bodies of CSG N.V. Accordingly, decisions relating to sustainability target setting and sustainability-linked remuneration will be taken under the governance framework of CSG N.V. and will apply from the reporting period in which CSG N.V. acts as the reporting entity.

Due to this change, disclosures in the 2025 reporting period are limited to arrangements, practices and outcomes applicable to CZECHOSLOVAK GROUP a.s. during the reporting period. Where relevant, references are provided to this section to explain why certain forward-looking disclosures are not formally attributed to the reporting entity for 2025.

Impact on Sustainability Targets and Incentive Schemes

During the 2025 reporting period, CSG developed the structure and governance approach for sustainability targets, including climate-related targets, and the integration of sustainability considerations into remuneration frameworks. However, these frameworks were not formally adopted at the level of the 2025 reporting entity.

This is due to the fact that the authority to approve and oversee sustainability targets and sustainability-linked incentive schemes will reside with the governing bodies of CSG N.V. following the IPO.

Disclosures in topical ESRS chapters, including those relating to climate targets and incentive schemes, therefore reflect the situation applicable to the Company during the reporting period and include cross-references to this section where appropriate.

Credit Rating Updates

Following the IPO in February 2026, Moody's upgraded the rating of CSG's backed senior secured debt from the speculative-grade level of Ba1 to investment-grade Baa3, reflecting improvements in corporate governance, a simplified capital structure, and a more conservative financial strategy. Fitch Ratings also affirmed CSG's rating at BBB- with a Stable Outlook.

Strategic Transaction

In March 2026, CSG announced it will acquire a 49% stake in 4iG SDT EGY, thereby also indirectly becoming approx. 37% shareholder in Rába Automotive Holding Plc. Through this transaction, the Group confirms its ambition to become a long-term strategic partner of the Hungarian defence industry. The initial investments also include signed contracts for the production and delivery of thousands of military vehicles, as well as potential participation in the HIMARS programme for Hungary.

Events in the Middle East

The Group's direct exposure to countries in the Middle East is limited and not material to its overall operations. Based on information currently available, management does not expect developments involving Iran to have a material impact on the Group's operations or financial position. The Group continues to monitor developments in the region and will assess any potential impacts as circumstances evolve.

Forward-Looking Reporting Considerations

CSG intends to further develop and formalise sustainability governance, target setting and performance management following the transition to CSG N.V. as the reporting entity. In subsequent reporting periods, sustainability disclosures are expected to reflect:

- the adoption of ESRS-aligned sustainability targets, including climate-related targets; and
- the implementation of sustainability-linked remuneration mechanisms under the governance framework of CSG N.These matters will be disclosed in the relevant topical sections of future sustainability statements once they become applicable to the reporting entity.

Disposal of subsidiary

In February 2026, the subsidiary JOB AIR Technic a.s. was sold out of the Group.

Except for the matters described above, the Group's management is not aware of any other material subsequent events that could have an effect on these Financial Statements as at December 31, 2025.

40. Appendix I – Restated Consolidated Statement of Financial Position as of December 31, 2024

Appendix I represents a reconciliation of original financial information to restatements of financial information triggered by the changes described in Note 4c.

(€ thousand)	Restated amounts as of December 31, 2024	Originally recognized amounts as of December 31, 2024	Difference
Assets			
Non – current assets			
Intangible assets	941,850	289,636	652,214
Goodwill	1,285,129	2,021,760	(736,631)
Property, plant and equipment	926,855	653,588	273,267
Investment property	5,848	5,848	—
Investments in associates and joint ventures	83,923	83,923	—
Loans and other financial assets	77,206	77,206	—
Trade and other receivables	24,666	24,666	—
Prepayments made and deferred expenses and accrued income	154,534	154,534	—
Deferred tax asset	26,773	26,773	—
Contract costs	60,437	60,437	—
Total non-current assets	**3,587,221**	**3,398,371**	**188,850**
Current assets			
Inventory	1,255,240	2,160,141	(904,901)
Inventory - prepayments to suppliers	939,828		939,828
Trade and other receivables	520,233	520,233	—
Loans and other financial assets	69,474	69,474	—
Prepayments made and deferred expenses and accrued income	584,886	584,886	—
Tax receivables	21,381	21,381	—
Current income tax receivable	7,401	7,401	—
Cash and cash equivalents	1,248,487	1,248,487	—
Contract Assets	18,913	18,913	—
Total current assets	**4,665,843**	**4,630,916**	**34,927**
Total assets	**8,253,064**	**8,029,287**	**223,777**
Equity			
Share capital	78,427	78,427	—
Other reserves	65,931	65,931	—
Translation reserve	67,393	38,150	29,243
Retained earnings of past years including profit or loss for the current accounting period	983,864	998,070	(14,206)
Equity attributable to the Company's shareholders	1,195,615	1,180,578	15,037
Non-controlling interests	313,307	313,307	—
Total equity	**1,508,922**	**1,493,885**	**15,037**

(€ thousand)	Restated amounts as of December 31, 2024	Originally recognized amounts as of December 31, 2024	Difference
Liabilities			
Non-current liabilities			
Liability from put option	5,260	5,260	—
Loans and borrowings	1,140,402	1,140,402	—
Other financial instruments	94,542	94,542	—
Trade and other payables	149,297	149,297	—
Provisions	12,792	12,792	—
Deferred tax liability	288,356	79,616	208,740
Bonds	1,000,830	1,000,830	—
Contract liabilities	352,229	352,229	—
Total non-current liabilities	**3,043,708**	**2,834,968**	**208,740**
Current liability			
Liability from put option	143,517	143,517	—
Loans and borrowings	772,094	772,094	—
Other financial instruments	57,622	57,622	—
Trade and other payables	632,999	1,956,951	(1,323,952)
Provisions	18,314	18,314	—
Tax liabilities	45,050	45,050	—
Current income tax payable	174,185	174,185	—
Contract liabilities	1,851,788	527,836	1,323,952
Bonds	4,865	4,865	—
Total current liabilities	**3,700,434**	**3,700,434**	**—**
Total liabilities	**6,744,142**	**6,535,402**	**208,740**
Total equity and liabilities	**8,253,064**	**8,029,287**	**223,777**

(€ thousand)	Restated amounts for the period ended December 31, 2024	Originally recognized amounts for the period ended December 31, 2024	Difference
Revenues	3,925,163	4,008,614	(83,451)
Raw material and consumables	(2,135,198)	(2,157,664)	22,466
External costs	(418,439)	(442,284)	23,845
Employee benefits expense	(257,096)	(286,212)	29,116
Depreciation and amortisation expenses	(58,297)	(66,291)	7,994
Other operating income	44,405	61,028	(16,623)
Other operating expense	(89,126)	(104,318)	15,192
Profit from operating activities	**1,011,412**	**1,012,873**	**(1,461)**
Financial income	163,613	165,850	(2,237)
Financial expense	(367,509)	(378,336)	10,827
Profit/ (loss) from other financial instruments	44,009	43,526	483
Profit from financing activities	**(159,887)**	**(168,960)**	**9,073**
Share of profit/(loss) from associates & JVs, net	(300)	(300)	—
Profit (loss) from the sale of equity interests	2,225	2,225	—
Profit/ (loss) before tax	**853,450**	**845,838**	**7,612**
Income tax	(209,599)	(212,451)	2,852
Net profit from continuing operations	**643,851**	**633,387**	**10,464**
Discontinued operations	(10,464)	—	(10,464)
Net profit from discontinuing operations	**(10,464)**	**—**	**(10,464)**
Total profit	**633,387**	**633,387**	**—**
Other comprehensive income			
Items not reclassified to profit/loss			
FX differences from presentation currency non recycled	5,491	5,491	—
FX differences from presentation currency recycled	(1,477)	(1,477)	—
Items that are or may be subsequently reclassified to profit or loss			
Fair value gain/(loss) on hedging instruments	1,474	1,474	—
Other comprehensive income, net	5,488	5,488	—
Total comprehensive income	**638,875**	**638,875**	**—**
Profit attributable to:			—
Shareholders of the Company	526,074	526,074	—
Non-controlling interest	107,313	107,313	—
Profit/ (loss) for the year	**633,387**	**633,387**	**—**
Total comprehensive income attributable to:			
Shareholders of the Company	531,562	531,562	—
Non-controlling interest	107,313	107,313	—
Total comprehensive income for the year	**638,875**	**638,875**	**—**

Separate Financial Statements

Separate Financial Statements prepared under International Financial Reporting Standards (IFRS) as Adopted by the EU for the year ended December 31, 2025

Separate Financial Statements for the year ended December 31, 2025

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 March 25, 2026.

Ladislav Štorek
Vice-Chairman of the Board of Directors

Zdeněk Jurák
Member of the Board of Directors

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Statement of Profit or Loss and Other Comprehensive Income

For the year ended December 31, 2025

(€ thousand)	Note	Year ended December 31, 2025	Year ended December 31, 2024
Revenues	5	64	30
Raw material and consumables		—	—
External costs	7	(13,625)	(7,538)
Other operating income	8	—	22
Other operating expense	9	(1,468)	(1,741)
Profit (loss) from operating activities		**(15,029)**	**(9,227)**
Financial income	10	477,089	149,977
Financial expense	10	(472,722)	(136,195)
Profit from other financial instruments	11	(21 068)	(1,981)
Profit (loss) from financing activities		**(16,701)**	**11,801**
Profit (loss) before tax		**(31,730)**	**2,574**
Income tax	12	51	(668)
Net profit (loss) from continuing operations		**(31,679)**	**1,906**
Other comprehensive income		—	—
Remeasurement of derivatives		(602)	(964)
Revaluation in other comprehensive income		50	36
Foreign currency translation differences from presentation currency		8,155	(2,893)
Other comprehensive income, net		7,603	(3,821)
Total comprehensive income (loss)		**(24,076)**	**(1,915)**

The Notes to Financial Statements form an inseparable part of these financial statements.

Statement of Financial Position

As of December 31, 2025

(€ thousand)	Note	December 31, 2025	December 31, 2024
Assets			
Non – current assets			
Investments in subsidiaries	13	1,644,772	1,251,803
Investments in associates	13	41	64
Loans and other financial assets	14,15	184,323	166,691
Trade and other receivables	16	—	—
Deferred tax asset	24	788	441
Total non-current assets		**1 829 924**	**1,418,999**
Current assets			
Inventory	17	—	—
Trade and other receivables	16	330,451	93,956
Loans and other financial assets	14	1,864,033	1,707,885
Tax receivables arising from the current income tax payable	18	817	916
Cash and cash equivalents	19	615,599	110,448
Total current assets		**2,810,900**	**1,913,205**
Total assets		**4,640,824**	**3,332,204**
Equity			
Share capital	20	78,427	78,427
Other reserves	20	50,069	200,200
Gains or losses from the remeasurment of derivatives	20	(191)	411
Retained earnings, current period profit/loss		2,676	34,355
Translation reserve		20,246	12,091
Total equity		**151,227**	**325,484**
Liabilities			
Non-current liabilities			
Loans and borrowings	21	1,539,226	1,128,000
Financial instruments and financial payables	15	15,634	9,796
Provisions	24	—	—
Bonds	22	2,416,574	1,000,830
Total non-current liabilities		**3,971,434**	**2,138,626**
Current liability			
Loans and borrowings	21	173,784	725,461
Financial instruments and financial payables	15	6,626	1,051
Trade and other payables	23	186,822	136,717
Tax payables arising from the current income tax payable		—	—
Bonds	22	150,931	4,865
Total current liabilities		**518,163**	**868,094**
Total liabilities		**4,489,597**	**3,006,720**
Total equity and liabilities		**4,640,824**	**3,332,204**

The Notes to Financial Statements form an inseparable part of these financial statements.

