

Primoco UAV SE
Investor Presentation 2018
4 March 2019



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Presentation of the Issuer

- Primoco UAV SE manufactures **medium-sized, fully autonomous unmanned aerial vehicles (UAVs) and provides related air services.**
- The unmanned aircraft is **assembled from components developed and manufactured in-house by the Company** (engine, body, wings and other parts), with a flight duration of up to 10 hours at a speed of 100-180 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 and the EU and is considered as **dual use** technology.
- The Company has so far produced **65 aircraft**, and has **its own research and development team, full manufacturing facilities and trained staff** capable of producing up to 50 UAVs per year without additional capital expenditure.
- Primoco aspires to become **a global player** in the fast growing **market for medium-sized civilian unmanned aircraft.**

Trading

- The primary markets targeted by Primoco UAV include **Russia, the Middle East, Africa, Asia and South 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 contract. In total it has signed contracts for 5 UAVs + 3 GCS in 2018. In 2019 the company expects to sell 80 UAVs and deliver 30 UAVs to customers.**
- The company is in active negotiations for the delivery of 150 UAVs to 20 customers in Asia, the Middle East, Africa and South America. The typical contract is for **EUR 1.25 m and includes 3 UAVs.**
- Primoco UAV established a subsidiary in Russia in April 2017 and prepared expansion in the area of aerial services, especially in the energy sector. In 2019 it expects the finalisation of certification and in 2020 it intends to start offering aerial services.
- The company signed the first Drone-as-a-Service contract in Europe. Primoco UAV is authorized to provide aerial services.

Future

- In the medium term (2018 - 2023), the company plans to produce **up to 250 UAVs per year** in the Czech Republic for the world market, especially for the purposes of monitoring strategic infrastructure, border protection and other civilian missions.

Successes

- The longest duration civilian UAV flight in the world - 9:01 hours, May 2017.
- The first unmanned aircraft to fly in the Czech Republic with a maximum take-off weight of 100/150 kg.
- The first unmanned aircraft to fly in Finland with a maximum take-off weight of 100/150 kg.
- The first unmanned aircraft to fly in Malaysia with a maximum take-off weight of 100/150 kg.
- Primoco UAV was evaluated as one of the Czech 100 Best Companies in both 2015 and 2016.

Shareholders



Ladislav Semetkovský (50.41% share)

Chief Executive Officer and Founder

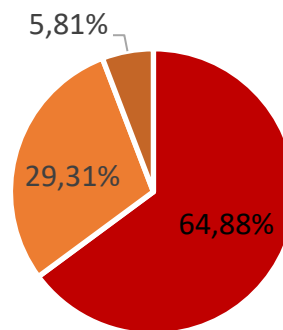
In 1997, Ladislav established Media Online, the leading Internet portal for housing and construction in the Czech Republic and Slovakia. In 2007, he sold his company to the Finnish SanomaWSOY. Since 2007, he has managed several media companies in the Russian Federation, including the travel portal RussianTraveller.ru, RussianRunner.ru and Stroitelstvo365.ru. In addition, he provides EMEA clients with e-commerce solutions. In 2014, he started 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 (49.59% share)

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 Primoco UAV. He speaks Czech, Slovak, Russian, Hungarian, German and English.



