



Annual **Financial Report.**

1. 1. 2025 – 31. 12. 2025

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Statement of the Company's Management

To the best of our knowledge, the financial statements and the consolidated financial statements, prepared in accordance with the applicable set of accounting standards, present a true and fair view of the assets, liabilities, financial position, and results of operations of the issuer and the entities included in the consolidation. The consolidated annual financial report, prepared in accordance with the law governing accounting, provides a fair overview of the development and performance of the issuer and the position of the issuer and the entities included in the consolidation, together with a description of the principal risks and uncertainties they face.

In Prague, 27 April 2026



Ladislav Semetkovský
Chairman of the Board of Directors



Petr Kováč
Member of the Board of Directors



Romana Wyllie
Member of the Board of Directors

1. Report on the Company's Business Activities and the Status of Its Assets

Dear Shareholders, business partners, ladies and gentlemen,

The year 2025, to which this annual report relates, brought Primoco UAV a wide range of achieved objectives, successfully managed challenges, and commercial successes. Above all these milestones, however, one stands out, giving us a reason to reflect a little more than usual this time. In 2025, ten years have passed since the company was founded.

From the handful of people who were present at the very beginning of Primoco UAV, it would have been difficult to find anyone who could have predicted that we would close our first decade as a leading European manufacturer of medium-sized unmanned aircraft, exporting our production worldwide. That we would become the first in the world in our category to obtain both NATO STANAG military certification and EASA civil authorization to operate over densely populated areas; that within a single year we would conclude new contracts exceeding CZK 1 billion; or that the company's shares would be traded on the main market of the Prague Stock Exchange.

While today, we have an excellent team of 55 employees, operate our own factory airfield, are completing a training centre for UAV operators that is not yet offered by anyone else in Europe, and are in an advanced stage of preparations for the construction of a new facility that will enable us to triple our maximum production capacity, none of this existed in 2015.

What we did have ten years ago, however, was a unique vision, strong determination, and the will to pursue our own research and development path, without giving up, despite the fact that our journey was initially unpredictable and winding. And although Primoco UAV today is in a completely different position in terms of its background, market standing, and many other parameters, these core values have remained and have become embedded in the company's DNA.

I consider this to be crucial, because ten years is an extremely short period in aviation. Moreover, the field of unmanned aviation is developing at an incredible pace, and the circumstances in which this is happening demonstrate that Primoco UAV's future potential remains significant. Despite how far we have come, we are still only at the beginning. Vision, determination, and in-house research and development will therefore continue to be essential.

Primoco UAV has also secured a competitive advantage through certification under the demanding NATO STANAG 4703 standard, the attainment of which in 2025 followed five years of effort. As a result, our aircraft can now be deployed directly on military and civil missions without the need for additional permits or testing. Combined with the extended EASA LUC 2.5 SAIL III authorization for operations over densely populated areas and the certificate of airworthiness for unmanned aircraft in accordance with ICAO Annex II obtained in December 2025, our aircraft hold certifications that no other global UAV supplier in our category can offer.

In addition to certifications, in 2025 we also invested energy, time, and financial resources into a number of other strategic projects that will help Primoco UAV continue to grow and strengthen its position among industry leaders. One of these is the development of the new Primoco Engine 410, which delivers 30% higher performance and will in the future replace the current 340 units. Together with the mobile operator T-Mobile, we also developed and in 2025 successfully tested a unique solution for strengthening next-generation networks using UAVs. During emergency situations as well as commercial events held

outside standard coverage, a single UAV can provide mobile signal coverage to up to one thousand users over an area of up to 20 km².

In the first half of 2026, we will also complete the construction of a new hangar and a modern training centre at our factory airfield in Písek-Krašovice. By 2028, a new production and administrative centre will be built in Písek, with 4,500 m² of usable production space (more than four times the current capacity) and nearly 2,500 m² allocated to offices, a sales showroom, and UAV traffic management. In 2025, we completed all design work for this key project and submitted an application for a building permit. In total, Primoco UAV already holds more than 300,000 square metres of land for its development projects and business operations.

Further details about what Primoco UAV has achieved not only in 2025 can be found on the following pages. I would, however, be pleased if you also became part of the story that still lies ahead—whether as business partners, suppliers, shareholders, or even as members of our outstanding team.

Yours sincerely,



Ladislav Semetkovský
Chairman of the Board of Directors

2. Other Information of the Consolidated Annual Report

2.1. Events Occurring After the Reporting Date

Changes in the Supervisory Board in 2026:

Ing. Jan Sechter, resigned as Chairman of the Supervisory Board as of 25 February 2026, resigned his membership as of 28 February 2026.

Ing. Vladan Ševčík, appointment as Chairman of the Supervisory Board on 25 February 2026.

JUDr. Lenka Holsteinová, appointment as a member of the Supervisory Board on 1 March 2026.

On 30 January 2026, the General Meeting approved the members of the Audit Committee:

Ing. Petr Babický, Chairman of the Committee.

Ing. Jan Venglář, Member of the Committee.

Ing. Rostislav Kuneš, Member of the Committee.

On 30 January 2026, a General Meeting was convened, where one of the agenda items was: Amendment of the Company's Articles of Association in relation to the General Meeting.

The General Meeting approved this amendment to the Articles of Association, and pursuant to the provisions of Article 6.2, it now reads as follows:

“The General Meeting shall have a quorum if shareholders present hold shares with an aggregate nominal value exceeding 50% of the share capital.”

Article 6.3 of the Articles of Association continues to read as follows:

“The General Meeting shall adopt resolutions by a simple majority of votes of the shareholders present, unless the Council Regulation, legal regulations of the Czech Republic implementing the Council Directive, legal regulations of the Czech Republic, or these Articles of Association require, in the case of a European Company or a joint-stock company, a qualified majority of votes.”

In the period from the reporting date to the date of approval of this annual report by the statutory body (see the date on page three of the annual report), no other significant events occurred that would materially affect the financial position of the Company.

2.2. Information on the Expected Development of the Entity's Activities

In the first half of 2026, we will complete the construction of a new hangar and a modern training centre at our factory airfield in Písek-Krašovice. This project represents another important step in expanding the Company's operational and technological infrastructure.

By 2028, we plan to build a new production and administrative centre in Písek, which will significantly increase both our production capacity and administrative facilities. The project will include a production hall with a usable area of 4,500 m², representing more than a fourfold increase compared to the current

state, as well as nearly 2,500 m² allocated for offices, a sales showroom, and a control centre for the operation of our unmanned aircraft.

In 2025, we completed all design work for this key investment and submitted an application for a building permit, which we expect to be granted in spring 2026. This will be followed by the selection of the general contractor for the construction. For its development projects and other business activities, Primoco UAV currently holds more than 300,000 m² of land. The expected costs amount to CZK 600 million.

In addition to expanding infrastructure, we will continue to invest significantly in our own research, development, and innovation, focusing on further enhancing the performance, operational capabilities, and variability of our unmanned systems and their equipment.

Alongside the finalisation of the development of the new generation of more powerful Primoco Engine 410, we are also newly developing the capability to integrate sophisticated weapons systems onto the One 150 platform. The expansion of development in this direction is a direct response to growing customer demand, as clients are increasingly approaching Primoco UAV with requirements for defence solutions, for example in the area of protection against hostile attack drones, also in the context of the current geopolitical situation.