Statement of Changes in Equity

For the year ended December 31, 2025

		Attributable to the shareholders of the Company					
(€ thousand)	**Note**	**Share capital**	**Other reserves**	**Gains or losses from the revaluation of derivatives**	**Retained earnings**	**Foreign exchange translation reserve**	**Total**
Balance at January 1, 2024	**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		—	—	(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	**20**	**78,427**	**200,200**	**411**	**34,355**	**12,091**	**325,484**
Total comprehensive income for the year							
Profit for the year		—	—	—	(31,679)	—	**(31,679)**
Other comprehensive income:							
Revaluation – other comprehensive income		—	50	—	—	—	**50**
Revaluation of derivatives	20	—	—	(602)	—	—	**(602)**
Foreign exchange differences on change in presentation currency		—	—	—	—	8,155	**8,155**
Total comprehensive income for the year		**—**	**50**	**(602)**	**(31,679)**	**8,155**	**(24,076)**
Transactions with shareholders and MI	20	—	(150,181)	—	—	—	**(150,181)**
Total transactions with shareholders			**(150,131)**	**(602)**	**(31,679)**	**8,155**	**(174,257)**
Balance at December 31, 2025		**78,427**	**50,069**	**(191)**	**2,676**	**20,246**	**151,227**

The Notes to Financial Statements form an inseparable part of these financial statements.

Statement of Cash Flows

For the year ended December 31, 2025

(€ thousand)	Note	For the year ended December 31, 2025	For the year ended December 31, 2024
Cash flows from operating activities			
Profit for the period		(31,679)	1,906
Adjustments for:			
Profit (-) / loss (+) from the sale of investments	11	21,068	1,981
Net interest income (-) / expense (+)	10	141,240	44,501
Recognition (+) / release (-) of allowances and provisions	9	3,367	162
Recognition (+) / release (-) of allowances for investments in entities	13	(31,672)	21,657
Dividend income	10	(185,426)	(70,119)
Income tax	12	(51)	668
Exchange rate gains (-) / losses (+)		50,718	(9,936)
Other		(35,459)	25
Release of costs of bond issues and financing		—	2,242
Increase (-) / decrease (+) of receivables and payables from derivative financial instruments		12,387	9,610
Operating cash flows before movements in working capital		(55,507)	2,697
Increase (-) / decrease (+) in trade receivables and other assets		(145,584)	(55,832)
Increase (-) / decrease (+) in inventory (including income from sale)		—	—
Increase (+) / decrease (-) in trade and other payables		24,650	23,492
Cash generated by operations		(176,441)	(29,643)
Income taxes paid		(1,067)	(609)
Net cash from operating activities		**(177,508)**	**(30,252)**
Cash flows from investing activities			
Acquisition of investments in subsidiaries		(397,752)	(912,813)
Acquisition of investments in associates		—	—
Income from the sale of investments		2,717	6,552
Dividends received		188,896	67,016
Provided loans		(1,805,820)	(1,977,576
Repayment of provided loans		1,492,657	417,074
Interest received		142,927	30,991
Other investments		(13,098)	(21,435)
Net cash (used in)/from investing activities		**(389,473)**	**(2,390,191)**

(€ thousand)	Note	For the year ended December 31, 2025	For the year ended December 31, 2024
Cash flows from financing activities			
Proceeds from borrowings		1,221,627	4,250,996
Repayments of borrowings		(1,327,580)	(2,605,550)
Proceeds from bond placements		2,220,770	770,746
Costs related to bond placements and financing		(35,264)	(88,698)
Repayment of bonds		(672,549)	(51,663)
Interest paid		(184,691)	(55,724)
Other contribution to equity		(150,181)	214,244
Net cash (used in)/from financing activities		**1,072,132**	**2,434,351**
Net increase/decrease in cash and cash equivalents		**505,151**	**13,908**
Cash and cash equivalents at beginning of year		**110,448**	**96,540**
Cash and cash equivalents at end of period		**615,599**	**110,448**

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. he 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 CZECHOSLOVAK 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, 2025, the Company’s sole shareholder was CSG FIN a.s., which, as the sole shareholder, acted as the Company’s ultimate authority from June 28, 2022. Prior to that, Michal Strnad acted as the ultimate authority from January 1, 2022 to June 27, 2022.

The financial statements of the Company were prepared for the years ended December 31, 2025 and December 31, 2024. 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, 2025, the Company’s sole shareholder was as follows:

	Shares Ownership percentage		Voting rights
December 31, 2025	**€ thousand**	**%**	**%**
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, 2025:

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)
Zdeněk Jurák (Member of the Board of Directors)
Michaela Katolická (Member of the Board of Directors)
Alena Kozáková (Member of the Board of Directors)

Composition of the Supervisory Board as of December 31, 2025:

Zuzana Slováková (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 March 25, 2026.

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards) adopted by the European Union and to be included in an Offering Memorandum.

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, 2025.

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 Company has applied amendments to IAS 21 Lack of Exchangeability issued by the International Accounting Standards Board (IASB) and adopted by the EU that are mandatorily effective for reporting period that begins on or after 1 January 2025. Adoption of those amendments has not had any material impact on the disclosures or on the amounts reported in these Interim Financial Statements.

G. New and revised IFRS Accounting Standards adopted by the EU in issue but not yet effective

For the detailed description of new and revised IFRS accounting standards adopted but not yet effective please refer to chapter 4C in Notes to Consolidated Financial statements.

H. New and revised IFRS Accounting Standards issued by the IASB but not yet adopted by the EU

For the detailed description of new and revised IFRS accounting standards issued but not yet adopted please refer to chapter 4D in Notes to Consolidated Financial statements.

3. Significant Accounting Policies

Investment in subsidiaries

Investments in subsidiaries are accounted for in the Company's separate financial statements in accordance with IAS 27 "Separate Financial Statements" at cost less impairment.

Loans to subsidiaries

For loans to subsidiaries is used the policy for Financial instruments described in Consolidated financial statements notes. The interest rate is determined on the basis of an arm's length margin in accordance with the Group's Transfer Pricing policy.

Other 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 31 December 2025.

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 2025 in the amount of €64 thousand (2024: €30 thousand).

In 2025, the Company did not recognise any costs related to purchases and consumables.

In 2024, the Company did not recognise any costs related to purchases and consumables.

6. Employee Benefits Costs

In 2025 and in 2024, the Company did not recognise any employee benefits costs

7. External Costs

	For the period ended	
(€ thousand)	**December 31, 2025**	**December 31, 2024**
Costs of outsourcing and other external costs	6,005	6,780
Rental	—	60
Advisory fees	7,620	632
Other external costs	—	66
Total external costs	**13,625**	**7,538**

In 2025, costs of outsourcing and other external costs consist predominantly of costs for services from CSGM a.s. in the amount of €4,059 thousand.

Advisory fees in 2025 consist predominantly of costs related to audit services in amount €3,185 thousand and legal advisory services in amount €1,599 thousand.

In 2024, costs for outsourcing and other external costs consist predominantly of costs for services from CSGM a.s. in the amount of €4,418 thousand.

8. Other Operating Income

In 2025, the Company did not recognise any other operating income.

In 2024, other operating income amounted to €22 thousand.

9. Other Operating Expenses

(€ thousand)	2025	2024
Insurance payments	222	156
Recognition / (release) of allowances	629	118
Recognition/ (release) of provisions	—	(3,117)
Write-off of a receivable	—	—
Other	617	4,584
Total other operating expenses	**1,468**	**1,741**

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.

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

(€ thousand)	2025	2024
Interest income	161,092	26,165
Profit from derivative transactions	—	30,292
Dividend income	185,426	70,119
Exchange rate income	53,820	
Other financial income	76,751	23,401
Financial income	**477,089**	**149,977**
Interest expense – related parties	7,559	21,880
Interest expense – bonds	180,860	33,190
Interest expense – banks	108,014	15,339
Interest expense – other	651	257
Exchange rate losses	96,157	8,878
Loss from derivative transactions	9,021	1,032
Other financial expenses	70,460	55,619
Financial expenses	**472,722**	**136,195**
Net financial income/(expenses)	**4,367**	**13,782**

Other financial expenses in 2025 predominantly include fees connected to financing and bond placement in amount of €70,460 thousand.

Other financial expenses in 2024 predominantly include bank fees connected to financing in amount of €39,388 thousand.

In 2025, the Company generated income from dividends of €185,426 thousand originating from profit shares received from the subsidiaries, predominantly CSG DEFENCE a.s. (€87,078 thousand), CSG AEROSPACE a.s. (€59,349 thousand), EXCALIBUR INTERNATIONAL a.s. (€24,778 thousand), CSGM a.s. (€13, 896 thousand), AVIA Motors s.r.o. (€326 thousand).

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).

11. Profit / Loss from Other Financial Instruments

(€ thousand)	2025	2024
Sales of investments	94,351	9,048
Investments sold	(115,419)	(11,029)
Profit / (loss) from the sale of investments	**(21,068)**	**(1,981)**

12. Income Tax

A. Income tax reported in profit or loss

(€ thousand)	2025	2024
Current tax	(273)	(1,040)
Deferred tax	324	372
Total income tax	**51**	**(668)**

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, 2025 (2024: 21%).

B. Reconciliation of the Effective Tax Rate

(€ thousand)	%	2025	%	2024
Profit / (loss) before tax on continued operations		(31,730)		2,574
Tax calculated using the corporate income tax rate	21%	6,664	21%	(540)
Tax effect:				
Non-deductible expenses		(86,594)		(18,865)
Tax-exempt income		80,934		18,812
Losses for which no deferred tax asset was recognised in the current period		(679)		—
Changes in estimates relating to prior periods		(274)		(75)
Income tax reported in the statement of comprehensive income		51		(668)

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.

13. Investments In Entities

A. Investments in Subsidiaries

Name of Company	Country of Incorporation	December 31, 2025	December 31, 2024
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%
BlackBird Services a.s.	Czech Republic	100,00%	—
Tendrio a.s. [2)]	Czech Republic	—	100,00%
CZG Aviation a.s. [3)]	Czech Republic	100,00%	100,00%
CSG AEROSPACE a.s.	Czech Republic	100,00%	100,00%
CSG Ammo+ a.s.	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%
CSG MOBILITY a.s.	Czech Republic	—	100,00%
CSGM a.s.	Czech Republic	100,00%	100,00%
CZECHOSLOVAK GROUP POLSKA SP.Z.o.o	Poland	90,00%	100,00%
ENGINEERING SPV a.s.	Czech Republic	—	100,00%
ENVERCOTE a.s.	Czech Republic	—	60,00%
EVIKOM LABS a.s.	Czech Republic	100,00%	—
EXCALIBUR INTERNATIONAL a.s.	Czech Republic	89,00%	89,00%
EXCALIBUR USA a.s.	Czech Republic	—	100,00%
GARAIDOS ENERGY a.s.	Czech Republic	100,00%	—
GERLENAIR a.s.	Czech Republic	--	100,00%
HTH land a.s.	Czech Republic	--	100,00%
CSG CAPITAL a.s. [4)]	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%	100,00%
LBP 80 S.r.l.	Italy	—	80,00%
LIAZ TRUCKS a.s.	Czech Republic	—	100,00%
LOSTR a.s	Czech Republic	—	100,00%
LUKARIO DYNAMICS a.s.	Czech Republic	100,00%	—
MADE CS a.s.	Czech Republic	—	100,00%
MANDURIA TRADE a.s.	Czech Republic	—	100,00%
MEFITIS TRADE a.s.	Czech Republic	—	100,00%
NIKA Development a.s.	Czech Republic	100,00%	89,94%
PROGRESS SPV a.s.	Czech Republic	—	100,00%
RADIATIK a.s.	Czech Republic	—	100,00%
REALID SPV a.s.	Czech Republic	—	100,00%
RELAZA SPV a.s.	Czech Republic	—	—
SNORPEX a.s.	Czech Republic	100,00%	—
STALUNA TRADE a.s.	Czech Republic	100,00%	100,00%
TABLON SPV a.s.	Czech Republic	—	100,00%
TATRA a.s.	Czech Republic	—	100,00%
TATRA AVIATION a.s.	Czech Republic	—	100,00%
TATRA MANUFACTURE a.s.	Czech Republic	—	100,00%
TECHPARK Hradubická a.s.	Czech Republic	—	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%

[1)] IN 2024, AVIA Electric a.s. was renamed to CSG Horizons a.s.
[2)] IN 2025, CLEVELOPMENT SPV a.s. was renamed to Tendrio a.s.
[3)] IN 2025, CSG a.s. was renamed to CZG Aviation a.s.
[4)] IN 2025, INTEGRA CAPITAL a.s. was renamed to CSG CAPITAL 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 31,2025

(€ thousand)	Total profit(+) loss(-) for 2025	Equity as of December 31, 2025	Cost
CSG Ammo+ a.s.	(10)	1,231,672	1,231,146
STALUNA TRADE a.s.	(9,566)	154,583	164,322
CSG CAPITAL a.s.	(167)	110,594	114,968
NIKA DEVELOPMENT a.s.	83	75,920	99,151
ABIENNALE s.r.o.	862	3,713	6,237
KARMONIKA AERO a.s.	(379)	30	6,022
CSG AEROSPACE a.s.	28,041	35,728	5,662
14.OKTOBAR d.o.o. Kruševac	5,648	19,078	5,556
AVIA Motors s.r.o.	(589)	3,946	4,528
BlackBird Services a.s.	45	622	4,193
Other			7,524
Total			**1,649,309**

As of December 31,2024

(€ thousand)	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**

The Company recognised an allowance for non-current financial assets of €4,537 thousand as of December 31, 2025 (2024: €35,421 thousand as of December 31, 2024)

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 2025 the company sold share in following companies:

- HTH Land a.s.
- REALID SPV a.s.
- LBP 80 S.r.l.
- CSG MOBILITY a.s.
- CSG INDUSTRY a.s.
- ENVERCOTE a.s.

