

**Primoco UAV SE
Investor Presentation FY2019
28 April 2020**



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Presentation of the Issuer

- Primoco UAV SE produces medium-sized, fully autonomous unmanned aerial vehicles (UAVs) and provides related air services.
- The unmanned aircraft are **developed and manufactured using its own technology and components** (engine, wings and other parts), with a flight duration of up to 15 hours at a speed of 100-150 km/h, a take-off weight of up to 150 kg and a payload of up to 30 kg.
- The Primoco UAV is the first unmanned medium-sized aircraft to be fully tested, certified and licensed to operate in civil airspace in the Czech Republic, the EU and other countries and is considered as a **dual use** technology.
- The Company has so far produced **70 aircraft**, it has **its own research and development team, complete manufacturing facilities and trained staff** capable of producing up to 50 UAV per year without additional capital expenditure.
- Primoco aspires to become a global player in the rapidly growing market for medium-sized civilian unmanned aircraft

Store

- The primary markets which Primoco UAV targets include **Russia, the Middle East, Africa, Asia and Central America**.
- We offer our customers **clearly demonstrable economic benefits** when compared to the use of alternative solutions (e.g. helicopters).
- In December 2016, the Company signed its **first sales agreement**. **In 2018, it concluded contracts for a total of 5 aircraft + 3 GCS. In 2019, it did not conclude any new contracts. In 2020, it expects to sell 15 aircraft to customers.**
- **In total, the company is in advanced negotiations to supply 150 UAVs to 37 customers in Asia, the Middle East, Africa, Central America and Europe for a total value of EUR 86 million. The price of a typical contract amounts to EUR 1.5 million and includes 3 UAVs.**
- Primoco UAV established a subsidiary in Russia in April 2017 and prepared its expansion into the provision of aerial services, especially in the field of energy. In January 2020, it was authorized to fly in the airspace of the Russian Federation, and in 2020 it will begin providing aerial services. Due to Corona virus-19, the first commercial flights in H1 2020 are postponed.
- In 2018 the company signed the first Drone-as-a-Service contract in Europe. Primoco UAV is authorized to provide aerial services.
- Primoco UAV established a subsidiary Primoco UAV Defense s.r.o. in April 2019 and obtained permission to sell military equipment.