We also aim to build on the successful commercial performance of 2025 in 2026. Our objective is to increase the volume of newly concluded contracts year-on-year by one fifth—from a record 42 to 50 unmanned aircraft sold.

2.3. Research and Development Activities

The Company has not adopted a specific policy for research and development. Amounts incurred for research and development are fully recognised as expenses of the Company. The Company does not maintain separate accounting records for amounts incurred in research and development activities.

2.4. Acquisition of Own Shares and Ownership Interests

The Company did not acquire any own shares or ownership interests during the reporting period.

2.5. Environmental Protection Activities

The Company's activities do not have any specific impact on the environment. For this reason, the Company does not carry out any specific activities in this area.

2.6. Human Resources Activities

Employment matters are administered in accordance with the Labour Code and other applicable legal and payroll regulations.

2.7. Information on Branches and Other Parts of the Business Abroad

The Company did not have any branch or other part of its business abroad during the reporting period.

3. Corporate Governance Report

Corporate Governance Report
Primoco UAV SE

With the seat at Výpadová 1563/29f, Post Code: 153 00, Prague 5 – Radotín

IČO: 037 94 393

Primoco UAV SE (hereinafter also the “**Company**”), in accordance with Act No. 256/2004 Coll., on Capital Market Undertakings, as amended (hereinafter the “**ZPKT**”), presents within this annual report a corporate governance report in the structure required by the ZPKT.

3.1. Principles of the Company’s Corporate Governance

Corporate Governance Code (Section 118(4)(a), (b), (c) of the ZPKT)

Beyond its statutory obligations, the Company adheres to the Czech Corporate Governance Code (the “Code”), which entered into force on 1 January 2019 and was subsequently amended and aligned with the amendment to Act No. 90/2012 Coll., on Business Corporations and Cooperatives (the Business Corporations Act), as amended (the “ZOK”), effective from 1 January 2021, in accordance with the “comply or explain” principle. The Company follows the version of the Code published in the Methodological Guide to the Code. The Company departs from the following recommendations of the Code:

- a. Point 2.3.2: The Company does not enable shareholders to vote at General Meetings using technical means. Although alternative forms of decision-making at General Meetings represent a more flexible approach, the Company believes that traditional in-person General Meetings and the related decision-making ensure that shareholders are not restricted in exercising their rights to participate in the management of the Company, for example by casting their votes in advance of the General Meeting in the case of correspondence voting, or by disproportionate difficulties associated with verifying the identity of remote participants in the General Meeting, which, in the Company’s view, should be at least two-stage and is not currently implemented. With regard to situations where holding an in-person General Meeting may be inefficient or even impossible due to crisis circumstances, the Company allows General Meetings to be held per rollam.
- b. Point 4.1.6: Within contractual relationships with executive members of elected bodies and directors, the Company does not stipulate the right to request the return of the variable component of remuneration or any part thereof to which entitlement has arisen, and which has already been paid. Entitlement to this variable component of remuneration is conditional upon meeting performance indicators set by the Company’s Supervisory Board, approval by the Company’s General Meeting, and the submission of the auditor’s report on the verification of the Company’s financial statements for the relevant calendar year, which represents a robust mechanism through which the Company seeks to prevent the unjustified payment of the variable component of remuneration. In addition, under its remuneration policy, the Company reserves the right to claim damages that would include variable remuneration components paid to a member of the Board of Directors who has been convicted of the criminal offence of misrepresentation of financial data and assets.
- c. Point 4.1.7: The Company has established rules for deferring the entitlement to the variable component of remuneration of executive members of elected bodies and directors until the auditor’s report on the verification of the financial statements has been submitted. The entitlement to the variable component of remuneration is also subject to approval by the General Meeting. The deferral of entitlement for a period of 3 to 5 years recommended by the Code places disproportionate demands on the Company’s financial planning, as the same objective can be achieved by setting long-term performance indicators.
- d. Point 6.2: The Supervisory Board of the Company has three members; a sufficient number of its members should be independent. Two members of the Company’s Supervisory Board do not meet the cumulative independence criteria defined in Annex 1 of the Code; however, the Company does not consider this fact to pose a risk in view of the consistent application of established control mechanisms aimed at eliminating negative impacts on the rights of the Company’s shareholders.

- e. Point 10.1: The Company applies an effective policy for the prevention, identification, and management of conflicts of interest of persons within the Company, the key features of which are set out in the Company's Code of Ethics. The Company has not yet issued an internal regulation containing examples of situations that commonly give rise to conflicts of interest, the regulation of related-party transactions, and specific sanctions for breaches of the conflict of interest policy, in light of the recent implementation of the Company's Code of Ethics and the absence of any cases of conflicts of interest that the Company would have addressed on its own initiative or that would have been reported to it as of the date of this annual report.

In addition to the above, the Company does not apply any corporate governance practices beyond the requirements of the ZPKT that would require disclosure and detailed description within the meaning of Section 118(4)(b) of the ZPKT.

Compliance Management System (Section 118(4)(d) of the ZPKT)

The Company is gradually implementing a Compliance Management System (CMS), the main pillars of which are: (a) setting internal control parameters, (b) managing risks associated with potential non-compliance with legal regulations and rules governing the Company's business activities, and (c) ensuring an adequate response in the form of preventive measures. The CMS includes the Company's Code of Ethics, which establishes general rules in the following areas:

- relations with customers, business partners, and suppliers of the Company,
- relations with competitors and the prevention and management of conflicts of interest,
- employee conduct,
- relations with the Company's founders, shareholders, and investors,
- relations with public authorities, the political sphere, and the local community,
- prevention of criminal conduct and anti-corruption measures,
- protection of assets and information,
- and corporate social responsibility.

The Code of Ethics builds on the Company's existing internal regulation focused on the conditions for the procurement of goods and services, with the aim of cooperating only with suppliers whose business strategies are aligned with the Company's values. In accordance with its legal obligations, the Company has also established rules for the handling of inside information.

Within the CMS, a key role is played by the quality management department and the legal department, which focus both on setting internal operational rules of the Company and on monitoring their compliance, as well as providing methodological support to responsible employees.

In relation to the financial reporting process, the Company applies effective internal control and risk management tools through the activities of the Audit Committee.

3.2. Description of the Rights Attached to the Company's Shares (Section 118(4)(e) of the ZPKT)

The rights and obligations of shareholders are governed by legal regulations, in particular the ZOK and Act No. 89/2012 Coll., the Civil Code, as amended, as well as by the Company's Articles of Association. Holders of shares are entitled to participate in the management of the Company. Shareholders exercise this right primarily at the General Meeting, which they are entitled to attend. At the General Meeting, shareholders have the right to vote, to request and receive explanations regarding matters concerning the Company or entities controlled by it, where such explanations are necessary for assessing items on the agenda of the General Meeting or for exercising their shareholder rights, and to submit proposals and counterproposals on matters included in the agenda of the General Meeting.

Shareholders are further entitled to a share in the Company's profits and in other equity. During the existence of the Company, and even upon its dissolution, shareholders are not entitled to request the return of their contributions. In the event of the Company's dissolution with liquidation, shareholders are entitled to a share in the liquidation balance.

