

CSG breaks ground on Future Artillery Complex in Iowa, marking a new milestone in its long-term expansion in the United States

CSG Group, through its U.S. subsidiary MSM North America, today officially launched construction of the Future Artillery Complex (FAC) at the Iowa Army Ammunition Plant (IAAP). The groundbreaking ceremony marks the beginning of one of the U.S. Army's most significant modernization projects for large-caliber ammunition production and another milestone in CSG's long-term expansion in the United States.

The ceremony was attended by representatives of the U.S. Army, industry partners and CSG, including Michal Strnad, CEO and Chairman of the Board of Directors of CSG.

The groundbreaking follows the award of a U.S. Army contract to MSM North America in 2025 to design, construct and commission the Future Artillery Complex with a contract value of up to USD 632 million. Once completed, the new government-owned, contractor-operated (GOCO) facility will replace an aging production line that has served the U.S. Army for more than five decades. Designed to produce up to 36,000 loaded 155mm artillery projectiles per month, the facility will become the world's most modern explosive loading facility for 155mm artillery ammunition and a key element of the Army's effort to modernize and expand the U.S. munitions industrial base.

"Breaking ground on the Future Artillery Complex is much more than the start of construction of a new production facility. It demonstrates what can be achieved when the U.S. Army and industry work together with a shared commitment to strengthening allied defence capabilities. We are proud that MSM North America and CSG have become trusted partners in this strategically important program, contributing decades of ammunition manufacturing experience to help build capabilities that will serve the United States and its allies for many years to come," said **Michal Strnad**, CEO and Chairman of the Board of Directors of CSG.

Expanding CSG's U.S. industrial footprint

The Future Artillery Complex is part of CSG's broader strategy to establish itself as a significant industrial partner in the United States. Today, CSG employs more than 4,000 people across the country, primarily through The Kinetic Group, one of America's leading manufacturers of small-caliber ammunition. The FAC project is expected to create approximately 70 highly skilled jobs at the Iowa Army Ammunition Plant, while further expanding MSM North America's own workforce as the company continues to grow its presence in the U.S. defence sector.

In addition to MSM North America, which focuses on medium- and large-caliber munitions and is executing the FAC project, CSG has also established CSG Land Systems North America, representing Excalibur Army, Tatra Defence and Tatra Trucks on the U.S. market in the field of artillery systems, tactical vehicles and land platforms. Together, these companies demonstrate

CSG's long-term commitment to strengthening the U.S. defence industrial base, creating American jobs and expanding the Group's manufacturing footprint in North America.

Maj. **Brian K. Schwartzkopf** of the U.S. Army's Joint Program Executive Office Armaments & Ammunition (JPEO A&A) emphasized that the Future Artillery Complex is being built not only to meet today's operational requirements but also to strengthen the Army's ammunition industrial base for generations to come.

"This facility, combined with other modernization efforts across the United States, helps us achieve the Army's goal of producing 100,000 155mm rounds per month. It's a critical part of securing that capability for the future."

He stressed that the investment is intended to serve the U.S. Army for decades.

"We're securing a sustainable, lethal capability for decades to come. My great-great-grandkids could be firing rounds produced from this facility."

Maj. Schwartzkopf also highlighted the exceptional pace at which the project has moved from contract award to construction.

"The collaboration between the U.S. Army and MSM has allowed us to execute this project at a pace that's rarely seen. We're breaking ground in less than twelve months from contract award."

According to **Jason W. Gaines**, Chief Executive Officer of MSM North America, the project combines long-term vision with modern manufacturing technologies.

"In order for this capability to be sustainable for the next 50 years, this new, modern Future Artillery Complex had to come to fruition."

He added that the project is designed to introduce automation where it creates real value.

"We're not introducing automation for the sake of automation. We're introducing it where it makes sense – improving safety, increasing efficiency, and delivering a consistent product."

Jason Gaines also praised the close cooperation between the U.S. Army, industry and project partners.

"This team of Army, industry, and partners has set a new standard for how modernization projects are executed – from design through construction and commissioning."

European expertise supporting America's defence industrial base

MSM North America serves as the prime contractor and project integrator for the Future Artillery Complex, coordinating design, construction and implementation in close cooperation with the U.S. Army and a broad network of American industrial partners.

The project also draws on CSG's extensive expertise in ammunition manufacturing. CSG is one of Europe's leading producers of medium- and large-caliber ammunition, supported by a high degree of vertical integration across the entire production chain – from energetic materials and components to complete ammunition systems. As of the end of the first quarter of 2026, the Group's annualised in-house production capacity for large-caliber artillery and tank ammunition exceeded 800,000

rounds, with capacity expected to increase to approximately 850,000 rounds per year during 2026. Engineering support for the Future Artillery Complex is provided by specialists from CSG's European ammunition facilities, bringing decades of operational and manufacturing experience to the project.

Construction is expected to be completed within approximately 40 months, with full commissioning and First Article Acceptance Testing scheduled within 48 months of contract award. Scheduled to enter operation in 2029, the Future Artillery Complex has been designed as a long-term strategic asset for the United States. Combining advanced automation, modern safety standards and scalable production, it will provide the U.S. Army with a highly resilient source of 155mm ammunition manufacturing capacity for decades to come while supporting future requirements of the United States and its allies.

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 2025, the Group reported annual revenues of EUR 6.7 billion. CSG shares are traded on Euronext Amsterdam under the ticker CSG. More information is available at: www.csg.com.

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