On September 30th, the company disposed group of companies that represented non-core activities to YTARA SPV a.s. The shares in companies were firstly put in CSG INDUSTRY a.s. as a non-monetary contribution to equity, Share in CSG Industry was then sold to YTARA SPV a.s.

Disposed companies through sale of share in CSG Industry:

- AVIEN, spol. s r.o.
- ENGINEERING SPV a.s.
- GERLENAIR a.s.
- EXCALIBUR USA a.s.
- LIAZ TRUCKS a.s.
- LOSTR a.s.
- MADE CS a.s.
- MANDURIA TRADE a.s.
- MEFITIS TRADE a.s.
- PROGRESS SPV a.s.
- RADIATIK a.s.
- TABLON SPV a.s.
- TATRA a.s.
- TATRA AVIATION a.s.
- TATRA MANUFACTURE a.s.
- TECHPARK Hradubická a.s.
- VORNEA SPV a.s.

In 2024 the company sold share in company RELAZA SPV a.s.

C. New Companies

In 2025, the following companies were established or acquired:

Name of the Company	Country of Incorporation	Share as of December 31,2025	Shares as of December 31, 2024
EVIKOM LABS a.s.	Czech Republic	100%	—
GARAIDOS ENERGY a.s.	Czech Republic	100%	—
LUKARIO DYNAMICS a.s.	Czech Republic	100%	—
SNORPEX a.s.	Czech Republic	100%	—

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.o.o	Poland	100%	—

D. Investments in Joint Ventures and Associates

Name of the Company	Country of Incorporation	Share as of December 31,2025	Share as of December 31,2024
FALCON CSG a.s.	Czech Republic	—	30%
Milconn, a.s.	Czech Republic	50%	50%

In 2025, the Company sold its share in FALCON CSG a.s. to YTARA SPV a.s.

14. Loans and Other Financial Assets

(€ thousand)	December 31, 2025	December 31, 2024
Assets at amortised cost		
Granted loans	1,970,209	1,804,421
Other financial assets	8,551	1,049
Receivables from the payment of dividends	—	3,441
Total assets at amortised cost	**1,978,760**	**1,808,911**
Assets at fair value		
Financial derivatives	6,580	8,238
Other securities and investments	63,016	57,427
Total assets at fair value	**69,596**	**65,665**
Total loans and other financial assets	**2,048,356**	**1,874,576**
Non-current	184,323	166,691
Current	1,864,033	1,707,885
Total loans and other financial assets	**2,048,356**	**1,874,576**

Granted loans predominantly represent the loans provided to related parties. Relations with related parties including the loans granted are described in more detail in Note 30 – Related Parties

Other securities and investments in 2025 predominantly consist of investment to BlackBird RE Office in amount of €41,185 thousand and to Presto Tech Horizons SCSp in amount of €18,241.

Other securities and investments in 2024 predominantly consist of investment to BlackBird RE Office in amount of €40,831 thousand and investment to GoBuzz SICAV, a.s. fund in amount of €12,709 thousand.

Allowances for loans and other financial assets are disclosed in Note 30(A)(b).

15. Derivatives

As of December 31, 2025 and December 31, 2024, the Company recorded receivables and payables arising from derivative contracts entered into at fair value, broken down as follows:

(€ thousand)	December 31, 2025	December 31, 2024
Assets at fair value		
Current derivatives	4,270	6,356
Non-current derivatives	2,310	1,882
Derivatives – total assets	**6,580**	**8,238**
Liabilities at fair value		
Current derivatives	6,626	1,051
Non-current derivatives	15,634	9,796
Derivatives – total liabilities	**22,260**	**10,847**
Total derivatives	**(15,680)**	**(2,609)**
Revaluated through profit or loss	(15,425)	(2,724)
Revaluated through other comprehensive income	(255)	115
Total derivatives	**(15,680)**	**(2,609)**

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, 2025:

Speculative derivatives:

- FX forwards on the sale of Euro for CZK in the total volume of €139,700 thousand in 2026, €52,000 thousand in 2027, €21,750 thousand in 2028;
- FX swaps on the sale of Euro for CZK in the total volume of €6,000 thousand in 2026, €4,000 thousand in 2027
- Interest rate swaps for hedging the floating interest rate 1M-3M EURIBOR at a fixed rate between 2.13–2.89% for an EUR credit facility in the total amount of €685,585 thousand for the period between 2027 and 2029;
- 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:

- Interest rate swaps for hedging the floating interest rate 6M PRIBOR at a fixed rate between 2.81–5.39% for a CZK bonds in the total amount of CZK 1,800,000 thousand (aprox. €74 million) due in year 2026.

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.

16. Trade and Other Receivables

(€ thousand)	December 31, 2025	December 31, 2024
Trade receivables	18,593	59,492
Other receivables	311,279	34,429
Estimated receivables	256	—
Trade and other receivables	**330,128**	**93,921**
Deferred expenses	300	13
Prepayments made	23	22
Prepayments made and deferred expenses and accrued income	323	35
Trade and other receivables and total other assets	**330,451**	**93,956**
Non-current	—	—
Current	330,451	93,956
Trade and other receivables and total other assets	**330,451**	**93,956**

As of December 31,2025, the balance of trade receivables predominantly includes receivables from related parties in amount of €16,6 million.

As of December 2025, the balance of other receivables predominantly includes a receivable arising from sale of companies to YTARA SPV a.s. in amount €79,093 thousand, receivable arising from assigned receivables to YTARA SPV a.s. in amount 196,323 thousand.

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.

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.

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, 2025 and December 31, 2024, the Company recorded no inventory balance.

18. Tax Receivables and Payables

As of December 31, 2025, the Company recorded tax receivables in the amount of €817 thousand that represent income tax receivable.

As of December 31, 2024, the Company recorded tax receivables in the amount of €916 thousand that represent income tax receivable.

19. Cash and Cash Equivalents

(€ thousand)	December 31, 2025	December 31, 2024
Current accounts with banks	351,405	105,399
Other cash equivalents	264,194	5,049
Cash and cash equivalents in the cash flow statement	**615,599**	**110,448**

In 2025, Other cash equivalents represent bills of exchange in total amount €264,194 thousand.

In 2019, the Company stopped using cash and all monetary transactions are cashless.

20. Equity

A. Share Capital

As of December 31, 2025 and as of December 31, 2024, 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 2025 and 2024, the Company paid no dividends.

	Shares Ownership percentage		Voting rights
December 31, 2025	**€ thousand**	**%**	**%**
CSG FIN a.s., Corporate ID: 141 41 442	78,427	100	100
Total shares	**78,427**	**100**	**100**

B. Other Reserves

(€ thousand)	December 31, 2025	December 31, 2024
Other capital reserves	47,371	197,552
Other indivisible reserves	2,698	2,648
Other reserves Total	**50,069**	**200,200**
Gains or losses from the revaluation of derivatives	**(191)**	**411**
Revaluation of derivatives fund total	**(191)**	**411**

In 2024 the Company received other capital contribution from parent company CSG FIN a.s. in amount €169,210 thousand. Part of this capital contribution in total amount €150,181 thousand was returned in 2025

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 advantageous terms specifically in the form of zero interest representing the owner's non-reciprocal capital contribution. As of December 31, 2025, these non-reciprocal capital contributions totalled €2,698 thousand (December 31, 2024: €2,648 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, 2025 was in the amount of €(191) thousand (2024: €411 thousand). The total impact to Other comprehensive income in 2025 amounted to €602 thousand (2024: €964 thousand).

21. Loans and Borrowings – Received

(€ thousand)	December 31, 2025	December 31, 2024
Owner loans and loans from related parties	5,611	330,129
Loans from third parties (other loans)	1,707,399	1,523,332
Total	**1,713,010**	**1,853,461**
Non-current	**1,539,226**	**1,128,000**
Current	**173,784**	**725,461**
Total	**1,713,010**	**1,853,461**

In 2025, the weighted average interest rate of loans amounted to 4.91% (2024: 6.60%).

A. Terms and Summary of Loan Maturities

The following terms and conditions to outstanding loans and borrowings as of December 31, 2025:

(€ thousand)	Currency	Nominal interest rate	Due in	Balance as at December 31, 2025	Due in 1 year	Due in 1 to 5 years	Due in subsequent years
Loans from related parties	CZK	Interest free	2026	239	239	—	—
Loans from related parties	CZK	Variable	2026–2027	5,291	660	4,631	—
Loans from related parties	EUR	Interest free	2026	3	3	—	—
Loans from related parties	EUR	Variable	2026–2027	78	—	78	—
Loans from third parties	CZK	Fixed	2026	415	415	—	—
Loans from third parties	CZK	Interest free	2026	148	148	—	—
Loans from third parties	EUR	Variable	2026–2029	1,759,719	188,741	1,570,978	—
Loans from third parties	EUR	Interest free	2026–2029	(52,883)	(16,422)	(36,461)	—
Total				**1,713,010**	**173,784**	**1,539,226**	**—**

The following terms applied to outstanding loans and borrowings as of December 31, 2024:

(€ thousand)	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
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.

B. Other financial instruments

Liabilities from financial derivatives are presented in Note 15 – Derivatives.

22. Bonds

The following tables contain basic information on the Group's issued bonds.

(€ thousand)	December 31, 2025	December 31, 2024
Issued bonds	2,540,754	1,049,719
Outstanding interest	60,698	15,297
Transaction costs	(33,947)	(59,321)
Total bonds	**2,567,505**	**1,005,695**
Non-current	2,416,574	1,000,830
Current	150,931	4,865
Total bonds	**2,567,505**	**1,005,695**

The following conditions applied to bonds at December 31, 2025 and December 31, 2024:

(€ thousand)	Currency	Nominal interest rate	Due in	Principal and accrued interest as at December 31, 2025	Due in 1 year	Due in 1 to 5 years	Due in subsequent years
CSG VAR/26	CZK	variable	2021–2026	82,472	82,472	—	—
CSG VAR/26	EUR	fixed (step-up)	2021-2026	15,027	15,027	—	—
CSG VAR/27	EUR	variable	2022–2027	11,119	19	11,100	—
CSG 8,00/2028	CZK	fixed	2023–2028	214,385	8,155	206,230	—
CSG 5,75/2030	CZK	fixed	2025–2030	376,239	1,284	374,955	—
CSG FIX 6,50/2031	USD	fixed	2025–2031	875,935	24,939	—	850,996
CSG FIX 5,25/2031	EUR	fixed	2025–2031	1,026,275	26,275	—	1,000,000
Total				**2,601,452**	**158,171**	**592,285**	**1,850,996**

(€ thousand)	Currency	Nominal interest rate	Due in	Principal and accrued interest 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**

CZK 10,000,000,000 notes with fixed coupon due 2030

On June 10, 2025, CSG issued CZK 10,000 million (€412,456 thousand) notes due 2030, with a fixed rate of 5.75% p.a., payable on the 10th day of December and June of every year until the final maturity date, with the first interest payment due on December 10, 2025. The final maturity date of the bonds is June 10, 2030, these are traded on the Prague Stock Exchange.

