

PRESS RELEASE

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ZVS holding from the CSG Group and EURENCO Establish Joint Venture in Slovakia to Build New MACS Artillery Propellant Charge Plant

On 4 March 2026, at the Ministry of Defence of the Slovak Republic and in the presence of the Slovak Minister of Defence, Robert Kaliňák, 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. By signing the memorandum, the parties confirmed the conclusion of key contractual documentation 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, while also reaffirming their commitment to continue cooperating on the implementation of this project, which supports the CSG Group's long-term strategy to develop critical defence industry manufacturing capabilities in Europe.

“As early as 2024, together with MSM GROUP, we began with the revitalisation of the former Chemko Strážske facility with the aim of establishing production capacity for modular propellant charge systems for large-calibre ammunition. The signing of the memorandum on the establishment of this new plant in eastern Slovakia represents an important step towards strengthening the domestic defence industry and strategic self-sufficiency. An investment amounting to hundreds of millions of euros and the creation of hundreds of qualified jobs constitute a significant contribution not only to the region but also to the security of the Slovak Republic as a whole. It is also another step towards achieving annual production volumes exceeding one million rounds of large-calibre ammunition,” said **Robert Kaliňák, Deputy Prime Minister and Minister of Defence of the Slovak Republic.**

Since 2015, ZVS holding has been owned 50% by the state-owned enterprise DMD Group, with the remaining 50% held by MSM GROUP, a member of the industrial and technology group CSG, specifically its CSG Defence Systems division. The ammunition companies within MSM GROUP and CSG rank among Europe's leading manufacturers not only in large-calibre ammunition production, but also in ammunition development, modernisation, life extension and disposal, thus covering the entire ammunition life cycle. MSM Group's ammunition companies, including ZVS holding, are among the most modern facilities in the sector in the Central European region.

EURENCO is the European champion and one of the worldwide leading manufacturers of energetics materials and subcomponents for ammunitions such as Modular Artillery Charge Systems (MACS) with the largest production capabilities in Europe.

The new EURENCO and ZVS holding joint production plant in Strážske will focus on the manufacture of Modular Artillery Charge Systems (MACS), which constitute a key component of modern artillery ammunition used by the armed forces of NATO member states. The availability of such propellant charge systems is currently one of the main limiting factors in increasing artillery ammunition production capacity in Europe. The project builds on the ongoing long-term strategic cooperation between MSM GROUP and EURENCO in the field of energetic materials production and supply and represents a significant step towards strengthening the European defence industrial base and securing supply chains.

At the same time, the project forms part of CSG's long-term strategy to ensure control over the production of key components. By establishing this new production capacity, CSG further strengthens its position as one of Europe's leading ammunition manufacturers and confirms its ability to develop comprehensive and technologically advanced production chains within the defence industry. The project also reinforces EURENCO's position as the European champion in the field of energetic materials and a key strategic player in support of European Union sovereignty.

Construction of the new plant in the cadastral area of the town of Strážske in eastern Slovakia is scheduled to commence in the near term, with production capacity expected to become operational in 2028. The planned annual output will reach several hundred thousand modular propellant charge systems. The total investment in the project amounts to approximately EUR 300 million.

"This project represents a major milestone in the development of European production capacities for key components of artillery ammunition. The combination of EURENCO's technological expertise and the industrial strength of CSG will enable us to build a modern production facility that will contribute to supply chain stability and strengthen Europe's ability to respond to growing security needs," said **Jan Marinov, Director of CSG Defence Systems**.

The newly established joint venture will combine EURENCO's technological expertise in energetic materials with the industrial infrastructure and manufacturing experience of CSG Group and the state-owned company ZVS holding, a.s. The new capacity will play an important role in expanding Europe's capabilities in the production of modular propellant charges and will contribute to enhancing the resilience and self-sufficiency of the European defence industry.

Thierry Francou, CEO of EURENCO, declared: *"The creation of this joint venture is a new key milestone for European sovereignty. By combining EURENCO expertise with CSG and ZVS holding, we are building a modern and agile production capacity that is essential to meet today's security challenges. This project further strengthens EURENCO's position as the European champion in energetics materials such as propellant, explosives and Modular Artillery Charge Systems ensuring the stability and reinforcing the robustness of the supply chain for large-caliber ammunition in Europe."*

The ceremonial signing and public presentation of the project will take place on 4 March 2026 in Slovakia, attended by representatives of both companies and other invited guests.

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, 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 2024, the Group reported annual revenues of EUR 4.0 billion. CSG shares are traded on Euronext Amsterdam under the ticker **CSG**.

More information is available at: www.czechoslovakgroup.com.

About EURENCO

EURENCO is the European energetic materials champion. We offer a comprehensive and strategic range of propellants, explosives, combustible items for defense, security, space, and high-performance civil markets. Our advanced propellants, explosives and subsystems are mission-critical components for all types of ammunition: from small, medium, and large caliber artillery (MACS) to warheads, missiles, torpedoes, and drones. With a commitment to strategic autonomy and supply chain resilience, EURENCO continues to expand its industrial footprint to meet the growing security needs of its partners and serve European sovereignty.

For more information, visit www.eurenco.com

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