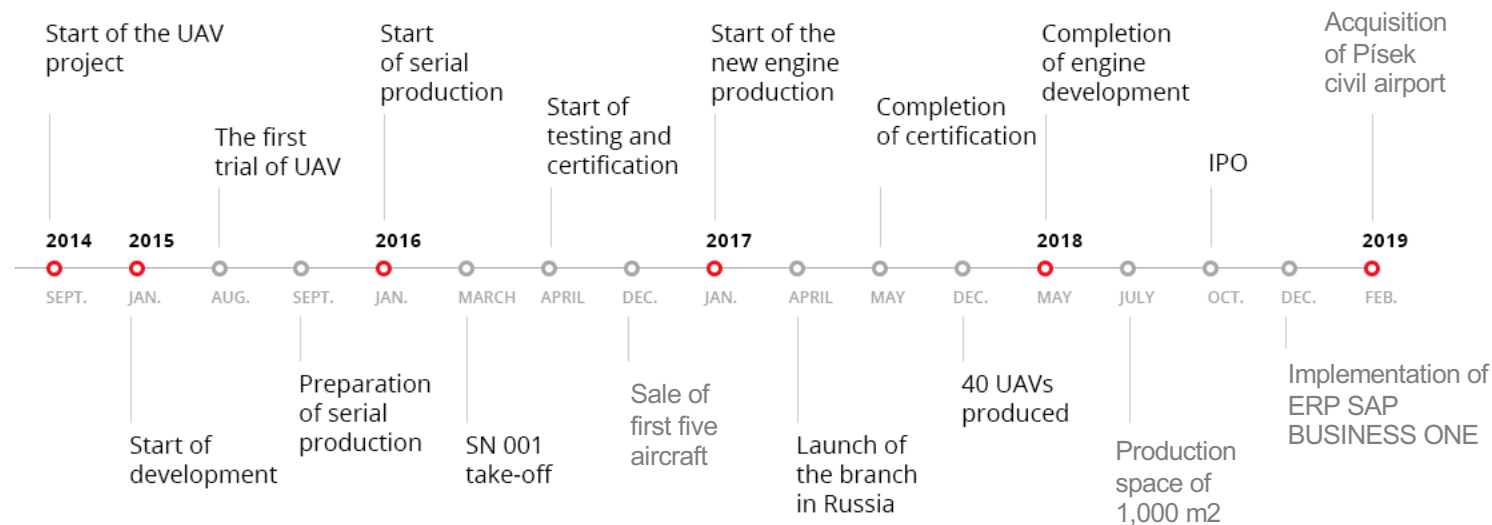
Future

- In the medium term (2020 - 2025), the company plans to produce **up to 250 UAVs per year** in the Czech Republic for the world market, especially for the purpose of monitoring strategic infrastructure, border protection and other civilian missions.

Achievements

- The longest civilian flight by an unmanned aircraft in the world for 15:03 hours in April 2020.
- The first unmanned aircraft in the airspace of the Czech Republic with a maximum take-off weight of 150 kg.
- The first unmanned aircraft in the airspace of Finland with a maximum take-off weight of 150 kg.
- The first unmanned aircraft in the airspace of Malaysia with a maximum take-off weight of 150 kg.
- The first unmanned aircraft in the airspace of Burkina Faso with a maximum take-off weight of 150 kg.
- The first unmanned aircraft in the airspace of the Russian Federation with a maximum take-off weight of 150 kg.
- Primoco UAV was recognised as one of the Czech 100 Best Companies in 2015 and 2016.
- Primoco UAV acquired Písek - Krašovice Airport (LKPISK) for UAV development, training and testing in February 2019.
- Primoco UAV was authorized to sell military equipment in September 2019.
- Primoco UAV obtained the ISO 9001:2015 quality certificate in February 2020.

Timeline



Shareholders



Ladislav Semetkovský (64.88% share)

Member of the Board of Directors, Chief Executive Officer and Founder

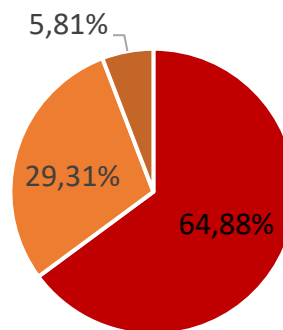
In 1997, Ladislav founded Media Online, a leading Internet portal on housing and construction in the Czech Republic and Slovakia. In 2007, he sold his company to the Finnish SanomaWSOY. Since 2007, he managed several media companies in the Russian Federation, including the travel portal RussianTraveller.ru, RussianRunner.ru or Stroitelstvo365.ru. In addition, he provides EMEA clients with e-commerce solutions. In 2014, he started the development of the unmanned aircraft Primoco UAV. In 2013, he wrote the book Business in Russia. He is an avid pilot of piston and turbine aircraft and collects 8-bit computers. He speaks Czech, Russian and English.



Gabriel Fülöpp (29.31% stake)

Member of the Supervisory Board and Founder

Gabriel co-founded Ark Communication (later Ark Thompson) and BigBoard in the Czech Republic, Slovakia, Ukraine, Belarus and the Russian Federation in 1991 - 1995. From 2006 to 2012, he was CEO at BigBoard Russia, which was later bought by the French company JCDecaux. In 2014, he and Ladislav invested in the development of the unmanned aircraft Primoco UAV. He speaks Czech, Slovak, Russian, Hungarian, German and English.



■ Ladislav Semetkovský ■ Gabriel Fülöpp ■ Free float

Management



Ladislav Semetkovský
CEO



Josef Šťastný
Production Director



Radek Suk
Chief Pilot

Miroslav Mišík
Chief Financial Officer

Jakub Fojtík
Sales Director

Primoco UAV Unmanned Aircraft

- The Primoco UAV is a mid-sized unmanned aircraft designed to satisfy the most demanding customers who use it for civilian and military purposes. Its construction complies with the requirements of civil aviation, it uses cutting-edge composite materials, state-of-the-art electronics and precision data processing. All this means that the Company delivers a world-class product at a great price compared to the competition.
- The maximum take-off weight is 150 kg combined with 15 hours duration and up to 2,000 km distance and a cruising speed of 100 - 150 km/h which allows the aircraft to offer unrivalled performance unlike electric drones while keeping operating costs low. The aircraft itself is controlled remotely at any stage of the flight, as well as being capable of fully automatic take-off and landing. Its flight control is provided by sophisticated electronics.
- What makes the unmanned aircraft Primoco UAV unique is its delivery of "tailor-made" solutions according to the specific needs and uses of the customer.