■ Ladislav Semetkovský ■ Gabriel Fülöpp ■ Free float

Management



Ladislav Semetkovský
Chief Executive Officer



Ondřej Potužák
Sales Manager



Josef Šťastný
Production Manager



Radek Suk
Chief Pilot

Miroslav Mišík
Chief Financial Officer

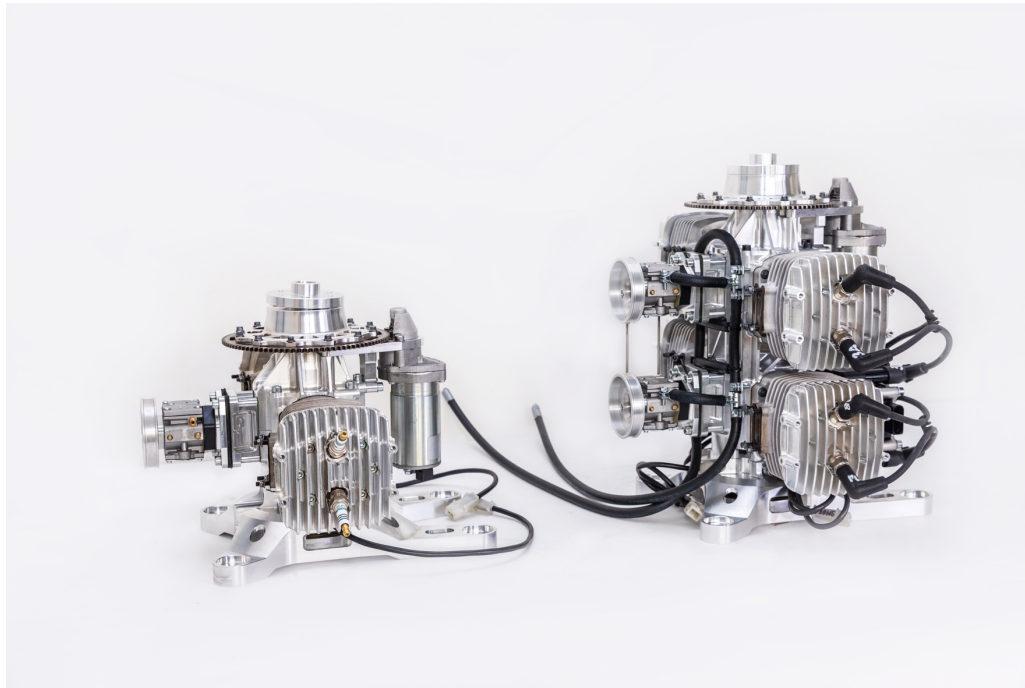
The Primoco UAV

- 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 advanced data processing. All of this ensures that the Company delivers a world-class product at an outstanding price.
- The maximum take-off weight is 150 kg which, combined with 10 hours duration, up to 1,500 km range and a cruising speed of 100 - 180 km/h allows the aircraft, unlike electric drones, to offer unrivalled performance while keeping operating costs low. The aircraft itself can be remotely controlled at any stage of the flight, as well as being capable of fully automatic take-off and landing. Control is provided by a sophisticated electronics package.
- What makes the Primoco UAV unique is its ability to provide a "tailor-made" solution according to the specific needs and uses of the customer.

	One 100	One 150
Wing span	4.85 m	
Length	3.65 m	
Height	1.25 m	
Maximum takeoff weight	100 kg	150 kg
Utility load	1-10 kg	1-30 kg
Maximum distance from base	200 km	200 km
Maximum range	1,500 km	1,200 km
Cruising speed	100-180 km/h	100-180 km/h
Maximum flight duration	10 hours	10 hours
Maximum altitude	2,000 meters	3,000 meters
Take-off and landing distance	300 meters	
Navigation system	GPS / Glonass / Galileo / Beidou	
Air traffic control	Transponder S-Mode	
Communication	Radio Datalink 900 MHz / 5-6 GHz or Inmarsat satellite communication	
Equipment	EO/IR camera, LIDAR, Multispectral, hyperspectral camera, specialist systems according to customer's needs	
Transportation	Container 250 x 120 x 100 cm	

Primoco Engine 500/250

- Primoco UAV has developed its own internal combustion engine in two variants, the Primoco Engine 500 and Primoco Engine 250.
- It is an air-cooled four-cylinder, two-stroke, 500 cc, 50 HP (37 kW) with a total weight of 26 kg, including an electric starter and a 24V/1400W generator.
- The engine is designed for the Primoco UAV model One 150 and is available for sale and installation into other aircraft.
- Worldwide, only 8 engines with a power output of between 40 - 60 HP are available and comparable with the Primoco Engine 500/250.