As of 31 December 2025, the Company's share capital amounted to CZK 4,708,910 and was fully paid up. The share capital was divided into 4,708,910 ordinary shares in book-entry form with a nominal value of CZK 1 (EUR 0.0412456176531244) per share. The Company has not issued any preference shares, rights, convertible bonds, or any other securities linked to shares or equity. All shares carry equal rights. The Company has no authorised or unissued shares. The Company's shares do not carry any rights of redemption or conversion. Each shareholder of the Company has equal rights, including equal voting rights, subject to separately transferable rights under the ZOK. According to the Company's Articles of Association, each share carries one vote at the General Meeting.

3.3. Description of Decision-Making Procedures and the Composition of the Statutory Body and the Supervisory Board, Including Information on the Audit Committee (Section 118(4)(f) of the ZPKT)

The Company has a dual governance system consisting of a Board of Directors and a Supervisory Board. The Board of Directors represents the Company in all matters and is entrusted with its day-to-day management, while the Supervisory Board is responsible for overseeing the Company's activities and the activities of the Board of Directors and addresses matters defined in the ZOK and the Company's Articles of Association, in particular matters with a material impact on the value of ownership interests in the Company. Pursuant to the ZOK, the Supervisory Board does not perform executive management.

The Board of Directors, the Supervisory Board, and the Audit Committee make decisions either at meetings or outside meetings. At meetings, an elected body adopts decisions if it is quorate in accordance with the Company's Articles of Association, by a simple majority of votes of members present. Each member has one vote. In the event of a tie, the chair has the casting vote. Outside meetings, decisions are adopted by a simple majority of all members of the elected body. As of the date of this annual report, none of the Company's elected bodies has established any committees or subcommittees.

Board of Directors

The Board of Directors is the statutory body of the Company. It is responsible for the Company's business management and is ultimately accountable for the management of the Company, its general affairs, direction, performance, and long-term success. The Board of Directors is responsible for matters

that are not entrusted to other bodies of the Company by the Company's Articles of Association or by legal regulations. The Articles of Association specify which actions of the Board of Directors require the prior approval of the General Meeting or the Supervisory Board.

The Board of Directors consists of three members, all of whom are natural persons. Members of the Board of Directors are elected and removed by the General Meeting. The members of the Board of Directors elect and remove the Chair of the Board of Directors from among themselves. The term of office of members of the Board of Directors is three years. A member of the Board of Directors may be re-elected.

During the calendar year 2025, the members of the Board of Directors were:

- Mr Ladislav Semetkovský, Chairman of the Board of Directors. Mr Semetkovský first became a member of the Board of Directors on 16 February 2015; on 1 December 2023, he was re-elected as a member and at the same time as Chairman of the Board of Directors. His current term of office will expire on 1 December 2026.
- Mr Petr Kováč, Member of the Board of Directors. Mr Kováč became a member of the Board of Directors on 1 December 2023, and his current term of office will expire on 1 December 2026.
- Ms Romana Wyllie, Member of the Board of Directors. Ms Wyllie became a member of the Board of Directors on 1 December 2023, and her current term of office will expire on 1 December 2026.

All current members of the Board of Directors have concluded service agreements with the Company, approved by the General Meeting on 1 December 2023.

The Board of Directors meets at least four times a year, usually at the Company's registered office. Regular meetings are convened by the Chair of the Board of Directors.

The Company is represented by the Chair of the Board of Directors or jointly by two members of the Board of Directors in matters specified in the Company's Articles of Association.

The Board of Directors has delegated certain activities within business management to the Chief Executive Officer (without prejudice to its responsibilities, powers, and authority), except for the matters listed below.

The exclusive powers and authorities of the Board of Directors include decisions in the following areas:

A. Corporate governance matters, including:

- the overall corporate governance structure of the Company;
- changes in the composition of the Board of Directors;
- significant changes in the Company's capital structure, corporate structure, legal status as a public company, listing of its shares, or its registered office;
- convening General Meetings, preparing their agendas, and ensuring satisfactory dialogue with shareholders;
- recommendations to shareholders regarding amendments to the Articles of Association.

B. Strategy matters, including:

- the Company's values and standards;
- the Company's long-term objectives and strategy;
- annual expenditure budgets and any material changes thereto;
- selection of the Chief Executive Officer;
- review of the activities of the Board of Directors.

C. Financial reporting matters, including:

- preliminary announcements of interim and final results;
- the annual report and financial statements;
- any material changes in the Company's accounting policies or practices;
- policies relating to dividends or payments to shareholders.

D. Control matters, including:

- the overall system of internal control, governance, risk management framework, and risk appetite of the Company, including thorough assessment of emerging principal risks;
- arrangements enabling employees to confidentially report possible misconduct, ensuring appropriate and independent investigation of such matters and the adoption of appropriate follow-up measures;
- the results of investigations into breaches of ethics, compliance, or allegations of misconduct.

E. Remuneration matters, including:

- remuneration of the Chief Executive Officer;
- remuneration of members of the Board of Directors.

F. Communication matters, including:

- press releases relating to matters decided by the Board of Directors;
- other matters decided by the Board of Directors.

G. Further matters, including:

- the overall level of insurance of the Company's activities, insurance of members of the statutory body and, where applicable, other senior managers of the Company;
- donations;
- consideration of security issues that may affect the Company.

The responsibilities of the Chief Executive Officer, who at the date of this annual report is also the Chair of the Board of Directors, include:

A. Strategy and management:

- overseeing the day-to-day operations of the Company;
- implementing the strategy approved by the Board of Directors and informing the Board of Directors as a whole about progress;
- preparing the annual budget and financing plan in line with the agreed Company strategy and submitting it to the Board of Directors for approval;
- regularly reviewing the Company's organisational structure and proposing changes to the Board of Directors;
- delegating authority at appropriate levels throughout the Company.

B. Control:

- ensuring that effective business and financial controls and risk management processes are in place and that all applicable legal regulations and internal policies of the Company are complied with;
- ensuring that the Company has appropriate systems and policies for timely and accurate disclosure of information in accordance with regulatory requirements.

C. Communication:

- timely informing the Chair of the Board of Directors of all matters that may be important for or should be brought to the attention of the Board of Directors;
- ensuring that financial results, business strategy, and, where appropriate, targets and milestones are communicated to the investment community;
- managing communication processes with employees and consultations with them.

D. Other duties as may be assigned or delegated to the Chief Executive Officer by the members of the Board of Directors from time to time.

Supervisory Board

The Supervisory Board is the supervisory body of the Company and oversees the exercise of powers by the Board of Directors and the Company's activities. It is responsible for matters entrusted to it by legal regulations or the Company's Articles of Association. The Supervisory Board consists of three members, who are elected and removed by the General Meeting. The Supervisory Board elects and removes its Chair from among its members. The term of office of members of the Supervisory Board is five years. A member of the Supervisory Board may be re-elected.

During the calendar year 2025, the members of the Supervisory Board were:

- Mr Jan Sechter, Chairman of the Supervisory Board. Mr Sechter became a member of the Supervisory Board on 1 December 2023, when he was also elected Chairman of the Supervisory Board, and his current term of office ended on 28 February 2026.
- Mr Vladan Ševčík, Member of the Supervisory Board. Mr Ševčík first became a member of the Supervisory Board on 26 April 2022; on 1 December 2023, he was re-elected as a member of the Supervisory Board, and his current term of office ended on 25 February 2026. On 25 February 2026, he was elected Chairman of the Supervisory Board.
- Mr Jakub Fojtík, Member of the Supervisory Board. Mr Fojtík became a member of the Supervisory Board on 1 December 2023, and his current term of office will expire on 1 December 2028.