	One 150
Wing span	4.85 m
Length	3.65 m
Height	1.25 m
Maximum take-off weight	150 kg
Payload	1-30 kg
Maximum reach	200 km
Maximum range	2,000 km
Travel speed	100 to 150 km/h
Duration	15 hours
Maximum access	3,300 meters (FL100)
Runway length for take-off and landing	300 meters
Navigation system	GPS / Glonass / Galileo / Beidou
Air traffic control	S-Mode Transponder
Communication	Radio Datalink 5-6 GHz or satellite communication Inmarsat
Equipment	EO/IR camera, LIDAR, Multispectral, Hyperspectral camera, specific devices according to customer's needs
Transportation	Container 290 x 125 x 100 cm

Primoco Engine 340/250

- Primoco UAV has developed its own internal combustion engines - the Primoco Engine 340 and Primoco Engine 250.
- The Primoco Engine 340 is an air-cooled four-cylinder, four-stroke, 340 cc, 25 HP with a total weight of 25 kg, including an electric starter and a 24V/1000W generator.
- The Primoco Engine 250 is an air-cooled two-cylinder, two-stroke, 250 cc, 30 HP with a total weight of 25 kg, including an electric starter and a 24V/1000W generator.
- The engines are designed for the Primoco UAV model One 150 and are ready for sale and installation into other aircraft.
- Worldwide, only 8 engines with a power between 20 - 50 HP are available and comparable with the Primoco Engine 340/250.



Civil Applications

PRECISION AGRICULTURE

Primoco UAV gives you access to precision agriculture. Providing real-time data on crop status means you can predict crop yields and respond to pest threats. Updated information means that fertilizer application will be more accurate, more economical and less harmful to the environment.

ELECTRICAL NETWORK MAPPING

Regular 3D scanning of electrical networks is crucial for their planning and management. Primoco UAV consistently achieves excellent results with 3D LIDAR scanners.

MAPPING

Primoco UAV allows you to perform remote mapping tasks using a 3D laser scanner. Can solve topographic tasks quickly and safely in remote and complex terrain or in groups of buildings.

POWER ENGINEERING

Primoco UAV is often used to monitor and map surface mines. With its 3D scanning features, it's the fastest and easiest way to measure volume with calculations by shooting time intervals and 3D models.

PIPELINE MONITORING & ENVIRONMENTAL SAFETY

Primoco UAV enables regular monitoring of piping systems thanks to a greater range of coverage and cost-effectiveness. Underground piping systems can be monitored at regular intervals to ensure system and environmental safety. Optical and infrared cameras can be used, as well as various multispectral and hyperspectral sensors.

COAST SUPERVISION

Thanks to Primoco UAV, you can reliably monitor coastal waters, effectively identify boats and track unknown vessels. The UAV can fly up to 200 km distance and thanks to its excellent flight characteristics, you will always have an overview regardless of the range. Its unobtrusive size and profile allow deployment in sensitive areas.

SEARCH AND RESCUE MISSIONS

Thermal sensors on board of Primoco UAV are an effective tool for any search and rescue mission in the country or at sea and can support rescue operations in forests and remote areas. Primoco UAV offers fast response at an effective price.

BORDER PROTECTION

Primoco UAV is a key part of any border protection and surveillance system. It can provide real-time information in border areas. Using the integrated sensor package provides video and thermal data to support immediate response by ground based teams.