Civil Applications

PRECISION AGRICULTURE

Primoco UAV gives you access to precision agriculture. Real time provision of data and images about the health of your crops means you can predict crop yields and respond to pest threats. Up to date information means that application of pesticides will be more precise, economical and less environmentally damaging.

POWER LINE CORRIDOR MAPPING

Regular 3D scanning of power line corridors is crucial for planning and management. Primoco UAV has the endurance to deliver outstanding results using 3D scanners LIDAR.

MAPPING

Primoco UAV gives you the capability to undertake remote mapping tasks using a 3D laser scanner. Solving topographic tasks such as remote and complex terrain or groups of buildings can be quickly and safely accomplished.

CIVIL ENGINEERING

Efficient preliminary topographic inputs are a core part of planning for road and rail corridors. By using the flexibility of the Primoco UAV, areas can be easily re-scanned as frequently as needed without the requirements and approvals needed for on-the-ground logistics.

PIPELINE MONITORING & ENVIRONMENTAL

Primoco UAV is the first choice for regular pipeline monitoring missions given its extended range and cost effectiveness. Ground or sea pipeline systems can be monitored at regular intervals to ensure the safety of the system and the environment. Optical and infra-red cameras can be used, as well as various multispectral and hyperspectral sensors.

COASTAL SURVEILLANCE

The exceptional endurance of Primoco UAV means that you can monitor coastal waters reliably, efficiently identifying boats and tracking unknown vessels. The UAV's 200 km range and outstanding in-flight endurance give you the capability for a permanent remote presence. Its unobtrusive size and profile allow deployment across sensitive areas.

SEARCH AND RESCUE

The thermal sensor package on-board the Primoco UAV is an effective tool for any SAR mission on land or sea, providing another set of eyes for supporting rescue operations in forests and remote areas. Primoco UAV gives you a rapid response capability at an effective cost.

BORDER PROTECTION

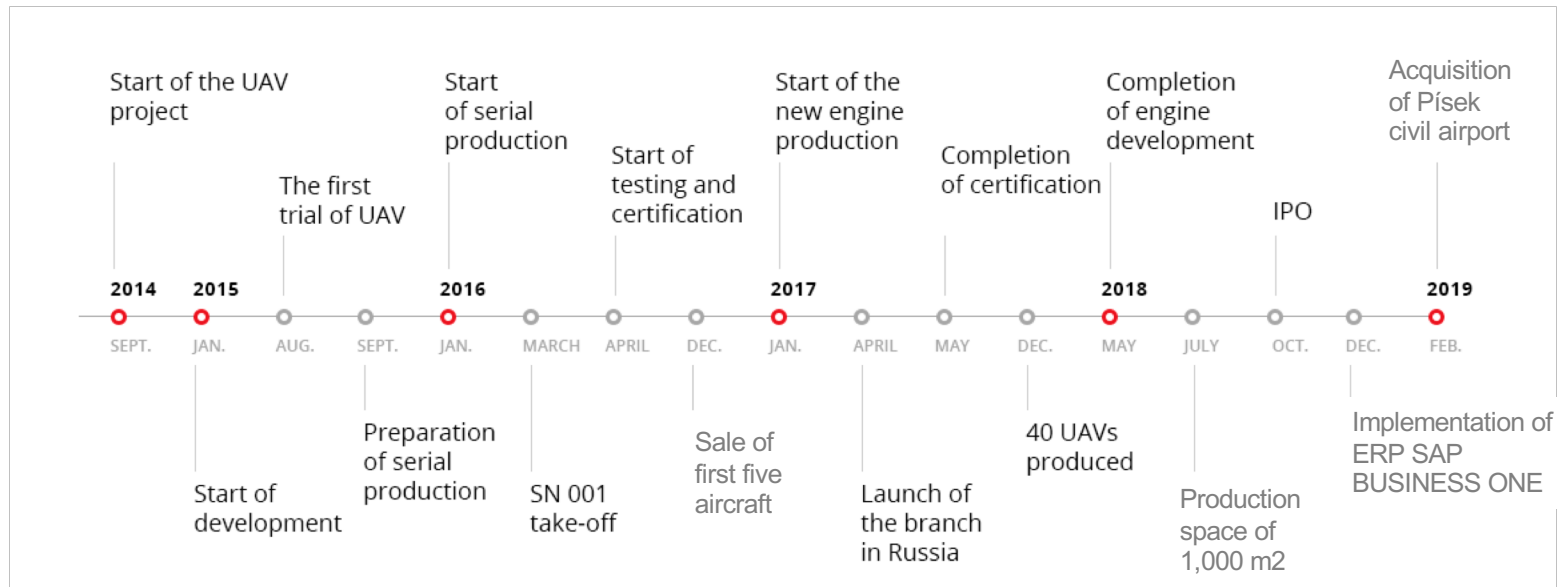
Primoco UAV is a key part of any border protection and surveillance system. It can provide real-time intelligence on border areas. Using the integrated sensor package provides video and thermal data to support immediate response by ground based teams.

