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CSG acquires the Gnaschwitz industrial site in Germany and plans to invest more than EUR 100 million in its initial development

Industrial and technology group CSG, through its German subsidiary CSG Energetic Materials Germany GmbH, has completed the acquisition of the 57-hectare Gnaschwitz industrial site near Bautzen in the German state of Saxony. The site was acquired from MAXAM. As part of the initial phase of the site's development, CSG plans to invest more than EUR 100 million. The Group intends to establish production capacities for nitroglycerin and nitroglycerin-based products while simultaneously developing ammunition and ammunition component manufacturing. The purchase price of the transaction has not been disclosed.

The acquisition further expands CSG's industrial footprint in Germany and represents another step in the Group's strategy to build a vertically integrated European value chain for energetic materials and ammunition. It also demonstrates CSG's long-term commitment to the German and European defence industries. The investment follows the acquisition of the MSM Walsrode facility in Bomlitz, where CSG is currently expanding industrial nitrocellulose production to include energetic nitrocellulose for ammunition manufacturing.

"The European defence industry needs not only greater ammunition production capacity, but also reliable supplies of strategic energetic materials without which ammunition cannot be manufactured. The acquisition of the Gnaschwitz site builds on our activities at Walsrode and marks another important step in strengthening CSG's vertical integration, security of supply and the resilience of the European defence industrial base. At the same time, it underlines our long-term commitment to expanding manufacturing capabilities in Germany, one of Europe's key defence industrial hubs," said Jan Marinov, CEO of CSG Defence Systems.

Investment in energetic materials production

CSG plans to establish modern production capacities for nitroglycerin and other nitroglycerin-based products at the Gnaschwitz site. These materials are key ingredients in the manufacture of double-base and triple-base propellants used as propellant charges for small-calibre, medium-calibre and large-calibre ammunition.

The project will generate significant synergies across the CSG Group, particularly between the CSG Medium & Large Calibre and Ammo+ divisions, while further strengthening the Group's self-sufficiency in strategic energetic materials.

Production of nitroglycerin and related products will serve both CSG companies and external customers.

The initial development phase also includes preparations for ammunition and ammunition component manufacturing. This investment will help expand production capacities in a segment where demand has been growing rapidly across Germany and Europe.

Following completion of the planned projects, the site is expected to create up to 125 new jobs.

More than 150 years of industrial tradition

Gnaschwitz is one of Europe's historic energetic-materials production sites, with an industrial heritage dating back to 1874. The site offers extensive industrial infrastructure and technical facilities that provide an excellent foundation for future development. Through this acquisition, CSG continues more than 150 years of energetic-materials production at this historic location.

Even after completion of the planned investments, the site will retain substantial capacity for further expansion. Its existing infrastructure provides opportunities for additional projects, including the assembly of medium-calibre ammunition, tank ammunition and 120 mm mortar ammunition, the production of ammunition components and other defence-industrial activities.

CSG's second strategic investment in Germany

The acquisition of Gnaschwitz follows CSG's acquisition of the MSM Walsrode facility in Bomlitz, Lower Saxony. The Group signed the purchase agreement with U.S.-based International Flavors & Fragrances (IFF) in October 2024 and completed the transaction in May 2025.

At Walsrode, CSG is investing in the expansion of industrial nitrocellulose production to include energetic nitrocellulose for ammunition manufacturing. Together, the Gnaschwitz and MSM Walsrode facilities will form the cornerstone of CSG's German platform for energetic materials production.

The two sites will significantly strengthen CSG's security of supply for strategic energetic materials, reduce dependence on external suppliers and support the further development of the Group's vertically integrated value chain—from energetic materials and ammunition components to finished ammunition. At the same time, they will contribute to strengthening the European defence industrial base and its ability to meet growing demand for defence capabilities.

About CSG
CSG N.V. (“CSG”) is a Dutch company and a leading European defence industrial group, with its top management headquartered in Prague, Czech Republic. CSG develops and delivers defence and industrial technologies that contribute to a safer and more stable future. The Group focuses on the development and manufacturing of strategically important products, systems and technologies in the fields of defence and ammunition, as well as in related sectors such as aerospace. CSG operates key manufacturing facilities in the United States, the United Kingdom, Spain, Italy, Germany, Poland, Greece, the Czech Republic, Slovakia, Serbia and India, and exports its products worldwide. The Group continues to invest in the growth of its portfolio companies and the expansion of its core business activities. Key companies within the Group include Excalibur Army (Czech Republic, land systems), Tatra Trucks (Czech Republic, vehicles), MSM Group (Slovakia, artillery ammunition) and The Kinetic Group (United States, small-calibre ammunition). CSG employs more than 14,000

people across its integrated and affiliated companies. In 2025, the Group reported annual revenues of EUR 6.7 billion. CSG shares are traded on Euronext Amsterdam under the ticker **CSG**.
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