2031 Notes

On June 25, 2025, CSG issued €1,000,000,000 of 5.250% senior secured notes due 2031 and $1,000,000,000 (€850,980 thousand) of 6.500% senior secured notes due 2031, with interest payable semi-annually in arrears, with the first payment due January 10, 2026. The final maturity date of the 2031 Notes is January 10, 2031.

Repayment of CSG USD 2030 bonds

During 2025, the total remaining nominal value of the USD bond was repaid.

The sensitivity analysis relating to fair values of financial instruments is disclosed in Note 29 – Risk Management Methods and Disclosures.

23. Trade and Other Payables

(€ thousand)	December 31, 2025	December 31, 2024
Trade payables	1,758	11,566
Other payables	184,741	123,664
Trade and other payables – subtotal	**186,499**	**135,230**
Unbilled supplies	323	1,487
Estimated payables – subtotal	**323**	**1,487**
Trade and other payables – total	**186,822**	**136,717**
Non-current	—	—
Current	186,822	136,717
Trade and other payables – total	**186,822**	**136,717**

As of December 31, 2025, other payables predominantly include a payable to CSG DEFENCE a.s. in amount of €162 thousand due to received advance payment for dividends.

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.

24. Provisions

In2025, the Company did not recognise any balance of 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.

25. Deferred Tax Assets and Liabilities

A. Reported Deferred Tax Assets and Liabilities

The following deferred tax assets (liabilities) were reported:

(€ thousand)	December 31, 2025	December 31, 2024
Interest-bearing loans	—	—
Other loans and payables	788	441
Total	**788**	**441**
Tax offsetting	**—**	**—**
Net deferred tax asset (tax liability)	**788**	**441**

B. Movements in Temporary Differences During the Year

(€ thousand) Temporary difference in relation to the below items:	Balance as at January 1, 2025	Reported through comprehensive income	Reported through equity	Effect of changes in foreign exchange rates	Balance as at December 31, 2025
Allowance against loans and receivables	441	324	—	23	788
Non-interest-bearing owner loans	—	—	—	—	
Interest-bearing loans	—	—	—	—	
Total	**441**	**324**	**—**	**23**	**788**

(€ thousand) Temporary difference in relation to the below items:	Balance as at January 1, 2024	Reported through comprehensive income	Reported through equity	Effect of changes in foreign exchange rates	Balance as at December 31, 2024
Allowance against loans and receivables	71	372	—	(2)	441
Non-interest-bearing owner loans	—	—	—	—	
Interest-bearing loans	—	—	—	—	
Total	**71**	**372**	**—**	**(2)**	**441**

26. Fair Value of Financial Instrument

Fair Value Hierarchy of Financial Instruments Carried at Fair Value

The carrying amount of majority of financial instruments (assets or liabilities) for the years ended December 31, 2025 and 2024 approximate 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.

27. Leases

The Company did not enter into any significant lease contracts whether as a lessee or lessor.

28. Provided Guarantees

(€ thousand)	December 31, 2025	December 31, 2024
Provided guarantees	1,645,678	1,345,325
Total financial guarantees	**1,645,678**	**1,345,325**

In 2025, the Company provided financial guarantees with value of €1,645,678 thousand. The provided financial guarantees as of December 31, 2025 predominantly include guarantees for CSG subsidiaries in the amount of €1,640,534 thousand.

In 2024, the Company provided financial guarantees with value of €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.

29. Pledged Assets

As of December 31, 2025, the Company recorded no 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.

30. 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, 2025

(€ thousand)	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	14	6,423	157	—	—	6,580	—	6,580	—	6,580
Other securities and investments	12	63,016	—	—	—	63,016	—	63,016	—	63,016
Total		**69,439**	**157**	**—**	**—**	**69,596**	**—**	**69,596**	**—**	**69,596**
Financial liabilities reported at fair value										
Derivatives	14	21,849	411	—	—	22,260	—	22,260	—	22,260
Total		**21,849**	**411**	**—**	**—**	**22,260**	**—**	**22,260**	**—**	**22,260**

December 31, 2024

(€ thousand)	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	14	7,610	627	—	—	8,237	—	8,237	—	8,237
Other securities and investments	12	57,427	—	—	—	57,427	—	57,427	—	57,427
Total		**65,037**	**627**	**—**	**—**	**65,664**	**—**	**65,664**	**—**	**65,664**
Financial liabilities reported at fair value										
Derivatives	14	10,335	512	—	—	10,847	—	10,847	—	10,847
Total		**10,335**	**512**			**10,847**		**10,847**		**10,847**

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, 2025 are from counterparties in USA in total amount of €1,137,538 thousand (December 31, 2024: €1,334,533 thousand). The rest is within European Union with the exception of a loan to a counterparty in Serbia in the amount of €4,575 thousand (December 31, 2024: €4,478 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 2024 Annual Global Corporate Default, Table No. 24.)

The highest-risk group includes private businesses from countries with a rating of BB and worse, which has been assigned the highest probability of default at 3.52% as of December 31, 2025 (3.52% as of December 31, 2024). This probability corresponds with a one-year probability of default of a corporate client included in the speculative grade (refer to Standard and Poors 2024 Annual Global Corporate Default, Table No. 24).

The middle-risk group includes public entities from countries with a rating of BBB+ to BB. 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, 2025

(€ thousand)	Legal entities (non-financial institutions)	State, government	Financial institutions	Individuals	Other	Total
Assets						
Loans and other financial assets	2,043,599	—	4,757	—	—	2,048,356
Trade and other receivables	308,999	817	508	20,944	—	331,268
Cash and cash equivalents	—	—	615,599	—	—	615,599
Total	**2,352,598**	**817**	**620,864**	**20,944**	**—**	**2,995,223**

As at December 31, 2024

(€ thousand)	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**

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:

(€ thousand)	December 31, 2025	December 31, 2024
Before due date (net)	2,359,562	1,961,651
Past due date (net)	14,270	—
Total	**2,373,832**	**1,961,651**

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, 2025

(€ thousand)	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
		Gross	Gross	Gross	Gross	Gross		Net	Net
Assets									
Loans and other financial assets	1,978,761	1,986,174	—	—	—	—	(7,413)	1,902,407	76,354
Trade and other receivables	329,104	315,487	5,898	8,783	8	159	(1,231)	321,266	7,838
Total	**2,307,865**	**2,301,661**	**5,898**	**8,783**	**8**	**159**	**(8,644)**	**2,223,673**	**84,192**

As of December 31, 2024

(€ thousand)	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
		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)	87,762	6,159
Total	**1,902,832**	**1,907,853**	**—**	**—**	**—**	**—**	**(5,021)**	**1,869,922**	**32,910**

In 2025, the company recorded 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 €4,890 thousand (December 31, 2024: €2,921 thousand).

The following movements in allowances against financial assets were reported in the reporting period ended December, 31 2025:

(€ thousand)	December 31, 2025	December 31, 2024
Balance at January ,1	5,020	1,771
Impairment losses reported during the period	3,488	4,419
Release (recognition) of impairment loss reported during the period	(121)	(1,129)
FX difference	257	(41)
Total	**8,644**	**5,020**

Release of impairment loss reported during period ended December 31, 2024 is connected primarily to loan that was settled through assignment of receivables.

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, 2025

(€ thousand)	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	1,713,010	2,029,232	21,684	238,837	1,768,711	—	—
Bonds	2,567,505	3,268,652	38,187	262,448	1,108,195	1,859,822	—
Financial instruments and financial payables	22,259	22,260	6,626	15,634	—	—	—
Trade and other payables	186,674	186,674	323	186,351	—	—	—
Tax payables	—	—	—	—	—	—	—
Total	**4,489,448**	**5,506,818**	**66,820**	**703,270**	**2,876,906**	**1,859,822**	**—**

As at December 31, 2024

(€ thousand)	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**	**—**

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. Detailed information of interest rate swaps is provided in chapter 15 – Derivatives.

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.

Financial information relating to interest-bearing and non-interest-bearing assets and liabilities and their contractual maturity or restatement dates as of December 31, 2025, and December 31, 2024 not including the effects of derivatives are as follows:

As at December 31, 2025

	Floating interest rate				
(€ thousand)	Less than 1 year	1 year to 5 years	More than 5 years	Fixed interest rate or unspecified	Total
Interest-bearing financial assets					
Loans and other financial assets	1,898,152	—	—	150,204	2,048,356
Total	**1,898,152**	**—**	**—**	**150,204**	**2,048,356**
Interest-bearing financial liabilities					
Bonds	93,571	—	—	2,473,934	2,567,505
Loans and borrowings – received	1,520,419	—	—	192,591	1,713,010
Total	**1,613,990**	**—**	**—**	**2,666,525**	**4,280,515**
Net interest-rate risk balance	**284,162**	**—**	**—**	**(2,516,321)**	**(2,232,159)**

As at December 31, 2024

(€ thousand)	Floating interest rate: Less than 1 year	Floating interest rate: 1 year to 5 years	Floating interest rate: More than 5 years	Fixed interest rate or unspecified	Total
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)**

Sensitivity Analysis

As of December 31, 2025, financial assets with a floating interest rate primarily include loans provided to subsidiaries of the Company and related companies and entities.

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, 2025, a portion of these issued bonds of €19,329 thousand is effectively exposed to the floating interest rate risk (2024: €752,934 thousand).

(€ thousand)	For the year ended December 31, 2025	For the year ended December 31, 2024
Interest rate decrease of 100 basis points	193	7,529
Interest rate increase of 100 basis points	(193)	(7,529)

Fair Value of Bonds

The fair value of CSG's bonds (net price without accrued interest) as of December 31,2025 is €83,148 thousand for the VAR/26 issue, €15,063 thousand for the FIX/26 issue issued in EUR, €11,423 thousand for the VAR/27 issue issued in EUR, 218,785 thousand for the CSG 8,00/28 issued in CZK, €375,899 thousand for the CSG 5,75/30 issue issued in CZK, €1,036,000 thousand for the CSG 5,25/31 issue issued in EUR and €878,022 thousand for the CSG 6,5/31 issue issued in USD.

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 VISTA issue issued in USD

Fair Value of received Loans

The Fair value of loans received from other parties as of December 31,2025 is €1,781,995 thousand.

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, 2025 and as of December 31, 2024, the Company was exposed to currency risk in the following scope:

As at December 31, 2025

(€ thousand)	CZK	EUR	USD	Other	Total
Assets					
Loans and other financial assets	110,832	741,614	1,187,317	8,593	2,048,356
Trade receivables and other assets	124,822	199,529	6,831	86	331,268
Cash and cash equivalents	49,487	360,610	205,496	6	615,599
Total assets	**285,141**	**1,301,753**	**1,399,644**	**8,685**	**2,995,223**
Liabilities					
Loans and borrowings	6,388	1,706,622	—	—	1,713,010
Financial instruments and financial liabilities	—	—	—	22,260	22,260
Bonds	667,961	1,036,686	862,858	—	2,567,505
Trade and other payables	162,692	23,772	355	3	186,822
Tax liabilities	—	—	—	—	—
Total liabilities	**837,041**	**2,767,080**	**863,213**	**22,263**	**4,489,597**

As at December 31, 2024

(€ thousand)	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**

The following material exchange rates were applied during the year:

	December 31, 2025		December 31, 2024	
(CZK)	Average rate	Spot exchange rate as of the balance sheet date	Average rate	Spot exchange rate as of the balance sheet date
1 EUR	24.693	24.245	25.119	25.185
1 USD	21.914	20.632	23.208	24.237

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, 2025	December 31, 2024
EUR (10% strengthening)	(3,488)	(3,751)
USD (10% strengthening)	1,087	1,794

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 management 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 net debt to adjusted capital:

(€ thousand)	December 31, 2025	December 31, 2024
Total liabilities	4,489,597	3,006,720
Decrease for cash and cash equivalents	(615,599)	(110,448)
Adjusted net debt	**3,873,998**	**2,896,272**
Total equity	151,227	325,484
Ratio of debt to equity	**25.62**	**8.90**

31. 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, 2025 and December 31, 2024:

	Receivables and other financial assets	Payables and other financial liabilities	Receivables and other financial assets	Payables and other financial liabilities
(€ thousand)	2025	2025	2024	2024
Shareholders	20,961	—	—	45,035
Companies with controlling interest	1,947,735	186,302	1,856,760	396,656
Companies with significant interest	87	82	85	83
Key management of the Company	—	—	—	—
Other related parties	275,575	14,113	226	5
Total	**2,244,358**	**200,497**	**1,857,071**	**441,779**

B. Summary of transactions with related parties for the years ended December 31, 2025 and 31 December 2024:

(€ thousand)	Income 2025	Expense 2025	Income 2024	Expense 2024
Shareholders	1,413	—	4,879	5,062
Companies with controlling interest	156,459	33,421	29,094	22,419
Companies with significant interest	103	44	88	6
Key management of the Company	—	—	—	—
Other related parties	—	80	1,169	82
Total	**157,975**	**33,545**	**35,230**	**27,569**

32. Legal Disputes

All legal disputes were settled in 2024. As at the December 31,2025 the Company was not involved in any legal dispute.