Market and Competition

- In the medium-sized civilian unmanned aircraft segment, there is only very limited competition for the Company. On one hand, this is due to the relatively complex demands of development, production and certification and on the other hand it is due to the fact that the market for medium-sized civilian unmanned aircraft is still emerging.
- The Company focuses on some of the most advanced commercial applications in the UAV area: border and coastal control, infrastructure monitoring, and geodetic services.
- For medium-sized UAVs, such as those produced by the Company, the largest sales segment is expected to be in public security and border control (total addressable market is estimated at \$55 billion, PwC) and infrastructure tracking (a total addressable market of \$45 billion, PwC).
- Projection of the size of the commercial market is based on a change of paradigm in the aviation industry. Industry experts estimate that the global UAV market currently has a value of \$8 billion (most in North America, followed by Europe) and commercial UAV only represents 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 next ten years, 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% in 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

Timeline



Important Events

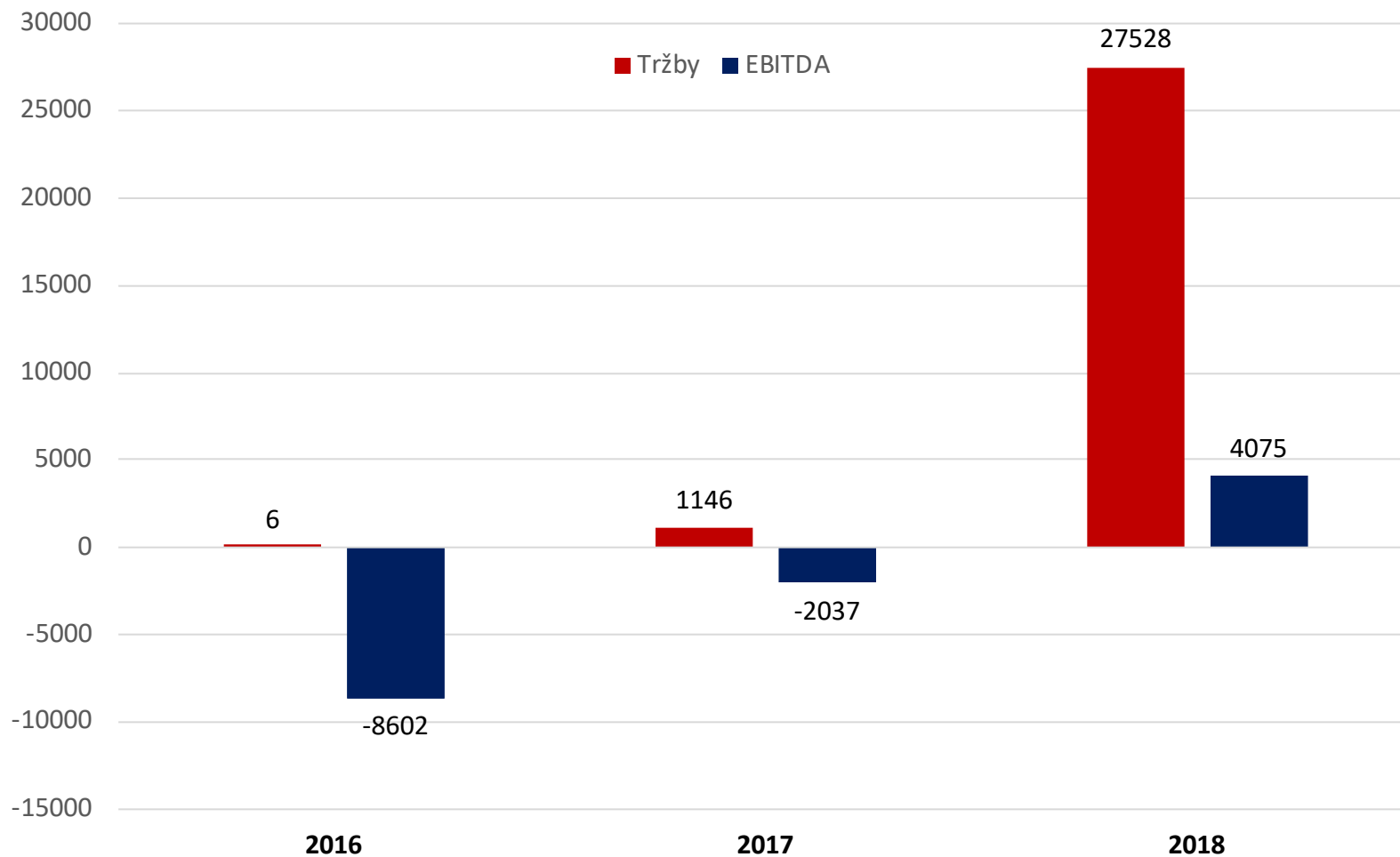
- **In February 2019** Primoco UAV **concluded the contract for the purchase of the civilian private airport Písek-Krašovice**. Primoco UAV plans to build a development and training centre there. The airport is spread across an area of 20 ha with a 600 metre long asphalt take-off and landing runway oriented 16/34.