Market and Competition

- In the segment of medium-sized civilian unmanned aircraft, there is only very limited competition for the Issuer. On one hand, it is due to the relatively high demands of development, production and certification, on the other hand it is due to the fact that the market for medium-sized civilian unmanned aircraft is emerging.
- The issuer focuses on some of the most developed commercial applications in the scope of UAVs: border and coast control, infrastructure monitoring and surveying services.
- For medium-sized UAVs, such as those produced by the Issuer, the largest volume use is expected to be in public security and border control (total addressable market is estimated at \$55 billion, PwC) and infrastructure tracking (the total addressable market of \$45 billion, PwC).
- Projection of the size of the commercial market: a paradigm shift in the aviation industry. The industrial experts estimate that the global UAV market currently has a value of \$8 billion (most in North America, followed by Europe) and a commercial UAV only represent about 15 percent (\$1.2 billion). It is the commercial sector where the greatest future growth is expected.
- The global market is expected to grow to more than \$11.5 billion over the ten year period, corresponding to a 6% annual growth rate (CAGR). From this overall increase, it is assumed that the commercial and civil UAV market will grow by 20% (CAGR) between 2017 and 2020 compared to 5% of the military market.

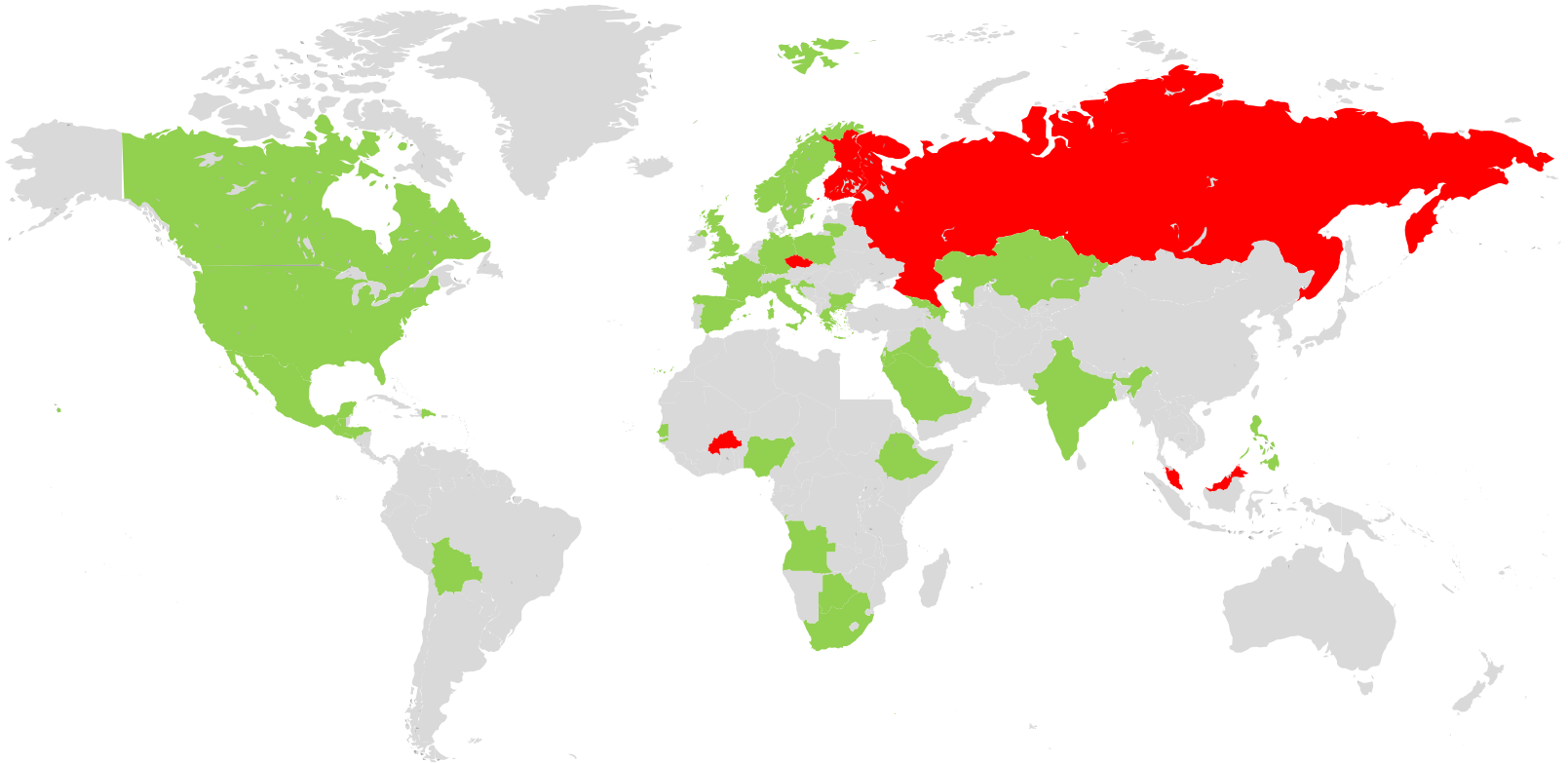
- **Main Competitors:**

<u>Name of the aircraft</u>	<u>MTOW</u>	<u>Producer</u>
SKELTDAR V-200	230 kg	UMS Skeldar, Switzerland
AEROSTAR	210 kg	Aeronautics, Israel
SHADOW V2	210 kg	Textron Systems, USA
CAMCOPTER S-100	200 kg	Schiebel, Austria
ZALA 421-20	200 kg	Zala Aero, Russia
AR5	150 kg	Tekever, Portugal
AV-1 ALBATROS	125 kg	DroneTech, USA
HERMES 90	115 kg	Elbit Systems, Israel
THEIA	100 kg	Threod Systems, Estonia
RQ 21	61 kg	Boeing, USA

Significant events 2019-2020

- Primoco UAV **concluded a purchase agreement in February 2019 for the purchase of the civil non-public airport Písek-Krašovice.** Primoco UAV plans to build a development, production and training centre there. The airport has an area of 20 ha with an asphalt runway oriented 16/34 with a length of 600 meters.