33. Subsequent Events

In the period between December 31, 2025 and the date of preparation of the Separate financial statements, the following changes to the Company structure occurred:

Initial Public Offering and Change in Reporting Entity

After the end of the reporting period, CSG completed an initial public offering and the admission to trading of shares of CSG N.V. on the regulated market of Euronext Amsterdam on January 23, 2026. The offering raised total gross proceeds of €3,800 million, representing 15.2% of issued share capital post-settlement. This comprised a primary offering of newly issued shares raising €750 million and a secondary offering of existing shares totaling €2,554 million by CSG FIN a.s. As a result of this transaction, CSG N.V., a public limited liability company incorporated in the Netherlands, became the listed parent entity of the Company.

In connection with the above mentioned, CSG FIN a.s. is no longer sole shareholder of the Company.

Independent Auditor's Report

Deloitte.

Deloitte Audit s.r.o.
Churchill I
Italská 2581/67
120 00 Prague 2 – Vinohrady
Czech Republic

Tel: +420 246 042 500
DeloitteCZ@deloitteCE.com
www.deloitte.cz

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ID. No.: 49620592
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"THE FOLLOWING REPORT REPRESENTS AN AUDITOR'S REPORT RELATING SOLELY AND EXCLUSIVELY TO THE OFFICIAL ANNUAL FINANCIAL STATEMENT PREPARED IN XHTML FORMAT."

INDEPENDENT AUDITOR'S REPORT
To the Shareholder of
CZECHOSLOVAK GROUP a.s.

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

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 2025, 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 2025, 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 as applicable to audits of financial statements of public interest entities. We have also 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.

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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). Revenue recognition represents a key audit matter due to the significance of revenues in evaluating the Group's performance. The Group generates revenues from various types of activities, including revenues from contracts with customers recognised over time, across different markets and under varying contractual terms. Accordingly, the accuracy of revenues recognition and appropriateness of the timing of revenue recognition represent a risk in the audit of the consolidated financial statements. In particular, the recognition of revenue from contracts with customers recognised over time involves a significant degree of judgement by management, especially in determining the stage of completion and estimating total expected costs and revenues.	In addressing this key audit matter we performed a combination of tests of internal controls and substantive testing. • We obtained an understanding of the Group's main revenue streams including evaluating the design and implementation of relevant controls over revenue recognition. • At selected subsidiaries we tested design and implementation or the operating effectiveness of relevant controls over revenue recognition. • We performed a substantive test of specific revenue transactions on a sample basis. • On a sample basis, we selected invoices recorded around year end and, based on supporting documentation, assessed whether the related revenue was recognised in the correct accounting period. • We tested trade 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. With respect to revenues from contracts with customers recognised over time we performed the following additional procedures: • We critically assessed the methodology applied by the Group to determine the stage of completion and evaluated whether the resulting revenue recognition complied with IFRS 15 Revenue from Contracts with Customers • We evaluated management's estimates of total and future expected costs and revenues from contracts with customers. • On a sample basis, we tested the recognition of revenue, focusing primarily on the underlying contractual data and approved financial plans; in addition, we reviewed the mathematical accuracy of the related calculations. • We involved our internal IFRS 15 specialists to assist in assessing and testing the most material contracts with customers. • We assessed the adequacy of disclosures in the notes to the consolidated financial statements relating to revenues recognised over time and the significant judgement applied by management.
Correctness and completeness of the presentation of financial liabilities (bank loans and bonds issued)	
The correctness and completeness of the presentation of financial liabilities (Note 20 to the consolidated financial statements) represent a key audit matter, as the Group uses significant external financing in the form of issued bonds and banking loans to fund its operating and investment activities. These financing agreements include covenants and other contractual conditions, the assessment of which has a material impact on the presentation of financial liabilities in the consolidated	Our audit procedures, included, among others: • We obtained bank confirmation letters and compared the confirmed balances of bank loans with the amounts recorded in the Group's accounting records • We assessed whether loan balances were appropriately classified as current or non-current liabilities in accordance with the relevant loan agreements, repayment schedules, and bank confirmations.

Key Audit Matter	How it was addressed
financial statements, in particular the distinction between current and non-current portion.	• For publicly traded bonds, we compared information disclosed in public sources of relevant exchange markets with the disclosures in the consolidated financial statements. • For privately placed bonds, we compared the information in the bond purchase agreements with the related disclosures. • We agreed the year-end balance of issued bonds to the Portfolio account statement. • We agreed the information on covenants related to bank loans and issued bonds to underlying contractual documentation (e.g. loan agreement, bond prospectus). • We tested the mathematical correctness of the covenant calculation. • We assessed compliance with the relevant covenants. • We evaluated the adequacy of disclosures in the notes to the consolidated financial statements relating to issued bonds and external financing in the form of bank loans.
Impairment of goodwill and intangible fixed assets identified as part of subsidiary acquisition	
(Note 16 to the Consolidated Financial Statements) The Group is actively acquiring new subsidiaries as part of its growth strategy. Business combinations during the year, together with acquisitions in prior periods, resulted in the recognition of significant amounts of goodwill and separately identifiable intangible assets, including trademarks and customer relationships. Assessing whether goodwill and other intangible fixed assets are impaired involves significant management judgment. In particular, the impairment assessment is sensitive to key assumptions, including forecast revenues, earnings (EBIT), discount rates and long-term growth rates. These assumptions are subject to inherent estimation uncertainty and volatility and may materially affect the recoverable amounts of goodwill and related intangible assets. As a result of management assessment, no impairment losses were recognised during the year Management performs impairment testing using a value-in-use methodology, which involves complex estimation processes and sensitivity analyses. Accordingly, due to the judgement involved and the significance of the related balances, we considered the impairment assessment of goodwill and intangible fixed assets to be a key audit matter.	Our audit procedures, included, among others: • We evaluated the design and implementation of key internal controls over the impairment assessment and valuation process. • We assessed whether the impairment testing methodology applied by management is consistent with the requirements of IFRS. • We challenged the key assumptions used in the impairment models including forecast revenue, discount rate and long term growth rate, by comparing them to approved budgets, historical performance, and relevant external market data. • We assessed the mathematical accuracy and integrity of selected impairment models. • We evaluated the appropriateness of management's estimation techniques and the related accounting policies applied in the impairment assessment. • We involved our internal valuation specialists to assist in evaluating the valuation methodology and key assumptions used in the impairment assessment of non-current assets, including goodwill and intangible assets. • We performed a retrospective review of historical production forecasts compared to actual outcomes. • We performed sensitivity analyses, including assessing whether reasonably possible changes in key assumptions would result in an impairment • We Evaluated whether the related disclosures are consistent with the requirements of the applicable IFRS standards.

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 2025, 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 2025, 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 valuation of investments in subsidiaries and associates (Note 13 to the financial statements) represents a key audit matter as the Company holds investments in a number of entities for which there is a risk that the carrying amount exceeds their recoverable amounts.	Our audit procedures included, among others: • We evaluated the design and implementation of key internal controls over the measurement of investments in subsidiaries, including controls related to the identification of impairment indicators

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Key Audit Matter	How it was addressed
The assessment of recoverability requires significant degree of management judgement and involves estimates that are sensitive to assumptions such as future demand and expected profitability. Changes in these assumptions could result in a material impact on the valuation of the investments	and the preparation of discounted cash flow (DCF) models • We critically assessed the indicators of potential impairment of investments in subsidiaries which may trigger the recognition of impairment losses. For this purpose, we primarily: ○ Compared the carrying amount of investments with the equity of the respective subsidiaries as at the balance sheet date; ○ Assessed the profitability of investments for the relevant reporting period; ○ Verified dividends and profit distributions received from the financial investments. • Where the indicators of potential impairment were identified, we performed further procedures, including: ○ Inquiring of management regarding the reasons for the recognition or non-recognition of impairment loss; ○ Evaluating financial plans and forecasts prepared by the subsidiaries; and ○ Assessing whether any impairment allowance was recognised appropriately and in an adequate amount. ○ We evaluated the adequacy of disclosures in the notes to the financial statements relating to financial investments.
Correctness and completeness of the presentation of financial liabilities (bank loans and bonds issued)	
The correctness and completeness of the presentation of financial liabilities (Note 21 to the financial statements) represent a key audit matter, as the Group uses significant external financing in the form of issued bonds and banking loans to fund its operating and investment activities. These financing agreements include covenants and other contractual conditions, the assessment of which has a material impact on the presentation of financial liabilities in the consolidated financial statements, in particular the distinction between current and non-current portion.	Our audit procedures, included, among others: • We obtained bank confirmation letters and compared the confirmed balances of bank loans with the amounts recorded in the Group's accounting records. • We assessed whether loan balances were appropriately classified as current or non-current liabilities in accordance with the relevant loan agreements, repayment schedules, and bank confirmations. • For publicly traded bonds, we compared information disclosed in public sources of relevant exchange markets with the disclosures in the consolidated financial statements. • For privately placed bonds, we compared the information in the bond purchase agreements with the related disclosures. • We agreed the year-end balance of issued bonds to the Portfolio account statement. • We agreed the information on covenants related to bank loans and issued bonds to underlying contractual documentation (e.g. loan agreement, bond prospectus). • We tested the mathematical correctness of the covenant calculation. • We assessed compliance with the relevant covenants. • We evaluated the adequacy of disclosures in the notes to the consolidated financial statements relating to issued bonds and external financing in the form of bank loans.

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. 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.

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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 25 March 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.

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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 2025 included in the annual financial report are, in all material respects, in compliance with the requirements of the ESEF Regulation.

In Prague on 25 March 2026

Audit firm:

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



Statutory auditor:

David Batal
registration no. 2147



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Other Regulatory Disclosures

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:

- **“Adjusted Operating EBIT”** means Operating EBIT for the relevant period, adjusted to reflect an increase to raw materials and consumables to account for the increase in the value of inventories resulting from the purchase price allocation, assuming all inventories were sold during the period;
- **“Adjusted Operating EBIT Margin”** means Adjusted Operating EBIT divided by revenue;
- **“Adjusted Operating EBITDA”** means Operating EBITDA for the relevant period, adjusted to reflect an increase to raw materials and consumables to account for the increase in the value of inventories resulting from the purchase price allocation, assuming all inventories were sold during the period;
- **“Adjusted Operating EBITDA Margin”** means Adjusted Operating EBITDA divided by revenue.
- **“Cash Conversion”** means Adjusted Operating EBITDA less Capex divided by Adjusted Operating EBITDA;
- **“Capex”** means acquisition of property, plant and equipment, investment property and intangible assets as presented in the consolidated statement of cash flows contained in the Historical Financial Statements;
- **“Capex Intensity”** means Capex divided by revenue;
- **“Gross Debt”** means loans and borrowings, bonds and lease liabilities;
- **“Growth Capex”** means capital spent other than Maintenance Capex;
- **“Maintenance Capex”** means capital spent that is required to maintain existing assets in their current condition or capacity;
- **“Net Debt”** means Gross Debt minus cash and cash equivalents;
- **“Net Leverage”** means Net Debt divided by Adjusted Operating EBITDA on a last twelve-month basis;
- **“Adjusted Net Working Capital”** means inventory, trade and other receivables, prepayments made and deferred expenses and accrued income, and other (including contract assets, contract costs, tax receivables less provisions and tax liabilities), less trade and other payables and contract liabilities;
- **“Operating EBIT”** means net profit from continuing operations before income tax, profit/(loss) from financing activities, share of profit/(loss) from associates and JV, net and profit/(loss) from the sale of equity interests, calculation is disclosed in notes to consolidated financial statements, note Operating Segments;

- **“Operating EBIT Margin”** means Operating EBIT divided by revenue;
- **“Operating EBITDA”** means Operating EBIT plus depreciation and amortisation expenses, calculation is disclosed in notes to consolidated financial statements, note Operating Segments;
- **“Operating EBITDA Margin”** means Operating EBITDA divided by revenue;
- **“Pro Forma Operating EBIT”** means net profit from continuing operations before income tax, profit/(loss) from financing activities, share of profit/(loss) from associates and JV, net and profit/(loss) from the sale of equity interests, in each case adjusted to reflect the impact of the Kinetic Group Acquisition as if it had occurred as of January 1, 2024;
- **“Pro Forma Operating EBIT Margin”** means Pro Forma Operating EBIT divided by pro forma revenue;
- **“Pro Forma Adjusted Operating EBIT”** means Pro Forma Operating EBIT for the relevant period, adjusted to reflect an increase to raw materials and consumables to account for the increase in the value of inventories resulting from the purchase price allocation, assuming all inventories were sold during the period further;
- **“Pro Forma Adjusted Operating EBIT Margin”** means Pro Forma Adjusted Operating EBIT divided by pro forma revenue;
- **“Pro Forma Operating EBITDA”** means Pro Forma Operating EBIT plus depreciation and amortisation expenses as adjusted to reflect the impact of the Kinetic Group Acquisition as if it had occurred as of January 1, 2024;
- **“Pro Forma Operating EBITDA Margin”** means Pro Forma Operating EBITDA Margin divided pro forma revenue; and
- **“Pro Forma Net Leverage”** means Net Debt divided by Pro Forma Adjusted Operating EBITDA on a last twelve-month basis.