All current members of the Supervisory Board have concluded service agreements with the Company, approved by the General Meeting on 1 December 2023.

The Supervisory Board meets as necessary, but at least once a year.

The Supervisory Board and the Board of Directors cooperate closely in the interest of the Company. The Company's Articles of Association define decisions of the Board of Directors of fundamental importance that are subject to prior approval by the Supervisory Board. The Supervisory Board continuously monitors the adoption of other important decisions by the Board of Directors and, where appropriate, provides its opinions. The Board of Directors provides the Supervisory Board in a timely and comprehensible manner with information on all relevant matters, in particular in relation to strategy, planning, business development, financial performance, risk events, and the system of internal control, including risk management, internal audit, and compliance within the Company.

Audit Committee and its Competence

The Audit Committee is a non-executive body established to enhance the efficiency of the Company's operations. It assists the Board of Directors in monitoring the integrity of the Company's financial statements and all formal announcements relating to financial results, reviews the Company's internal audit and risk management system, and oversees the Company's relationship with the external auditor.

The Audit Committee consists of three members appointed by the General Meeting. The term of office is one year.

The Audit Committee was established in the Company on 1 December 2023. For period from 2 December 2024 to 31 January 2026 the Audit Committee were not re-elected and and the functions were therefore performed in accordance with the law by the members of the Supervisory Board.

The members of the Audit Committee were re-elected at the General Meeting held on 30 January 2026:

- Mr Petr Babický, Chairman of the Committee.

- Mr Jan Venglář, Member of the Committee.
- Mr Rostislav Kuneš, Member of the Committee.

All current members of the Audit Committee have concluded service agreements with the Company, approved by the General Meeting on 1 December 2023.

In relation to the activities of the external auditor, the Audit Committee, within the scope defined by Act No. 93/2009 Coll., on Auditors and on Amendments to Certain Acts (the Auditors Act), as amended, in particular:

- submits a reasoned recommendation for the selection of an external auditor who meets the requirements of independence and has the necessary qualifications, competencies, and established quality management system;
- assesses the independence and credibility of the external auditor, taking into account publicly available information regarding the quality of other audits performed by the Company's auditor;
- monitors the statutory audit process;
- informs the Supervisory Board and the Board of Directors of the results of the statutory audit and findings obtained from monitoring the statutory audit process;
- informs the Supervisory Board and the Board of Directors how the statutory audit contributed to ensuring the integrity of accounting and financial reporting systems;
- the external auditor may request to attend meetings of the Audit Committee. The Audit Committee meets with the external auditor without the presence of members of the Board of Directors and employees of the Company.

In relation to the internal control system, the Audit Committee in particular:

- monitors the process of preparation of the financial statements and consolidated financial statements and submits recommendations to ensure the integrity of accounting and financial reporting systems;
- monitors the effectiveness of internal control, including the effectiveness of the risk management system and internal audit.

3.4. Description of Decision-Making Procedures and the Powers of the General Meeting (Section 118(4)(g) of the ZPKT)

The General Meeting is the highest body of the Company. The decision-making procedures and powers of the General Meeting are set out in the Company's Articles of Association.

The General Meeting has a quorum if shareholders present hold shares with an aggregate nominal value exceeding 50% of the share capital. The General Meeting adopts resolutions by a simple majority of votes of shareholders present, unless legal regulations or the Company's Articles of Association require a qualified majority. The above reflects the situation following the General Meeting held on 30 January 2026 (see below).

On 30 January 2026, a General Meeting was convened, where one of the agenda items was the amendment of the Company's Articles of Association in relation to the General Meeting.

The General Meeting approved this amendment to the Articles of Association, and pursuant to the provisions of Article 6.2, it now reads as follows:

“The General Meeting shall have a quorum if shareholders present hold shares with an aggregate nominal value exceeding 50% of the share capital.”

Article 6.3 of the Articles of Association continues to read as follows:

“The General Meeting shall adopt resolutions by a simple majority of votes of the shareholders present, unless the Council Regulation, legal regulations of the Czech Republic implementing the Council Directive, legal regulations of the Czech Republic, or these Articles of Association require, in the case of a European Company or a joint-stock company, a qualified majority of votes.”

Under the Articles of Association effective prior to the above amendment (i.e. before 30 January 2026), the quorum threshold was more than 75%, and the adoption of specified resolutions of the General Meeting required the approval of at least 75% of the votes of all shareholders.

At the General Meeting, voting is conducted by a show of hands. Voting by ballots is carried out upon request of a shareholder, subject to approval by a simple majority of votes of the shareholders present. However, voting by ballots is not secret. Voting is conducted in the order “in favour”, “against”, and “abstained”, separately for each agenda item. The General Meeting first votes on the proposal of the Board of Directors or, as the case may be, the convening party. If such proposal is not approved, voting is then conducted on counterproposals in the order in which they were submitted. Voting is concluded once the proposal of the Board of Directors or the convening party, or any of the counterproposals, has been approved.

The powers of the General Meeting also include:

- decisions on amendments to the Articles of Association, unless such amendment results from an increase in share capital by the authorised Board of Directors (within the meaning of Section 511 et seq. of the ZOK) or from other legal facts;
- decisions on the lease of the Company’s enterprise or a part thereof constituting an independent organisational unit;
- issuing instructions to the Board of Directors and approving principles governing its activities, provided these are not contrary to legal regulations; the General Meeting may in particular prohibit a member of the Board of Directors from performing certain legal acts if this is in the interest of the Company;
- appointment and removal of the liquidator, approval of the service agreement, and remuneration pursuant to Section 61 of the ZOK;
- approval, granting, and revocation of procuration;
- decisions on the issuance of preference and exchangeable bonds pursuant to Section 286 et seq. of the ZOK.

The notice convening the General Meeting is published at least 30 days prior to the date of the General Meeting on the Company’s website, www.uav-stol.com, and simultaneously on the website www.patria.cz.

Such publication replaces the delivery of the notice to shareholders at their addresses recorded in the book-entry securities register pursuant to Section 406(1) of the ZOK. A notice of the General Meeting published in this manner does not require an electronic signature.

3.5. Diversity Policy (Section 118(4)(h), (i), (j) of the ZPKT)

As of the reporting date, the Company does not exceed at least two of the threshold values pursuant to Section 1b(3) of Act No. 563/1991 Coll., on Accounting, as amended; therefore, the requirement to adopt a diversity policy does not apply to the Company. Nevertheless, in accordance with Annex 2 of the Code, the Company applies the concept of diversity, the objective of which is to create conditions within the Company that enable all individuals, regardless of their individual differences, to fully develop their personal potential. The diversity of competencies and perspectives of members of the Company's elected bodies contributes to effective oversight of executives and to the successful corporate governance of the Company.

- The diversity policy is implemented with the support of the Company's management, in particular in the following areas:
- transparent recruitment of new employees, with a preference for candidates from underrepresented groups, including women and persons with disabilities;
- development and career support of employees;
- work-life balance;
- fair presentation of the Company promoting equal treatment regardless of age, gender, origin, or religion.

3.6. Other Legal Requirements

Structure of the Issuer's Equity (Section 118(5)(a) of the ZPKT)

The structure of equity is described in Note A to the financial statements.