- Operation of **SAP Business One information system** from March 2019. The main reason for the implementation was production planning and management.
- In September 2019, the subsidiary Primoco UAV Defense, s.r.o. obtained a permit to trade in military equipment.
- **In January 2020, Primoco UAV One 150 aircraft obtained permission from Rosaviacia to fly in the airspace of the Russian Federation.** The start of aerial work for customers will begin in 2020. In the first phase, it will be exclusively about monitoring of oil pipelines, gas pipelines and nature protection. Due to Covid-19, commercial flights in H1 2020 were postponed.
- **In March 2020, the company entered into a contract for the service and sale of spare parts in the amount of EUR 1 million and a sales option for two aircraft in the amount of EUR 1.5 million with an existing client.** The contract is currently being fulfilled.
- **In total, the company is in advanced negotiations to supply 150 UAVs to 37 customers in Asia, the Middle East, Africa, Central America and Europe for a total value of EUR 86 million. The price of a typical contract amounts to EUR 1.5 million and includes 3 UAVs. EBITDA margin 30% - 40%.**

Primoco UAV in the World



Note: red implemented orders
green upcoming orders

Economic development 2015 - 2020 (in thousands of CZK)

	31/12/2015	31/12/2016	31/12/2017	31/12/2018	31/12/2019
Revenues	0	6	1,146	27,528	1,532
Costs	680	9,693	15,904	23,022	-25,498
Operating profit/loss	-680	-9,126	-7,046	2,030	-23,966
EBITDA	-676	-8,602	-2,037	4,075	-20,946
Profit before tax	-676	-9,737	-7,639	379	-23,966
Profit after tax	-676	-9,737	-7,639	379	-23,966

	2015	2016	2017	31/12/2018	31/12/2019
Fixed assets	2,406	3,557	8,942	8,075	33,325
Current assets	2,363	7,614	17,698	47,921	19,141
Total assets	4,769	11,171	26,648	56,074	52,524
Equity	4,651	-86	-7,725	55,779	31,736
Short-term liabilities	118	713	5,307	202	0
Long-term liabilities	0	10,455	28,947	0	20,514
Total liabilities	4,769	11,171	26,648	56,074	52,524

Note:

In the years 2015 - 2017, the development, testing and certification of the unmanned aircraft took place. The company did not generate any revenues. Long-term liabilities as at 31 December 2020 represent a shareholder loan.