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.

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 ESG part).

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

Diversity policy is described in the ESG part of the Annual Report.

Fees Paid to the Auditing Firm

The total fees paid to the auditing firm and its related parties in 2025 and 2024 were as follows:

	Year ended December 31, 2025		Year ended December 31, 2024	
(€ thousand)	**Consolidated group**	**of which parent company**	**Consolidated group**	**of which parent company**
Statutory audit	4,061	3,433	2,859	327
Other assurance services	1,215	1,215	60	60
Tax advisory	0	0	0	0
Other services	3	0	702	692
Total	**5,279**	**4,648**	**3,622**	**1,079**

The following non-audit services were provided to Company and its related parties in 2025:

Agreed-upon procedures according to ISRS 4400 for the component TATRA DEFENSE VEHICLE a.s.

Review of Interim Financial Information at March 31, 2025 according to ISRE 2410 for CZECHOSLOVAK GROUP a.s.

Review of Interim Financial Information at September 30, 2025 according to ISRE 2410 for CZECHOSLOVAK GROUP a.s.

Pro-forma financial information accordance with ISAE 3420 for project Honnington

Comfort Letter accordance with ISAE 3420 for project Honnington

Pro-forma financial information accordance with ISAE 3420 for project Orlík

Comfort Letter accordance with ISAE 3420 for project Orlík

Pro-forma financial information accordance with ISAE 3420 for project Duxford

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 Fiocchi Munizioni S.p.A.

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.

Financial Due Diligence services, Tax Due Diligence services for CZECHOSLOVAK GROUP a.s.

Report on Relations

Drawn up for the period from January 1, 2025 to December 31, 2025

Controlled entity:

Name Company:	**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 2025 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

As of December 31, 2025, 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, and Mr. Michal Strnad has been the controlling person of CSG FIN a.s.

Since January 2026, the Company is controlled by Dutch entity CSG N.V. (reg. No. 99414376); CSG FIN a.s. is controlled by Mr. Michal Strnad indirectly through YTARA SPV a.s. (Identification No. (IČO): 118 58 087).

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): 01482840), 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 Clause 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, and transfer of certain assets of the Company to the entities controlled by the controlling entity (or person).

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

- agreement on contribution outside the registered capital of CSG Ammo+ a.s.
- agreement on set-off of receivables with Fiocchi Munizioni S.p.A.
- loan agreement with MSM EXPORT, s.r.o.
- loan agreement with CSG Engineering, a.s.
- loan agreement with AviaNera Technologies, a.s.
- loan agreement with CSG DEFENCE a.s.
- agreement on treasury services with CSG CAPITAL a.s.
- loan agreement with CSG CAPITAL a.s.
- loan agreement with CSG MOBILITY a.s.
- agreement on contribution outside the registered capital of STALUNA TRADE a.s.
- loan agreement with KONVERTIAL SPV a.s.
- loan agreement with MSM GROUP s.r.o.
- agreements on contribution outside the registered capital of CSG INDUSTRY a.s.
- agreements on assignment of receivables and agreements with YTARA SPV a.s.
- agreements on contribution outside the registered capital of ENVERCOTE a.s.
- agreement on contribution outside the registered capital of LOSTR a.s.
- agreement on contribution outside the registered capital of MADE CS a.s.
- agreement on contribution outside the registered capital of TABLON SPV a.s.
- agreement on contribution outside the registered capital of FALCON CSG a.s.
- agreement on contribution outside the registered capital of TATRA AVIATION a.s.
- loan agreements with LBP 80 S.r.l.
- agreements on contribution outside the registered capital of CSG CAPITAL a.s.
- agreement on partial assignment of agreement with CSG CAPITAL a.s.
- set-off agreement with CSG CAPITAL a.s.
- loan agreements (cash pooling) with CSG CAPITAL a.s.

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 Clause IV. of this Report on Relations were taken, and the agreements described in Clause 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 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.

In Prague, March 25, 2026

Ladislav Štorek
Vice-Chairman of the Board of Directors

Petr Formánek
Member of the Board of Directors

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 Praha 8	Czech Republic	direct		CZECHOSLOVAK GROUP a.s.
AERIS TRADE a.s.	23013826 File No. B 29546 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	indirect	incorporation May 3, 2025	EXCALIBUR INTERNATIONAL a.s.
AEX DEFENCE SLOVAKIA s. r. o.	56390840 File No. Sro 47253/R (District Court Trenčín)	Štúrova 925/27, 018 41 Dubnica nad Váhom	Slovak Republic	indirect	formerly MSM SPV II, s. r. o.	MSM GROUP s.r.o.
Ammunition Operations LLC	3437574	900 Ehlen Drive, Anoka, Minnesota 55303	United States of America	indirect		Federal Cartridge Company
ARMY TRADE a.s.	06123724 File No. B 22516 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	indirect		CSG DEFENCE a.s.
ATLAN GROUP, spol. s r.o.	35754222 File No. Sro 13718/R (District Court 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 Praha 6	Czech Republic	indirect		TRADITION CS a.s.
AVIA Motors s.r.o.	27422356 File No. C 112025 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	direct		CZECHOSLOVAK GROUP a.s.
AviaNera Technologies, a.s.	23010070 File No. B 29541 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	indirect	incorporation February 28, 2025	CSG AEROSPACE a.s.
BlackBird Services a.s.	27528065 File No. B 28882 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	direct	from July 1, 2025, dissolved by merger as of January 1, 2026	CZECHOSLOVAK GROUP a.s.
C.F.L. S.a.s.	01768700021	STRADA VICINALE PALESTRINA 7 - 13040 - CARISIO	Italy	indirect		Fiocchi Munizioni S.p.A.
CS SOFT a.s.	25781723 File No. B 15253 (Municipal Court in Prague)	Aviatická 1048/12, Ruzyně, 161 00 Praha 6	Czech Republic	indirect		TRADITION CS a.s.
CSE GREECE SINGLE MEMBER PRIVATE COMPANY	184632501000	Katechaki 58, 11525 Athens	Greece	indirect		CZECHOSLOVAK EXPORT a.s.
CSE USA Inc.	117027146	3000 RDU Center Drive, Suite 230, 27560 Morrisville, North Carolina	United States of America	indirect		EXCALIBUR INTERNATIONAL a.s.
CSG AEROSPACE a.s.	03312208 File No. B 19923 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	direct		CZECHOSLOVAK GROUP a.s.
CSG AI a.s.	23420332 File No. B 29821 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	indirect	incorporation June 24, 2025	TRADITION CS a.s.
CSG Ammo+ a.s.	11858061 File No. B 26638 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	direct		CZECHOSLOVAK GROUP a.s.
CSG CAPITAL a.s.	27528103 File No. B 21504 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	direct		CZECHOSLOVAK GROUP a.s.
CSG DEAL a.s.	11858095 File No. B 26641 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 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 Praha 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 Engineering, a.s.	22207376 File No. B 29200 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	indirect		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 Praha 8	Czech Republic	direct		CZECHOSLOVAK GROUP a.s.
CSG Horizons a.s.	08735654 File No. B 24931 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	direct		CZECHOSLOVAK GROUP a.s.
CSG Land System SK a.s.	52830381 File No. Sa 10771/R (District Court 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 Praha 8	Czech Republic	indirect		CSG DEFENCE a.s.
CSG RECOVERY s.r.o.	09579036 File No. C 338429 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	indirect		CSGM a.s.

Business name	Identification number, registered in	Registered office	Country of incorporation	Control	Note	Direct controlling entity
CSGM a.s.	01384694 File No. B 19596 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 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 Praha 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 Praha 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 Praha 8	Czech Republic	indirect		CSG EXPORT a.s.
CZECHOSLOVAK GROUP POLSKA SP. Z O.O.	0001107436	Wspólna 62, 00684 Varšava	Poland	direct		CZECHOSLOVAK GROUP a.s.
CZECHOSLOVAKIA TRADE a.s.	50018175 File No. Sa 10724/R (District Court Trenčín)	Štúrova 925/27, 018 41 Dubnica nad Váhom	Slovak Republic	indirect		MSM LAND SYSTEMS s.r.o.
CZG Aviation a.s.	11854855 File No. B 26633 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	direct		CZECHOSLOVAK GROUP a.s.
DEFENCE SYSTEMS a.s.	07333544 File No. B 23691 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	indirect		CSG DEFENCE a.s.
DEFENCE TRADE SLOVAKIA, s.r.o.	51087723 File No. Sro 35274/R (District Court Trenčín)	Kasárenská 8, 911 02 Trenčín	Slovak Republic	indirect		MSM LAND SYSTEMS s.r.o.
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.
DSP Germany N&B Real Estate GmbH & Co. KG	HRA 204389	August-Wolff-Str. 13, 29699 Walsrode	Germany	indirect	dissolved January 1, 2026	Walsroder IPark GmbH
ELDIS PARDUBICE INDIA PRIVATE LIMITED	U31900HR2021 FTC098031	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	until June 6, 2025	MADE CS a.s.
ERION TRADE a.s.	23014113 File No. B 29547 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	indirect	incorporation March 3, 2025	EXCALIBUR INTERNATIONAL a.s.
EUROPEAN AIR SERVICES s.r.o.	29131987 File No. C 202310 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	indirect		EXCALIBUR INTERNATIONAL a.s.
EVIKOM LABS a.s.	23582421 File No. B 29901 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	direct		CZECHOSLOVAK GROUP 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 Praha 8	Czech Republic	indirect		CSG Land Systems CZ a.s.
EXCALIBUR DEFENCE SYSTEMS PRIVATE LIMITED	U35990DL2022 PTC394740	C-73, Fourth Floor, Gali No.5, Amritpuri-b, 110065 Delhi	India	indirect		EXCALIBUR ARMY spol. s r.o.
EXCALIBUR INTERNATIONAL a.s.	29289688 File No. B 20148 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 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.
Federal Cartridge Company	611-AA	900 Ehlen Drive, Anoka, Minnesota 55303	United States of America	indirect		TKG Holding Company Inc.
FIOCCHI DEFENCE SYSTEMS a.s.	06861318 File No. B 23220 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	indirect	from March 13, 2025 formerly DEFENCE SPV a.s.	EXCALIBUR INTERNATIONAL a.s.
FIOCCHI DEFENCE SYSTEMS SLOVAKIA s. r. o.	56390637 File No. Sro 47252/R (District Court Trenčín)	Štúrova 925/27, 018 41 Dubnica nad Váhom	Slovak Republic	indirect		MSM GROUP s.r.o.
Fiocchi Munizioni S.p.A.	00810220137	Via Santa Barbara 4, 23900 Lecco	Italy	indirect		LAIRAN SPV a.s.
Fiocchi of America LLC	00250555	6930 North Freemont Road, 65721 Ozark, Missouri	United States of America	indirect	change of legal form from Inc. to LLC	Federal Cartridge Company
FIOCCHI UNITED KINGDOM LIMITED	06221537	Express Estate, Fisherwick Road, WS13 8XA Lichfield Staffordshire	United Kingdom	indirect		Lyalvale Express Limited
FulSpec Dynamics, Inc.	EIN 33-2444954	1209 Orange Street, Wilmington, New Castle, Delaware 19801	United States of America	indirect		EXCALIBUR INTERNATIONAL a.s.
GAMA OCEL, spol. s r.o.	26295849 File No. C 42332 (Regional Court in Brno)	Bratislavská 406/4, 695 01 Hodonín	Czech Republic	indirect	from October 31, 2025	VENILIA TRADE a.s.
GARAIDOS ENERGY a.s.	23582332 File No. B 29900 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	direct	incorporation August 8, 2025	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%), STV INVEST a.s. (50%)
HYDRAULICS s.r.o.	18757537 File No. C 1246 (Regional Court in Brno)	č.p. 201, 763 23 Slopné	Czech Republic	indirect	from December 15, 2025	MERIT SPV a.s.

