



CSG Sets the Record Straight in Response to Short Seller Allegations

CSG (AMS: CSG) (the "Company") notes the article published by Hunterbrook Media, whose affiliated investment vehicle Hunterbrook Capital holds a disclosed short position in CSG shares, as well as the Company's initial response to the article published May 04, 2026.

The article's characterisation of the Company's business model, disclosures, and governance is inaccurate and does not reflect the facts in our view. It selectively quotes third-party sources and we believe misrepresents information that is either publicly available or has been communicated to investors. CSG rejects this selective and misleading approach and the conclusions investors are invited to draw from it.

CSG reiterates its commitment to maintaining high standards of corporate governance and internal controls, as well as transparent and timely disclosure in compliance with applicable rules and regulations.

CSG stands by the integrity of its IPO documentation and all formal disclosures made since listing, including CSG's annual report for the year ended December 31, 2025. CSG urges investors to rely on those materials.

Notwithstanding the above, the Company has conducted an initial review of the report and urges investors and other stakeholders to take note of what we believe are misleading claims and the following CSG's responses:

Claim: The vast majority of CSG's M/L ammunition revenue comes from reselling and refurbishing old stockpiles, not in-house production and only one facility appears capable of final assembly of 155mm rounds with an estimated output of between 100,000 and 280,000 rounds.

- Attributing production capacity to a single site fundamentally misunderstands CSG's industrial model. CSG operates a distributed, vertically integrated manufacturing network across multiple facilities in multiple countries. Components are produced across facilities and brought together at dedicated final assembly lines, which CSG operates across several countries and facilities.
- In 2025, CSG's own-production capacity totalled approximately 630,000 rounds, in addition to recommissioning and third-party partnerships. As previously disclosed, CSG is committed to a substantial reduction of recommissioning over the medium term as a stated strategic objective, supported by ongoing investment in vertical integration and new production capacity. CSG confirms guidance for 2026 that own-production will increase by roughly 20 percent including 70,000 rounds of additional capacity with the introduction of a new production line in Slovakia, as announced in 2025. The Company also reiterates previously stated guidance to increase own production to 1.1 million rounds in the medium term, mainly in Slovakia, Greece, Serbia, Spain and India.

Claim: The article alleges the existence of hidden liabilities and makes related representations regarding minority shareholdings, including that minority shareholder Petr Kratochvíl exercised a put option forcing CSG to buy his CSG Land Systems stake before the IPO.



- As confirmed by outside legal counsel, Mr. Kratochvíl did not effectively exercise his right regarding his minority stake before the IPO. Irrespective of any question of timing or valuation of the potential minority stake sale, this matter carried no liability, nor a contingent/off balance sheet liability to be presented in the audited financial statements included in our annual report for the year ended December 31, 2025 (nor do we anticipate recording any such actual or contingent liabilities in any future financial statements.)

Claim: The article questions whether a related-party €275 million receivable was properly disclosed and alleges a pattern of undisclosed related-party relationships around CSG's core subsidiaries and business practices.

- The Company stands by the integrity of its IPO documentation and all formal disclosures made since listing in connection with related-party transactions, all of which were conducted in compliance with applicable legal and regulatory requirements and reported in accordance with applicable accounting standards with the annual report.
- The €275 million receivable was settled in full in Q1 2026, in line with the timeline communicated at IPO. The receivable arose from the pre-IPO disposal of non-core businesses, specifically the CSG Mobility, Perazzi, and Healthcare divisions, as part of a planned carve-out of assets outside CSG's core defence perimeter. The transaction was disclosed in the IPO prospectus as a related-party receivable. Disposal prices were determined by independent third-party valuations, and the arrangements were conducted strictly on an arm's-length basis. The purpose of the carve-out was to streamline the Company around its core defence activities, and the receivable has now been settled in full in cash.

Claim: The article questions the validity of the €58 billion Slovak ammunition framework announced by CSG in December 2025

- The €58 billion figure represents the potential value of a seven-year framework agreement, not a committed order book. This information was disclosed at announcement of the agreement and is clearly reflected in the IPO prospectus.
- Framework agreements of this kind are deliberately open-ended instruments: participating countries place individual orders as and when required, and the absence of formal order confirmations at launch is consistent with standard procurement practice. The framework provides a contractual foundation that did not exist before, and positions ZVS/CSG as a preferred supplier for EU states seeking a transparent, European-based procurement route.
- In its FY 2025 earnings announcement, CSG confirmed that it recognised approximately €1 billion from the Slovak framework in its pipeline as at the date of the announcement.

CSG notes that it has promptly and comprehensively addressed several of these issues previously, including having corrected inaccuracies in previous reports.

CSG's order book remains strong and continues to be well-supported by robust underlying demand. The Company looks forward to providing a further update to shareholders at the time of its Q1 2026 results announcement on 20 May 2026.



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