Restrictions on the Transferability of Securities (Section 118(5)(b) of the ZPKT)

The transferability of the Company's shares is not restricted.

Information on Significant Direct and Indirect Holdings of Voting Rights in the Issuer (Section 118(5)(c) of the ZPKT)

Significant holdings of voting rights in the Company are held by the shareholders: Primoco Capital, s.r.o. (50.4%) and a qualified shareholder (21%). The remaining 28.6% of the Company's shares are free float.

Information on Holders of Securities with Special Rights, Including a Description of Such Rights (Section 118(5)(d) of the ZPKT)

No special rights are attached to any of the Company's shares.

Information on Restrictions on Voting Rights (Section 118(5)(e) of the ZPKT)

Voting rights attached to shares of Primoco UAV SE are not restricted.

Information on Agreements Between Shareholders That May Result in Restricted Transferability of Shares, If Known to the Issuer (Section 118(5)(f) of the ZPKT)

The Company is not aware of any agreements between shareholders that could restrict or limit the transferability of its shares or voting rights.

Information on Special Rules Governing the Appointment and Removal of Members of the Issuer's Governing Body and Amendments to the Articles of Association or Equivalent Document of the Issuer (Section 118(5)(g) of the ZPKT)

No special rules beyond those arising from legal regulations have been established for the appointment and removal of members of the Board of Directors or for the adoption of amendments to the Articles of Association.

Information on Special Powers of the Issuer's Statutory Body (Section 118(5)(h) of the ZPKT)

The Company's Board of Directors does not have any special powers.

Information on Material Contracts to Which the Issuer Is a Party and Which Take Effect, Are Amended, or Terminate Upon a Change of Control of the Issuer as a Result of a Takeover Bid, and on the Effects Thereof (Section 118(5)(i) of the ZPKT)

The Company has not entered into any material contracts that would take effect, be amended, or terminate upon a change of control of the issuer as a result of a takeover bid.

Information on Contracts Between the Issuer and Members of Its Governing Body or Employees Providing for Compensation in the Event of Termination of Their Office or Employment in Connection with a Takeover Bid (Section 118(5)(j) of the ZPKT)

The Company has not entered into any contracts with members of the Board of Directors or employees providing for compensation in the event of termination of their office or employment in connection with a takeover bid.

Information on Control Systems for Share Schemes Under Which Members of the Issuer's Governing Body or Employees Acquire Participating Securities, Options to Such Securities, or Other Rights Thereto, Where Such Rights Are Not Exercised Directly by Them (Section 118(5)(k) of the ZPKT)

The Company does not have any schemes under which members of the Board of Directors or employees are entitled to acquire participating securities, options to such securities, or other related rights.

Prague 27 April 2026



Ladislav Semetkovský
Chairman of the Board of Directors

4. Report on Related Party Relationships

**Report on Relationships Between Related
Parties
for the Financial Year 2025**

prepared by the Board of Directors of

Primoco UAV SE

(as controlled entity)

With the seat at Výpadová 1563/29f, Post Code: 153 00, Prague 5 – Radotín

IČO: 037 94 393

The Board of Directors of the controlled entity – Primoco UAV SE, with its registered office at Výpadová 1563/29f, Postal Code: 153 00, Prague 5 – Radotín, Company ID No.: 037 94 393, registered in the Commercial Register maintained by the Municipal Court in Prague, Section H, File 1546 (hereinafter the “**Company**”), has prepared, for the accounting period from 1 January 2025 to 31 December 2025 (hereinafter the “**Accounting Period**”), in accordance with Section 82 et seq. of Act No. 90/2012 Coll., on Business Corporations and Cooperatives, as amended (hereinafter the “**ZOK**”), and with due regard to Section 504 of Act No. 89/2012 Coll., the Civil Code, as amended, this report on relations between the Company and controlling persons and between the Company and persons controlled by the same controlling person (hereinafter the “**Report**”).

4.1. Structure of Relationships Between the Company and Controlling Persons and Between the Company and Persons Controlled by the Same Controlling Person

The entity directly controlling the Company is Primoco Capital, s.r.o., which holds a 50.4% interest in the Company’s share capital and voting rights.

Mr Ladislav Semetkovský, as the sole shareholder, is the controlling person of PRIMOCO CAPITAL, s.r.o., with its registered office at Výpadová 1563/29f, Postal Code: 153 00, Prague 5 – Radotín, Company ID No.: 230 933 91 (hereinafter “PRIMOCO CAPITAL”).

Mr Ladislav Semetkovský is also the sole shareholder of PRIMOCO INVESTMENTS s.r.o., with its registered office at Výpadová 1563/29f, Postal Code: 153 00, Prague 5 – Radotín, Company ID No.: 290 60 231 (hereinafter “PRIMOCO INVESTMENTS”).

The Company is the sole shareholder of Primoco UAV Defence, s.r.o., with its registered office at Výpadová 1563/29f, Postal Code: 153 00, Prague 5 – Radotín, Company ID No.: 081 05 111 (hereinafter “Primoco Defence”).

The Company, together with the controlling person and the entities controlled by it, does not form a group within the meaning of Section 79 et seq. of the ZOK. The structure of related parties is set out in the Annex to this Report.

4.2. Role of the Company in the Structure of Relationships Described Above

During the Accounting Period, the Company did not adopt or carry out any measures or other legal acts in the interest of or at the initiative of the controlling person or persons controlled by the same controlling person that would provide the Company with special advantages or impose special obligations. In connection with the control relationship, the Company does not receive any special advantages, nor does it incur any additional obligations towards the controlling person and/or persons controlled by the same controlling person beyond those agreed in the contracts referred to in Article 5 of this Report.

4.3. Method and Means of Control

The controlling person exercises control through its ownership rights, which it exercises by voting at the General Meeting of the Company as a shareholder. The methods and means of controlling the Company include the Company’s Articles of Association and voting at the General Meeting of the Company. There are no special agreements between the Company and the controlling person regarding the methods and means of controlling the Company.

4.4. Overview of Actions Taken During the Accounting Period, or Part Thereof, Within the Meaning of Section 82(2)(d) of the ZOK

No contracts meeting the condition set out in the aforementioned provision were concluded during the relevant period.

4.5. Overview of Mutual Agreements Between the Company and the Controlling Person and Persons Controlled by the Same Controlling Person

In December 2022, a framework purchase agreement was concluded between the Company, as the seller, and Primoco Defence, as the buyer, the subject of which is the sale of unmanned aircraft, accessories, and related services for the purpose of their subsequent sale to end customers.

In November 2022, a sublease agreement for business premises was concluded between the Company, as the lessee, and Primoco Defence, as the sublessee, the subject of which is the sublease of premises used for business activities, including related services.

In August 2023, a lease agreement for business vehicles was concluded between the Company, as the lessor, and Primoco Defence, as the lessee, the subject of which is the lease of vehicles used for business activities.

In July 2024, a mandate agreement was concluded between the Company, as the principal, and Primoco Defence, as the agent, the subject of which is the provision of support, advisory, and organisational activities related to ensuring the sale, leasing, and support of UAVs to customers.

In August 2024, a lease agreement was concluded between the Company, as the lessee, and PRIMOCO INVESTMENTS, as the lessor, the subject of which is the lease of a Piper M600 aircraft.