- **In 2019 Primoco UAV expects the sale of 80 One 150 UAVs and delivery of 30 UAVs to customers**. These contracts were planned to be signed in 2018. In Q1 2019 the company is signing a deal for delivery of 5 UAVs. **The value of concluded contracts in 2019 is expected to be EUR 38 million**
- **In December 2018 the company delivered its first two UAVs to Africa**. The company provided the training of 5 pilots and mechanics.
- Since December 2018 **we have been implementing the SAP Business One information system**. The main reason for the selection of the new system was the planning and management of production. The live operation was launched on 1 March 2019.
- **In 2019 Primoco UAV expects the completion of the certification of the UAV in Russia**. The company will start aerial services for customers in 2020. In the first stage it will include mainly crude oil and gas pipeline monitoring.

Financial Results 2015 – 2018 (in thous. CZK)

	2015	2016	2017	31.03.18	30.06.18	30.09.18	31.12.18
Revenue	0	6	1,146	8,022	18,207	23,530	27,528
Cost	680	9,693	15,904	6,215	9,923	15,996	23,022
EBIT	-680	-9,126	-7,046	2,579	3,204	7,884	2,030
EBITDA	-676	-8,602	-2,037	2,602	3,930	9,022	4,075
Earnings before taxes	-676	-9,737	-7,639	2,602	2,163	6,317	379
Earnings after taxes	-676	-9,737	-7,639	2,602	2,163	6,317	379
	2015	2016	2017	31.03.18	30.06.18	30.09.18	31.12.18
Fixed assets	2,406	3,557	8,942	9,491	8,086	7,545	8,075
Current assets	2,363	7,614	17,698	18,898	21,178	22,008	47,921
Total assets	4,769	11,171	26,648	28,397	29,272	29,561	56,074
Registered capital	4,651	-86	-7,725	-5,123	-5,562	-1,408	55,779
Short-term liabilities	118	713	5,307	4,454	34,715	30,850	202
Long-term liabilities	0	10,455	28,947	28,947	0	0	0
Total liabilities	4,769	11,171	26,648	28,397	29,272	29,561	56,074

Note: Between 2015 – 2017 the company carried out development, testing and certification of UAVs. The company did not earn any revenues.