Business name	Identification number, registered in	Registered office	Country of incorporation	Control	Note	Direct controlling entity
HTH land a.s.	06143946 File No. B 22493 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	direct	until October 16, 2025	CZECHOSLOVAK GROUP a.s.
JATIS MRO a.s.	18008224 File No. B 27937 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	indirect	formerly ANGERONA TRADE a.s.	CSG AI a.s.
JOB AIR Technic a.s.	27768872 File No. B 3029 (Regional Court in Ostrava)	Gen. Fajtla 370, 742 51 Mošnov	Czech Republic	indirect		CSG AEROSPACE a.s.
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 Praha 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 Praha 8	Czech Republic	direct		CZECHOSLOVAK GROUP a.s.
Kopřivnice Energy s.r.o. v likvidaci	05431905 File No. C 263563 (Municipal Court in Prague)	Sokolovská 675/9, Karlín, 186 00 Praha 8	Czech Republic	indirect		TATRA TRUCKS a.s. (50%), TATRA a.s. (50%)
LAIRAN SPV a.s.	14141663 File No. B 26983 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	indirect		CSG Ammo+ a.s.
LUKARIO DYNAMICS a.s.	23582286 File No. B 29899 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	direct	incorporation May 8, 2025	CZECHOSLOVAK GROUP a.s.
Lyalvale Express Limited	03485334	Express Estate, Fisherwick Nr. Whittington, Lichfield, WS13 8XA Staffordchire	United Kingdom	indirect		Fiocchi Munizioni S.p.A.
MATIS z.a.o.	1024601215253	307170, Kursk Region, Zheleznogorsk, ul. Gagarina, d. 24	Russia	indirect		TATRA TRUCKS a.s.
Mechatronics Unmanned Systems & Technology Solutions d.o.o.	21469203	Pančevački put 36b, Beograd (Palilula), 11210 Krnjača	Serbia	indirect		AviaNera Technologies, a.s.
MERIT SPV a.s.	06977545 File No. B 23278 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 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 Trenčín)	Štúrova 925/27, 18410 Dubnica nad Váhom	Slovak Republic	indirect		MSM GROUP s.r.o.
MSM EXPORT, s.r.o.	48006122 File No. Sro 34344/R (District Court Trenčín)	Štúrova 925/27, 1841 Dubnica nad Váhom	Slovak Republic	indirect		MSM GROUP s.r.o.
MSM Germany GmbH	HRB 297395	Jungfernturmstraße 2, 80333 Munich	Germany	indirect		MSM GROUP s.r.o.
MSM GREECE Ltd.	178533401000	Zalokosta 5, Ground Floor, Office no. 2, Athens	Greece	indirect		MSM GROUP s.r.o.
MSM GROUP KAZAKHSTAN LLP	221140030101	Astana, Dostyk 16	Kazakhstan	indirect		MSM GROUP s.r.o. (50%), Gambarov Yasaf (50%)
MSM Group North America Inc.	EIN 33-3139362	251 Little Falls Drive, 19808, Wilmington, Delaware	United States of America	indirect		MSM North America Holdings LLC
MSM GROUP s.r.o.	46553509 File No. Sro 31197/R (District Court Trenčín)	Štúrova 925/27, 1841 Dubnica nad Váhom	Slovak Republic	indirect		CSG DEFENCE a.s.
MSM LAND SYSTEMS s.r.o.	36396711 File No. Sro 34630/R (District Court Trenčín)	Kasárenská 8, 911 05 Trenčín	Slovak Republic	indirect		CSG Land Systems CZ a.s.
MSM LS SPV, s. r. o.	56890869 File No. Sro 55727/R (District Court Trenčín)	Kasárenská 8, 911 05 Trenčín	Slovak Republic	indirect		MSM LAND SYSTEMS s.r.o.
MSM Martin, s.r.o.	36422991 File No. Sro 30764/R (District Court Trenčín)	Štúrova 925/27, 018 41 Dubnica nad Váhom	Slovak Republic	indirect		MSM GROUP s.r.o.
MSM North America Holdings LLC	EIN 33-3163729	251 Little Falls Drive, 19808, Wilmington, Delaware	United States of America	indirect		MSM GROUP s.r.o.
MSM Services, s.r.o.	50926748 File No. Sro 34828/R (District Court Trenčín)	Štúrova 925/27, 018 41 Dubnica nad Váhom	Slovak Republic	indirect		CSG DEFENCE a.s.
MSM SPV III, s. r. o.	56533675 File No. Sro 47550/R (District Court Trenčín)	Štúrova 925/27, 018 41 Dubnica nad Váhom	Slovak Republic	indirect		MSM GROUP s.r.o.
MSM SPV IV, s. r. o.	56533861 File No. Sro 47551/R (District Court Trenčín)	Štúrova 925/27, 018 41 Dubnica nad Váhom	Slovak Republic	indirect		MSM GROUP s.r.o.
MSM SPV V, s. r. o.	56533772 File No. Sro 47552/R (District Court Trenčín)	Štúrova 925/27, 018 41 Dubnica nad Váhom	Slovak Republic	indirect		MSM GROUP s.r.o.
MSM SPV VI, s. r. o.	57359512 File No. Sro 57001/R (District Court Trenčín)	Štúrova 925/27, 018 41 Dubnica nad Váhom	Slovak Republic	indirect		MSM GROUP s.r.o.
MSM SPV VII, s. r. o.	57359466 File No. Sro 57000/R (District Court Trenčín)	Štúrova 925/27, 018 41 Dubnica nad Váhom	Slovak Republic	indirect		MSM GROUP s.r.o.
MSM Walsrode GmbH & Co. KG	HRA 203828	August-Wolff-Str. 13, 29699 Walsrode	Germany	indirect	from May 9, 2025	Walsroder IPark GmbH
MSMG Services CZ a.s.	17120021 File No. B 27269 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	direct	formerly TITANIUM DEFENCE a.s.	CSG DEFENCE a.s.
N&B Real Estate Verwaltungs-GmbH	HRB 208984	August-Wolff-Str. 13, 29699 Walsrode	Germany	indirect	from May 9, 2025	Walsroder IPark GmbH
NC1 USA LLC	EIN 33-2213952	251 Little Falls Drive, 19808, Wilmington, Delaware	United States of America	indirect	from May 9, 2025	MSM Germany GmbH

Business name	Identification number, registered in	Registered office	Country of incorporation	Control	Note	Direct controlling entity
NIKA Development a.s.	27528910 File No. B 23310 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	direct		CZECHOSLOVAK GROUP a.s.
NOBEL DEFENSE s.r.o.	23333421 File No. C 439819 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	indirect	from December 2, 2025	CSG DEFENCE a.s. (50%) and NOBEL DEFENSE S.R.L. (50%)
PLATINUM DEFENCE a.s.	17120080 File No. B 27270 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	indirect		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 Praha 7	Czech Republic	indirect		CSG AEROSPACE a.s.
PPS VEHICLES, s.r.o.	36032646 File No. Sro 43004/R (District Court Trenčín)	Štúrova 925/27, 018 41 Dubnica nad Váhom	Slovak Republic	indirect		MSM GROUP s.r.o.
Presto Tech Horizons a.s.	22399127 File No. B 29388 (Municipal Court in Prague)	Dušní 8/11, Josefov, Praha 1	Czech Republic	indirect		CSG Horizons a.s.
PTH Services s.r.o.	22399313 File No. C 416140 (Municipal Court in Prague)	Dušní 8/11, Josefov, Praha 1	Czech Republic	indirect		Presto Tech Horizons a.s.
Real Info d.o.o. Kruševac	20877529	Jasički Put 2, 370 00 Kruševac	Serbia	indirect	dissolved July 24, 2025	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 Praha 5	Czech Republic	indirect		CSG Land Systems CZ a.s.
ReDat Recording, a.s.	05648114 File No. B 3523 (Regional Court in Hradec Králové)	Pražská 147, Zelené Předměstí, 530 02 Pardubice	Czech Republic	indirect	until July 31, 2025	RETIA, a.s.
Regionální muzeum v Kopřivnici, o.p.s. „v likvidaci“	25394508 File No. O 30 (Regional Court in Ostrava)	Záhumenní 367/1, 742 21 Kopřivnice	Czech Republic	indirect		TATRA TRUCKS a.s. (50%), UNICAPITAL ENERGY s.r.o. (50%)
Remington Licensing Corporation	2124924	900 Ehlen Drive, Anoka, 553 03 Minnesota	United States of America	indirect		Ammunition Operations LLC
RETIA, a.s.	25251929 File No. B 1440 (Regional Court in Hradec Králové)	Pražská 341, 530 02 Pardubice – Zelené Předměstí	Czech Republic	indirect		CSG AEROSPACE a.s.
SBS ZVS, s.r.o.	36306070 File No. Sro 11273/R (District Court 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 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 Trenčín)	Štúrova 925/27, 018 41 Dubnica nad Váhom	Slovak Republic	indirect		MSM GROUP s.r.o.
SNORPEX a.s.	23582201 File No. B 29898 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	direct	incorporation August 8, 2025	CZECHOSLOVAK GROUP a.s.
Space T a.s.	08655600 File No. B 24808 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	indirect		CSG AEROSPACE a.s.
STA TECHNOLOGY, s.r.o.	50479717 File No. Sro 33646/R (District Court Trenčín)	Štúrova 925/27, 018 41 Dubnica nad Váhom	Slovak Republic	indirect		MSM GROUP s.r.o. (50%), EURENCO Holding SA (50%)
STALUNA TRADE a.s.	19781326 File No. B 28408 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	direct		CZECHOSLOVAK GROUP a.s.
Target Products 1978 Ltd.	9429040363806	Offices of Noone Ford Simpson, Chartered Accountants, 18 Woollcombe Street	New Zealand	indirect		Fiocchi Munizioni S.p.A.
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 Praha 8	Czech Republic	indirect		TATRA DEFENCE VEHICLE a.s.
TATRA DEFENCE SLOVAKIA s.r.o.	50755749 File No. Sro 34330/R (District Court Trenčín)	Kasárenská 8, 911 05 Trenčín	Slovak Republic	indirect		CSG Land Systems CZ a.s.
TATRA DEFENCE SYSTEMS s.r.o.	08993289 File No. C 328828 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 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 Praha 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%), 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.
TATRA METALURGIE a.s.	03667952 File No. B 10641 (Regional Court in Ostrava)	Areál Tatry 1448/5, 742 21 Kopřivnice	Czech Republic	indirect		TATRA TRUCKS a.s.
TATRA Slovensko spol. s r.o.	31364578 File No. Sro 50571/S (District Court 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		PROMET TOOLS a.s. (35%), NIKA Development a.s. (65%)