In August 2024, a sublease agreement for an aircraft used for business purposes was concluded between the Company, as the lessee, and Primoco UAV Defence, s.r.o., as the sublessee, the subject of which is the sublease of an aircraft used for business purposes, including related services.

Beyond the above, no contractual relationships exist between the Company and the controlling person or persons controlled by the same controlling person, except for service agreements related to membership in the Company's elected bodies.

4.6. Assessment of Whether the Company Incurred Detriment and Assessment of Its Compensation in Accordance with Sections 71 and 72 of the ZOK

All agreements described in Article 5 of this Report were concluded on terms customary in commercial practice. All consideration provided and received under these agreements was on terms customary in commercial practice, and no detriment has arisen to the Company from these transactions and agreements.

During the Accounting Period, there was no influence on the Company's conduct by an influential person or controlling person that would have materially and adversely affected the Company's conduct. The Company did not incur any detriment; therefore, it is not necessary to assess compensation for detriment pursuant to Sections 71 and 72 of the ZOK.

4.7. Evaluation of Advantages and Disadvantages Arising from Relationships between the Company and the Controlling Entity

The Board of Directors of the Company declares that it has reviewed the relationships between the Company and the controlling entity, as well as with entities controlled by the same controlling entity, and based on this review confirms that no specific advantages or disadvantages arise for the Company from these relationships.

Furthermore, the Board of Directors declares that the relationships between the Company and the controlling entity and entities controlled by the same controlling entity do not present any risk to the Company. Therefore, this Report on Relations does not address whether and how any damage has been or will be compensated pursuant to Section 71 and Section 72 of the Act on Business Corporations.

4.8. Final Statement of the Board of Directors

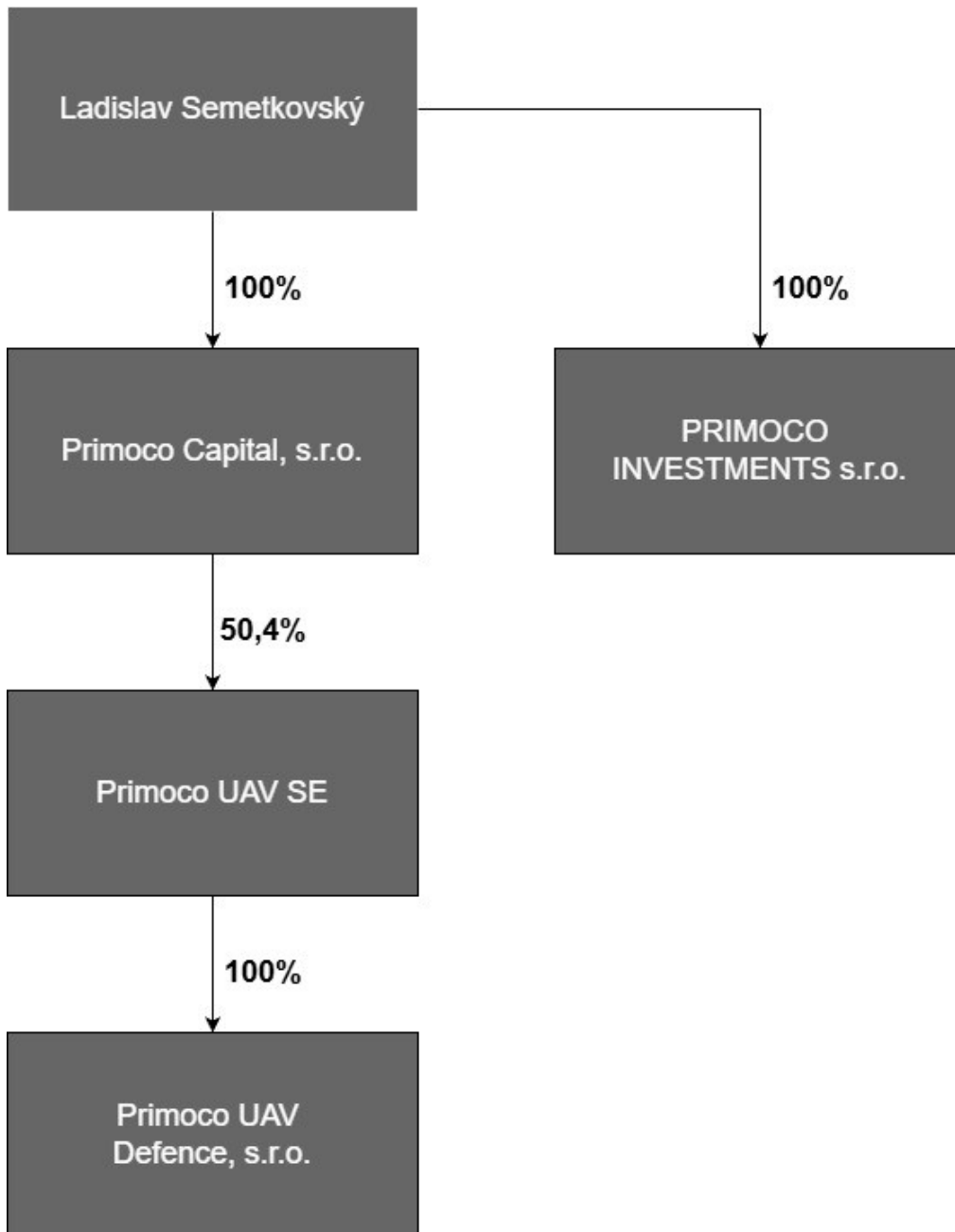
The Board of Directors has prepared this Report on Relations to the best of its knowledge and based on information and documents available to it, which it has obtained with due care and diligence for the purposes of this Report on Relations.

Prague, 31 March 2026



Ladislav Semetkovský,
Chairman of the Board of Directors

Annex: Structure of relationships described in the Report, presented in an organizational chart.



5. Alternative Performance Indicators

This report contains certain financial indicators that are not defined or recognized under IFRS accounting standards and are considered alternative performance measures as defined by the “ESMA Guidelines on Alternative Performance Measures” issued by the European Securities and Markets Authority (ESMA) on 5 October 2015 (“alternative performance measures”). This report includes the following alternative performance measure: EBITDA profit. The Company uses alternative performance measures because they serve its management as key indicators in assessing the Company’s operating performance. In addition, the Company’s management believes that the disclosure of alternative performance measures is useful, as such measures and ratios are widely used by investors, analysts and other stakeholders as supplementary indicators of performance and liquidity when evaluating the efficiency of a company’s operations and its ability to use profits to service debt, fund capital expenditures or meet working capital requirements. The Company’s management also believes that the presentation of alternative performance measures enables long-term comparisons by excluding the effects of non-recurring items that management does not consider indicative of the Company’s underlying operating performance.

The source of alternative performance measures is not directly the audited financial statements; however, they are derived from financial data contained in the consolidated financial statements. Alternative performance measures are not subject to audit or review by an independent auditor. They are not defined under IFRS and should not be considered as measures of financial performance or operating cash flows, nor as a substitute for profit data. Therefore, alternative performance measures should only be regarded as supplementary information. They are neither a substitute for nor a more significant source of information than accounting data prepared in accordance with IFRS as adopted by the EU. Alternative performance measures should not be given greater weight than indicators presented directly in the audited financial statements. They must be considered in conjunction with the data contained in the audited consolidated financial statements. There are no generally accepted principles governing the calculation of alternative performance measures. As a result, the criteria used to determine such measures may vary across companies, limiting their comparability. Although the Company’s management uses alternative performance measures to assess the Company’s financial results, and although investors commonly refer to such measures, their use as analytical tools is subject to important limitations. On their own, they do not provide a sufficient basis for comparing the Company’s performance with that of other companies. Therefore, they should not be used in isolation or as a substitute for revenue, profit before tax, or cash flows from operating activities calculated in accordance with IFRS.