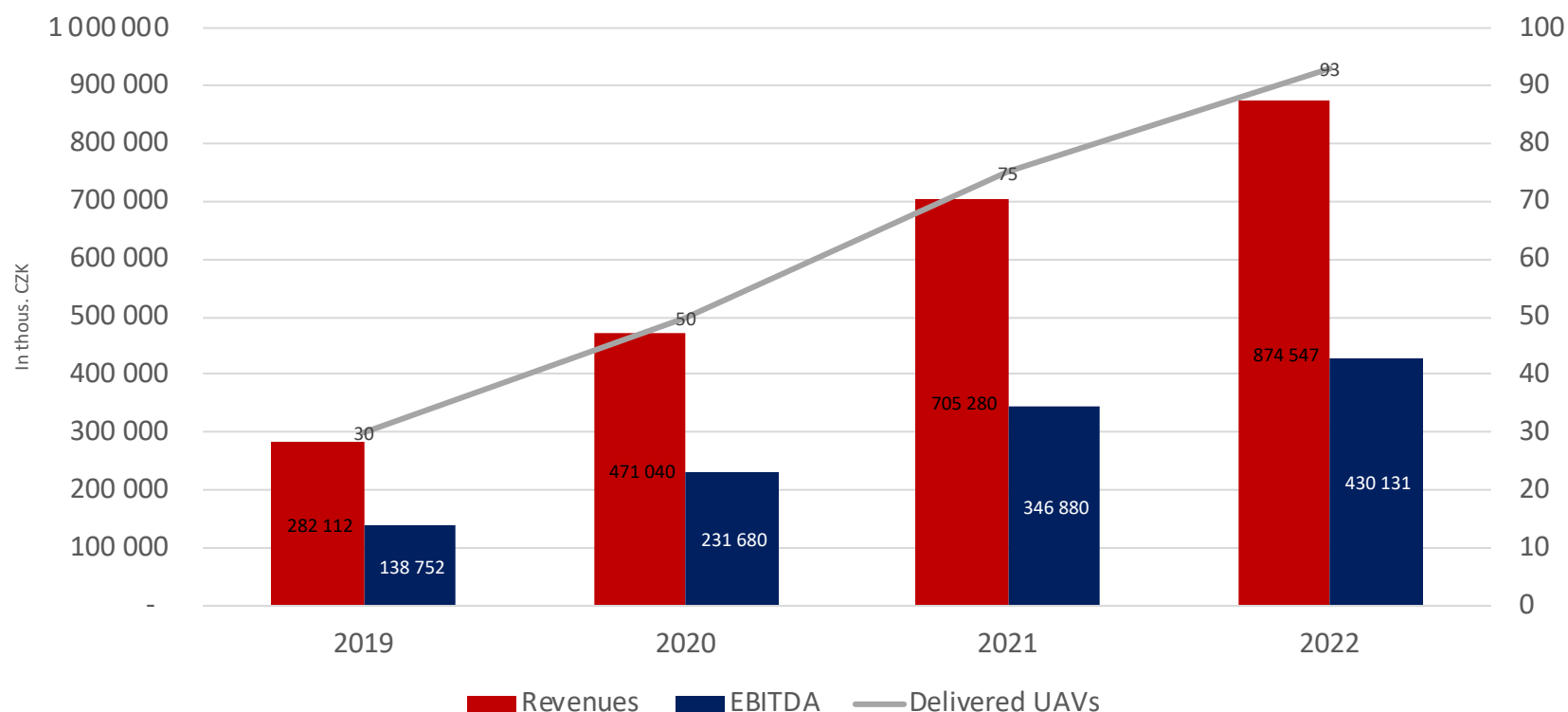
Revenues & EBITDA



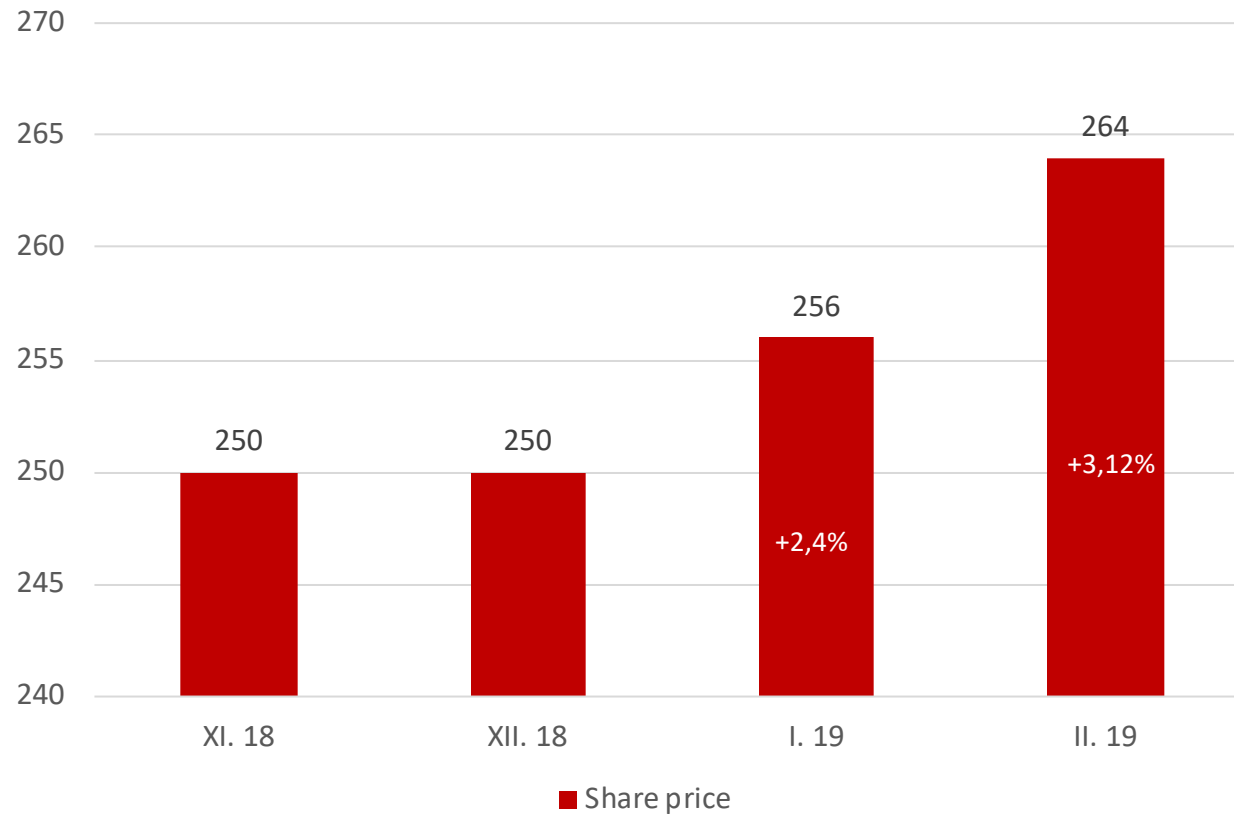
Financial Plan 2018 - 2023

Number (pcs)				
	2019	2020	2021	2022
Number of UAVs (UAVs, ordered)	80	100	125	156
Sale of UAVs (UAVs, delivered)	30	50	75	93
Sale of GCS (GCS)	10	17	25	31