Business plan 2020 - 2023

Pieces (pcs)				
	2020	2021	2022	2023
Sale of aircraft (UAVs, ordered pieces)	15	30	45	55
Sale of aircraft (UAVs, delivered pieces)	15	23	34	42
Sales of control stations (GCS)	5	8	11	17

Share price development

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Primoco UAV SE

240,00 +0,00

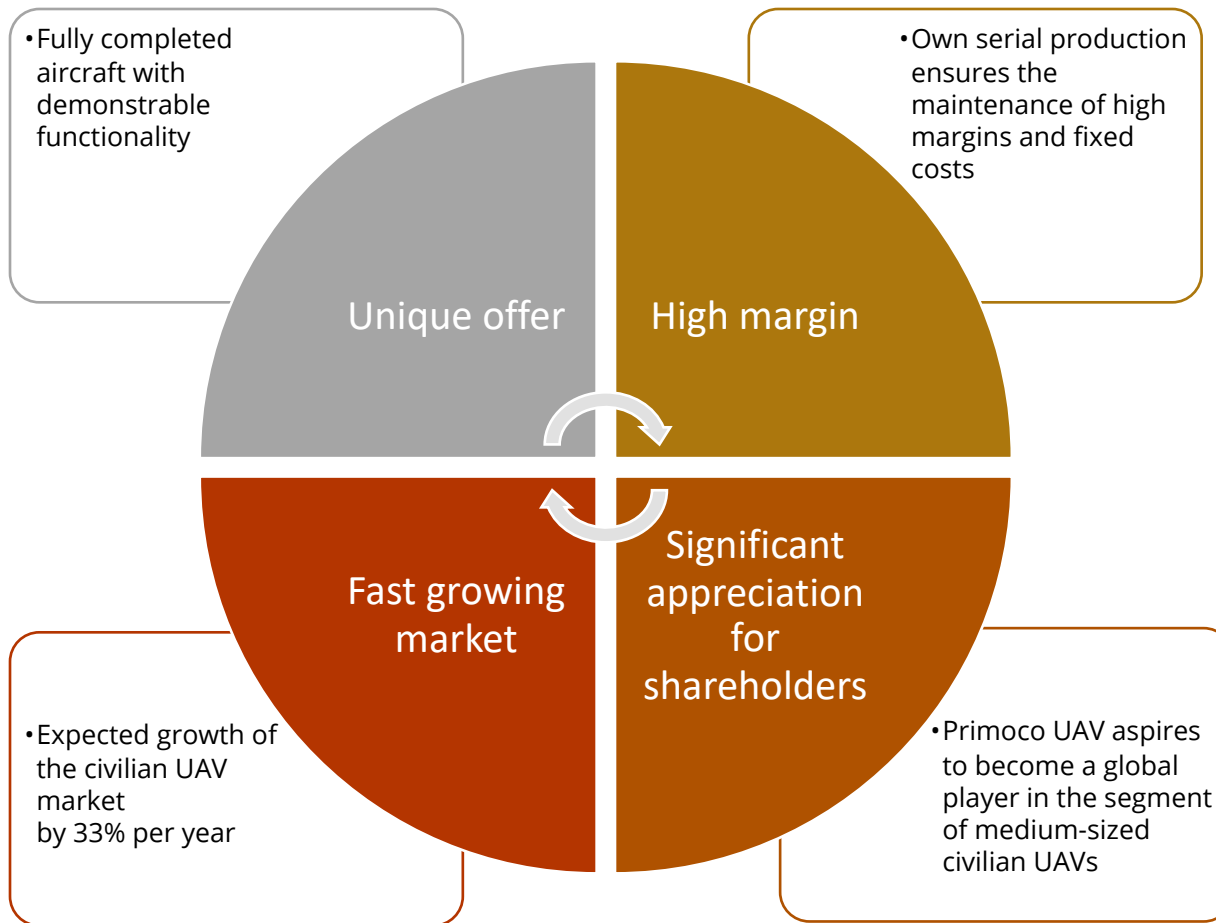
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Otevírací cena	240,00	Objem	0	52T. MAX	254,00	Výnos	-
Maximální	240,00	P/E	-	52T. MIN	240,00	Beta	-
Minimální	240,00	Trž. kap.	-	Stř. obj.	0	EPS	-

[Další data z Yahoo](#)

Extraordinary investment opportunity



Contact

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