The use of alternative performance measures as analytical tools has the following limitations:

- they do not reflect the Company’s cash expenditures or future capital expenditure requirements or contractual commitments;
- they do not reflect changes in the Company’s working capital requirements or related cash needs;
- they do not reflect significant interest expenses or the related cash requirements for servicing debt or repayment of principal;
- although depreciation and amortization are non-cash expenses, many of the assets being depreciated and amortized will need to be replaced in the future, and alternative performance measures do not reflect the cash requirements for such replacements;
- some of the non-recurring items excluded by the Company in calculating alternative performance measures represent past or future cash expenditures;
- other companies operating in the same industry as the Company may calculate their alternative performance measures differently, which reduces the usefulness of such measures for comparison;

- the names of alternative performance measures may not have the same or similar meaning as those used in other documentation relating to the Company's financial obligations;
- and the alternative performance measures presented in this annual financial report may differ from those presented in annual reports for prior periods. The Company uses, in assessing its financial results, those alternative performance measures that it considers relevant and representative of its financial position in the given year.

The following table provides a description of individual alternative performance measures in relation to the Company's financial statements:

Thous. CZK	2025	2024
EBITDA	145,648	147,190

The Company's management considers EBITDA profit to be a key performance indicator in evaluating the Company's business. As described above, EBITDA profit is not a measure defined or recognized under IFRS accounting standards. The Company calculates EBITDA profit based on data from the audited consolidated financial statements. EBITDA is calculated as profit after tax for the period, increased by income tax, decreased by other financial income, increased by other financial expenses, decreased by interest income, increased by interest expenses, adjusted for gains/losses from derivative operations, decreased by the share of profit/loss of associates and gains from investments accounted for using the equity method, and increased by depreciation and amortization. All components used in the calculation of EBITDA are derived from the consolidated statement of profit or loss and the statement of comprehensive income of the audited financial statements.

The following table provides the calculation of EBITDA profit for the periods presented:

Thous. CZK	2025	2024
Profit for the Period	104,149	122,086
Income tax (+)	28,470	32,519
Finance cost (+)	7,844	3,911
Finance income (-)	8,514	19,861
Depreciation and amortisation (+)	13,699	8,535
EBITDA	145,648	147,190

6. Consolidated Financial Statements of Primoco UAV SE in accordance with International Financial Reporting Standards as of 31 December 2025

PRIMOCO UAV SE

**Consolidated Financial Statements of
Primoco UAV SE in accordance with
International Financial Reporting
Standards**

**For the period from 1 January 2025 until 31 December
2025**

Prague 27 April 2026



Ladislav Semetkovský,
Chairman of the Board of Directors

Consolidated Statement of Comprehensive Income

		<u>2025</u>	<u>2024</u>
		Thous. CZK	Thous. CZK
	Note		
Revenue from contracts with customers	9	389,294	444,387
Other operating income	10	7,348	6,829
Change in inventories of finished goods and work in progress		-28,154	-25,174
Consumption of materials and energy		166,458	219,308
Personnel expenses	26	62,179	53,462
Services, repairs and maintenance expenses	11	42,261	55,873
Depreciation and amortization		13,699	8,535
Other operating expenses	12	8,250	557
Finance cost	13	7,844	3,911
Finance income	13	8,514	19,861
Profit/loss before tax		132,619	154,605
Income tax	24	28,470	32,519
Profit for the period		<u>104,149</u>	<u>122,086</u>
Earnings per share	14		
- Basic, earnings per share attributable to holders of ordinary shares of the parent company		22,12	25,93
OTHER COMPREHENSIVE INCOME			
Other comprehensive income, total		<u>-</u>	<u>-</u>
Total comprehensive income for the period		<u>104,149</u>	<u>122,086</u>

Consolidated Statement of Financial Position

		2025	2024
		Thous. CZK	Thous.
	Note		
Assets			
Fixed assets			
Property, plant and equipment	16	173,255	-----
Intangible assets	15	17,516	-----
Right-of-use assets	17	20,336	-----
Deferred tax assets	24	971	-----
		<u>212,078</u>	
Current assets			
Inventories	18	117,427	-----
Trade receivables and other receivables	19	161,980	435
Income tax receivables		9,765	-
Other current receivables and financial assets	20	6,704	-----
Cash and cash equivalents	21	486,375	-----
		<u>782,251</u>	
TOTAL ASSETS		<u>994,329</u>	<u>-----</u>
EQUITY			
Share capital	25	4,709	-----
Share premium	25	159,269	-----
Retained earnings		405,233	-----
Total equity		<u>569,211</u>	<u>-----</u>
Non-current liabilities			
Lease liabilities – non-current	17	16,554	2,072
		<u>16,554</u>	
Current liabilities			
Trade and other payables	22	10,247	-----
Contract liabilities	9.1	394,029	-----
Lease liabilities	17	4,088	-----
Government grants		-	-----
Income tax liabilities		-	-----
Provisions	23	200	200
		<u>408,564</u>	
Total liabilities		<u>425,118</u>	<u>-----</u>
TOTAL EQUITY AND LIABILITIES		<u>994,329</u>	<u>-----</u>

Consolidated Statement of Changes in Equity

	Note	Registered capital	Share premium	Retained earnings	Total equity
Thous. CZK					
<hr/>					
Opening balance as of 1 January 2024		4,709	159,269	178,998	342,976
Profit for the period		-	-	122,086	122,086
Total comprehensive income for the period		-	-	122,086	122,086
Closing balance as of 31 December 2024		4,709	159,269	301,084	465,062
<hr/>					
Opening balance as of 1 January 2025		4,709	159,269	301,084	465,062
Profit for the period		-	-	104,149	104,149
Total comprehensive income for the period		-	-	104,149	104,149
Closing balance as of 31 December 2025		4,709	159,269	405,233	569,211

Consolidated Statement of Cash Flows

Thous. CZK	Note	202 5	2024
Cash flows from operating activities			
Profit before tax		132,619	154,605
Adjustments:			
Depreciation and amortization expenses		13,699	8,535
Finance income	13	-5,198	-8,773
Finance cost	13	615	183
Foreign exchange differences		1,928	-
Gain on disposal of land, buildings and equipment		-528	209
Other non-cash items		-3,638	-482
Changes in working capital:		-	-
Change in trade receivables and other receivables		-161,545	-21
Change in inventories		-19,848	-38,667
Change in trade payables and other payables		387,210	12,571
		<u>345,314</u>	<u>128,160</u>
Interest received		5,198	8,773
Interest paid on lease liabilities	17	-615	-183
Income tax paid		-47,916	-68,502
Net cash flows from operating activities		<u>301,981</u>	<u>68,248</u>
Cash flows from investing activities			
Proceeds from disposal of land, buildings and equipment		4,873	578
Purchase of land, buildings and equipment		-42,000	-107,462
Purchase of intangible assets		-2,226	-5,069
Net cash flows from investing activities		<u>-39,353</u>	<u>-111,953</u>
Cash flows from financing activities			
Repayment of lease liabilities	17	-4,961	-3,213
Net cash flows from financing activities		<u>-4,961</u>	<u>-3,213</u>
Net increase in cash and cash equivalents		257,667	-46,918
Effect of changes in exchange rates		-1,928	-
Cash and cash equivalents at the beginning of the period		<u>230,636</u>	<u>277,554</u>
Cash and cash equivalents at the end of the period	21	<u>486,375</u>	<u>230,636</u>