Business name	Identification number, registered in	Registered office	Country of incorporation	Control	Note	Direct controlling entity
TATRA TRUCKS GULF COMMERCIAL BROKERS L.L.C.	351853	Khalifa Bin Zayed The First Street, Abu Dhabi	United Arab Emirates	indirect		Hazza Mohammed Yahya Mohammed Aldhaheri (51%), TATRA TRUCKS a.s. (49%)
TATRA TRUCKS INDIA PRIVATE LIMITED	U35900DL2016 FTC289353	1st Floor, A-83 Okhla Phase-2, 110020 New Delhi	India	indirect		TATRA TRUCKS a.s.
TATRA VOSTOK, OOO	1147746805910	ulitsa Pochtovaya B., d. 26V, of. POMESCHENIE I KOMNATA 14, 105082 Moscow	Russia	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 Praha 8	Czech Republic	indirect	dissolved October 16, 2025	CSG AEROSPACE a.s.
Tendrio a.s.	17119952 File No. B 27268 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	indirect	formerly CLEVELOPMENT SPV a.s.	CSG AI a.s.
The Kinetic Group Operations LLC	4079980	900 Ehlen Drive, Anoka, 553 03 Minnesota	United States of America	indirect		The Kinetic Group, Inc.
The Kinetic Group Sales LLC	5469986	1 Vista Way, Anoka, 553 03 Minnesota	United States of America	indirect	formerly Vista Outdoor Sales LLC	Federal Cartridge Company
The Kinetic Group, Inc.	5522245	900 Bob Ehlen Dr, Anoka, 553 03 Minnesota	United States of America	indirect	formerly Vista Outdoor Inc.	CSG Elevate II Inc.
TKG Holding Company Inc.	3459049	900 Ehlen Drive, Anoka, 553 03 Minnesota	United States of America	indirect	formerly Vista Commercial Ammunition Company Inc.	The Kinetic Group Operations LLC
TRADITION CS a.s.	06079598 File No. B 22466 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	indirect		CSG AEROSPACE 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.	07723997 File No. C 306321 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	indirect		UpVision s.r.o.
UpVision s.r.o.	28443748 File No. C 141923 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 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 Praha 8	Czech Republic	direct		CZECHOSLOVAK GROUP a.s.
Virte, a.s.	35917491 File No. Sa 10739/R (District Court Trenčín)	Štúrova 925/27, 018 41 Dubnica nad Váhom	Slovak Republic	indirect		MSM GROUP s.r.o.
VMT Trade, s.r.o.	50927477 File No. Sro 40688/R (District Court 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 Trenčín)	Duklianska 60, 972 71 Nováky	Slovak Republic	indirect		MSM GROUP s.r.o.
VÝVOJ Martin, a.s.	36381829 File No. Sa 10119/L (OS Žilina)	Komenského 19, Martin 036 01	Slovak Republic	indirect		MSM GROUP s.r.o.
Walsroder lPark GmbH	HRB 212192	August-Wolff-Str. 13, 29699 Walsrode	Germany	indirect	from May 9, 2025	MSM Germany GmbH
Walsroder NC GmbH	HRB 212162	August-Wolff-Str. 13, 29699 Walsrode	Germany	indirect	from May 9, 2025	MSM Germany GmbH
ZVI a.s.	47673621 File No. B 6793 (Municipal Court in Prague)	Holečkova 103/31, 15095 Praha 5	Czech Republic	indirect		MERIT SPV a.s.
ZVS holding, a.s.	36305600 File No. Sa 10152/R (District Court 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 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 Trenčín)	Štúrova 925/27, 018 41 Dubnica nad Váhom	Slovak Republic	indirect		ZVS IMPEX, akciová Spoločnosť (34%), Miroslav Solava (46%), 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 Praha 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 Praha 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 Praha 8	Czech Republic	direct		Michal Strnad
ARCELIA TRADE a.s.	23015284 File No. B 29549 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	direct		Michal Strnad
Armi Perazzi S.p.A.	03192910176	Via Daniele Perazzi, 1/3, Botticion, 25082	Italy	indirect		LBP 80 S.r.l.
ASALTA TRADE a.s.	19781415 File No. B 28409 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	indirect		YTARA SPV a.s.
ASTARIS TRADE a.s.	23015349 File No. B 29550 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	direct	incorporation March 3, 2025	Michal Strnad
ASSET SPV a.s.	06979505 File No. B 23337 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	indirect		SFBS Group a.s.
AsterIVF s.r.o. „v likvidaci“	03648311 File No. C 235869 (Municipal Court in Prague)	Sokolovská 810/304, Vysočany, 190 00 Praha 9	Czech Republic	indirect		Prague Fertility Centre s.r.o.
AURUM DEFENCE a.s.	17120349 File No. B 27272 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	direct		Michal Strnad
AVIA AVIATION a.s.	04837924 File No. B 26187 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	indirect		CSG INDUSTRY a.s.
AVIEN, spol. s r.o.	47539682 File No. C 19027 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	indirect		CSG INDUSTRY a.s.
AZJV Service Holding s.r.o.	23338598 File No. C 425525 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	indirect	incorporation May 30, 2025	AURUM DEFENCE a.s.
Banoss s.r.o.	28848373 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 Praha 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 Praha 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 Praha 8	Czech Republic	indirect		PROJECT SPV a.s.
Cs BROSS, s.r.o.	25334191 File No. C 412646 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	indirect		RADIATIK a.s.
CSG AUTOMOTIVE a.s.	07880316 File No. B 24189 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	indirect		DEVELOP SPV a.s.
CSG CENTRAL ASIA a.s.	05081335 File No. B 21532 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	indirect		FALCON CSG a.s.
CSG FIN a.s.	14141442 File No. B 26982 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	direct		Michal Strnad
CSG HEALTH CARE a.s.	09326073 File No. B 25495 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	indirect		ENVERCOTE a.s.
CSG INDUSTRY a.s.	06015689 File No. B 22298 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	indirect		YTARA SPV a.s.
CSG MOBILITY a.s.	08950181 File No. B 25126 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	indirect		YTARA SPV a.s.
CZECHOSLOVAK inDUSTRIAL a.s.	19415931 File No. B 28188 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	indirect		CSG INDUSTRY a.s.
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	U35999TG2022 PTC162270	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, 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.
DEVELOP SPV a.s.	06594786 File No. B 22989 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	direct		Michal Strnad

Business name	Identification number, registered in	Registered office	Country of incorporation	Control	Note	Direct controlling entity
ENGINEERING SPV a.s.	06926827 File No. B 23253 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	indirect		CSG INDUSTRY a.s.
ENVERCOTE a.s.	09326928 File No. B 25497 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	indirect		YTARA SPV a.s.
EXCALIBUR USA a.s.	04407571 File No. B 20938 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	indirect		CSG INDUSTRY a.s.
FC Viktoria Plzeň, a.s.	25226720 File No. B 763 (Regional Court in Plzeň)	Štruncovy sady 2741/3, Východní Předměstí, 30100 Plzeň	Czech Republic	indirect		PALATUA a.s.
GERLENAIR a.s.	9326791 File No. B 25496 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	indirect		CSG INDUSTRY a.s.
HELA GROUP s.r.o.	24256382 File No. C 197399 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	direct		Michal Strnad
Chateau Klecany, s.r.o.	02012618 File No. C 214623 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	indirect		PROGRESS SPV a.s.
INDUSTRYIN a.s.	05595240 File No. B 21960 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	direct		Michal Strnad
INDUSTRY SPV SK s.r.o.	54247829 File No. Sro 42910/R (District Court Trenčín)	Štúrova 925/27, 018 41 Dubnica nad Váhom	Slovak Republic	indirect		SFBS Real Estate a.s.
INNOVATION CS a.s.	01852515 File No. B 22092 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	direct		Michal Strnad
JWL DAKO-CZ (INDIA) PRIVATE LIMITED	U35990WB2017 PLC220921	11, Satyen Dutta Road, Kolkata, 700029	India	indirect		DAKO-CZ, a.s. (50%) a JUPITER WAGONS LIMITED (50%)
Karlova Offices s.r.o.	17253187 File No. C 384383 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	indirect		TALASIUS a.s.
LBP 80 S.r.l.	13235020966	Corso Italia 22, 20122 Milano	Italy	indirect	dissolved January 2, 2026	YTARA SPV a.s.
LIAZ TRUCKS a.s.	06710697 File No. B 23100 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	indirect		CSG INDUSTRY a.s.
LORNIX a.s.	09874453 File No. B 26043 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	indirect		LORNIX HOLDING a.s.
LORNIX HOLDING a.s.	19865759 File No. B 28455 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	direct		Michal Strnad
LOSTR a.s.	05197104 File No. B 21657 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	indirect		CSG INDUSTRY a.s.
MADE CS a.s.	05057779 File No. B 21533 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	indirect		CSG INDUSTRY a.s.
Malba, výrobní družstvo	16325931 File No. Dr 9108 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	indirect		CASERMANIX s. r.o.
MANDURIA TRADE a.s.	19781229 File No. B 28407 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	indirect		CSG INDUSTRY a.s.
MEDHA DAKO-CZ PRIVATE LIMITED	U35999TG2022 PTC162270	P-4/5B, Ida, Nacharam, Hyderabad, Telengana, 500076, India	India	indirect		DAKO-CZ INDIA PRIVATE LIMITED (50%), 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 Praha 8	Czech Republic	indirect		CSG INDUSTRY a.s.
Noble Hospitality s.r.o.	23029382 File No. C 420237 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	indirect	incorporation March 5, 2025	SFBS Real Estate a.s.
PALATUA a.s.	17834422 File No. B 27813 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	indirect		YTARA SPV a.s.
Perazzi USA, inc.	1610674	1010 W. Tenth st., Azusa, California, 91702	United States of America	indirect		Armi Perazzi S.p.A.
Prague Fertility Centre s.r.o.	28956095 File No. C 155686 (Municipal Court in Prague)	Sokolovská 810/304, Vysočany, 190 00 Praha 9	Czech Republic	indirect		CSG HEALTH CARE a.s.
PROGRESS SPV a.s.	06710875 File No. B 23102 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	indirect		CSG INDUSTRY a.s.
PROJECT SPV a.s.	06185771 File No. B 22601 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	direct		Michal Strnad
RADIATIK a.s.	02751402 File No. B 19664 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	indirect		CSG INDUSTRY a.s.
REALID SPV a.s.	17119928 File No. B 27266 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	indirect		SFBS Group a.s.
SFBS Cars a.s.	23518944 File No. B 29872 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	indirect	from March 13, 2025	SFBS Group a.s.
SFBS Group a.s.	23061111 File No. B 29586 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	direct	from March 13, 2025	Michal Strnad
SFBS Real Estate a.s.	06185878 File No. B 22602 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	indirect		SFBS Group a.s.

Business name	Identification number, registered in	Registered office	Country of incorporation	Control	Note	Direct controlling entity
Sondany s.r.o. „v likvidaci“	4548418 File No. C 249408 (Municipal Court in Prague)	Sokolovská 810/304, Vysočany, 190 00 Praha 9	Czech Republic	indirect		Prague Fertility Centre s.r.o.
SYNERGY CS a.s.	06072585 File No. B 22465 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	direct		Michal Strnad
Špindlerův Mlýn investment s.r.o.	08898219 File No. C 327223 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	indirect		SFBS Real Estate a.s.
TABLON SPV a.s.	08950504 File No. B 25128 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	indirect		CSG INDUSTRY a.s.
TATRA a.s.	17120209 File No. B 27271 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	indirect		CSG INDUSTRY a.s.
TATRA AVIATION a.s.	03999203 File No. B 20535 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	indirect		CSG INDUSTRY a.s.
TATRA MANUFACTURE a.s.	05127394 File No. B 21580 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	indirect		CSG INDUSTRY a.s.
TECHPARK Hradubická a.s.	27519546 File No. B 28869 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	indirect		CSG INDUSTRY a.s.
TESLA CS a.s.	13982656 File No. B 26799 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	direct		Michal Strnad
TESLA RADARS a.s.	06861083 File No. B 23217 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	direct		Michal Strnad
TRUCK MACHINERY GROUP a.s.	10743952 File No. B 11386 (Regional Court in Ostrava)	Matuškova 1929/10, Slezská Ostrava, 710 00 Ostrava	Czech Republic	indirect		DAKO-CZ, a.s.
VELOGRES SPV a.s.	10743901 File No. B 26241 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	indirect		HELA 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 Praha 8	Czech Republic	indirect		CSG INDUSTRY a.s.
YTARA SPV a.s.	11858087 File No. B 26640 (Municipal Court in Prague)	U Rustonky 714/1, Karlín, 186 00 Praha 8	Czech Republic	direct		Michal Strnad

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