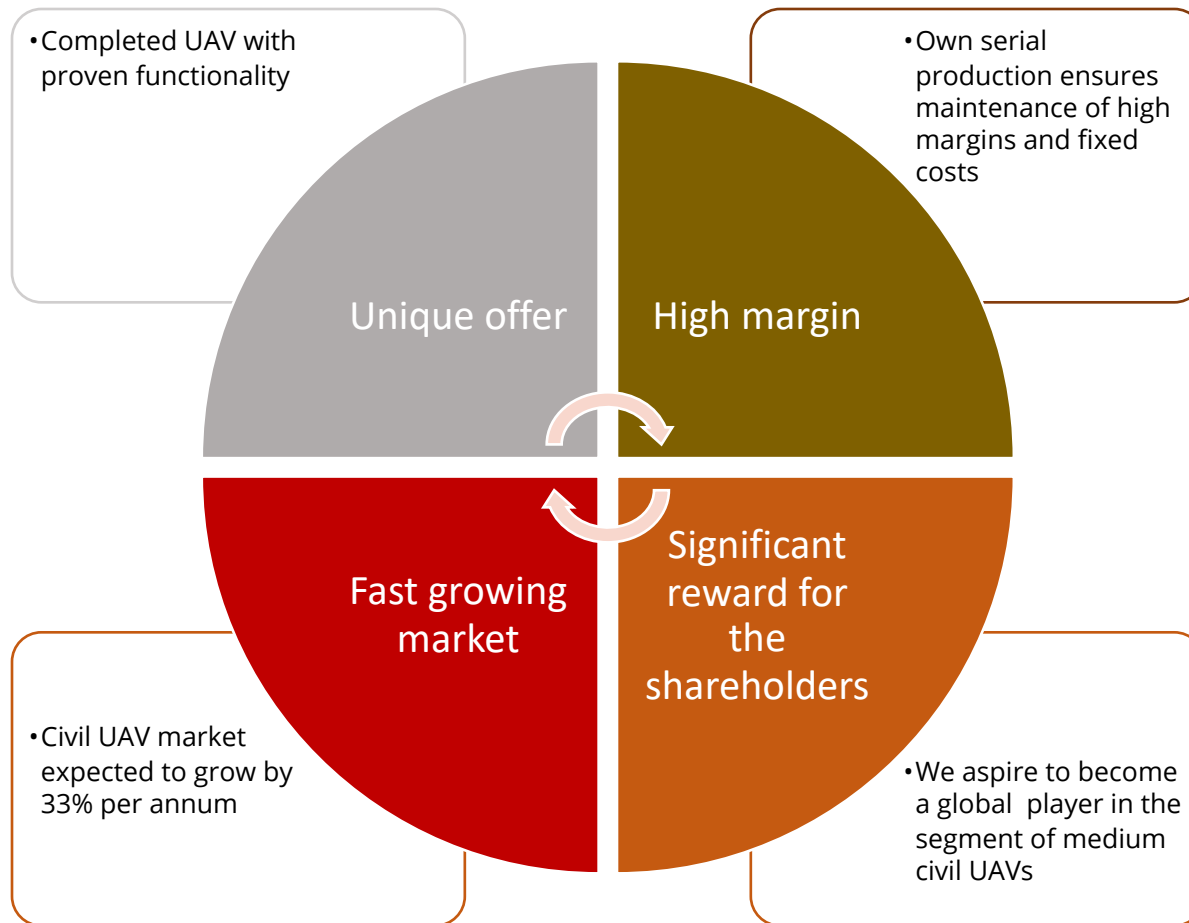
*The revenues include: Payload, training and maintenance



Development of the share price of Primoco UAV SE, PX START



A Unique Investment Opportunity



START DAYS

- The shares are traded on the START market which is a part of a multilateral business system operated by Burza cenných papírů Praha, a.s.
- Investors may participate in trading through members of the Prague Stock Exchange, e.g. J&T Bank, Wood and Company, Patria Finance, Fio Bank etc.
- Planned START DAYS for purchase and sale of shares, ISIN: CZ0005135970.
 - 13 March 2019
 - 10 April 2019
 - 22 May 2019
 - 12 June 2019
 - 10 July 2019
 - 14 August 2019
 - 11 September 2019
 - 9 October 2019
 - 13 November 2019
 - 11 December 2019





Contact

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Czech Republic

The Company is registered at the Municipal Court in Prague, file number H 1546.

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