Notes to the Consolidated Financial Statements for the year ended 31 December 2025

1. Information about the Company

Primoco UAV SE (hereinafter referred to as the “Company” or the “Parent Company”) is a joint-stock company incorporated and domiciled in the Czech Republic, whose shares are publicly traded on the Prague Stock Exchange. The Company’s registered office is at Výpadová 1563/29f, 153 00 Prague 5. The Company identification number is 037 94 393. The Company is the sole shareholder of Primoco UAV Defence s.r.o., with its registered office at Výpadová 1563/29f, 153 00 Prague 5 (hereinafter referred to as “Primoco Defence” or the “Subsidiary”).

The Company and its subsidiary (together hereinafter referred to as the “Group”) are engaged in the production and sale of medium-sized, fully autonomous unmanned aerial vehicles (UAVs) and the provision of related aviation services.

The Group has its own research and development team and trained personnel capable of producing up to 60 aircraft per year. The aircraft are manufactured and assembled from proprietary components – including the engine, airframe and other parts. In 2018, the Group conducted an initial public offering of approximately six percent of its shares on the Prague Stock Exchange. Through the offering, the Group raised CZK 63 million, which was used, among other things, for the acquisition of the factory airport in Písek-Krašovice. The Group continues its operations and develops its capabilities in the field of unmanned aerial vehicles without foreign capital, bank loans or subsidies. In addition, the Group raised new funds amounting to CZK 90.5 million through a secondary share issue in 2021.

The Group holds an ISO 9001 certification and is a certified organisation for the design and production of military aviation equipment (DOA/POA). In 2019, through its subsidiary Primoco UAV Defence s.r.o., it obtained a licence from the Ministry of Industry and Trade of the Czech Republic for trading in military material. In 2023, the Group received the EASA LUC (Light UAS Operator Certificate) from the Civil Aviation Authority of the Czech Republic. The Group does not manufacture or sell combat unmanned aircraft with munitions. Military material is used only at the level of sensors, specialised electronics and software. The Group’s primary target markets are Europe, the Middle East, Africa and Asia. The Group offers customers clearly demonstrable economic benefits compared to alternative solutions (e.g. helicopters).

2. Basis of Preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (hereinafter “IFRS”). The consolidated financial statements have been prepared on a historical cost basis. They are presented in Czech crowns, and all amounts are rounded to thousands of CZK, unless stated otherwise. The consolidated financial statements have been prepared on a going concern basis. The Group’s financial year begins on 1 January and ends on 31 December.

Auditor’s remuneration

The audit firm Grant Thornton Audit s.r.o. provided audit services to the Group for the year 2024 and received remuneration in the amount of CZK 900 thousand. The estimated remuneration for audit services provided to the Group for the year 2025 is CZK 1,100 thousand. The remuneration was partially paid in 2025, with the remaining balance to be paid in 2026.

Year	2025	2024
Audit of financial statements	CZK 900,000	CZK 900.000
Other audit services	CZK 200.000	CZK -

3. Consolidation Principles

The consolidated financial statements comprise the financial statements of Primoco UAV SE and its subsidiary. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with an investee and has the ability to affect those returns through its power over the investee. Control is achieved only if all of the following conditions are met:

- The Group has power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- The Group is exposed, or has rights, to variable returns from its involvement with the investee; and
- The Group has the ability to use its power over the investee to affect its returns.

Control is presumed to exist when the Group holds a majority of the voting rights. In addition to this presumption, and even if the Group holds less than a majority of the voting rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has control, including:

- Contractual arrangements with other shareholders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control listed above. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control over the subsidiary. Assets, liabilities, income and expenses of a subsidiary are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the owners of the parent of the Group and to non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to align their accounting policies with those of the Group. All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated on consolidation.

Changes in the Group's ownership interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, and recognises any resulting gain or loss in profit or loss. Any retained investment in the former subsidiary is recognised at fair value.

4. Important Accounting Policies

The accounting policies applied in the preparation of the consolidated financial statements are set out below. These accounting policies have been applied consistently in all material respects to the periods presented.

4.1. Revenue from Contracts with Customers

Revenue Reporting

Revenue is recognised when the Group satisfies a performance obligation and when the amount of revenue can be reliably measured. The Group recognises revenue in an amount that reflects the consideration to which it expects to be entitled (net of expected discounts) in exchange for transferring goods or services to a customer.

All contracts with customers are analysed upon inception to identify all performance obligations to the customer. The transaction price is then determined and allocated to the individual performance obligations based on their standalone selling prices. Subsequently, revenue is recognised for each performance obligation in the appropriate amount at the point when control of the goods or services is transferred to the customer, either at a point in time or over time.

Revenue from the sale of aircraft, control units, sensors and spare parts is recognised at the point when control is transferred to the customer, and the amount of revenue is agreed or can be reliably determined, and collection of consideration is probable. This generally corresponds to the moment when the products are delivered to the customer.

Revenue from the sale of services that are sold together with the aircraft but are distinct from it (e.g. pilot and mechanic training), and which will be provided in future periods, are identified as separate performance obligations and are recognised when the service is provided, or on a straight-line basis over the relevant period if the services are provided continuously over several months. Payments received are initially recognised as contract liabilities from advance payments and are subsequently recognised as revenue over the term of the service contract.

Contract assets

A contract asset is the Group's right to consideration in exchange for goods or services that it has transferred to a customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the conditional consideration is recognised as a contract asset.

Contract liabilities

A contract liability is recognised when consideration is received from a customer, or when payment is due (whichever is earlier), before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e. transfers control of the related goods or services to the customer).

Trade receivables

A receivable is recognised when the Group has an unconditional right to consideration (i.e. only the passage of time is required before payment of the consideration is due).

4.2. Intangible Assets

Intangible assets acquired separately are initially recognised at cost. After initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. Internally generated intangible assets, with the exception of capitalised development costs, are not recognised, and the related expenditure is recognised in profit or loss in the period in which it is incurred. Directly attributable costs capitalised as part of software include employee costs and an appropriate portion of related overheads. Capitalised development costs are recognised as intangible assets and are amortised from the point at which the asset is available for use.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over their useful lives and are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are treated as changes in the amortisation period or method and are accounted for as changes in accounting estimates.

Amortisation of intangible assets with finite useful lives is recognised on a straight-line basis over the estimated useful lives as follows:

	Years
Capitalized development costs	6
Software	3
Other intangible rights	6
Other intangible assets – STANAG certification	6
Other intangible assets	1,5

Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss at the time of derecognition.

4.3. Land, Buildings and Equipment

Land, buildings and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses. Cost includes the total amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating as intended.

When significant parts of land, buildings and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Similarly, when a major inspection is performed, its cost is recognised in the carrying amount of land, buildings and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is recognised on a straight-line basis over the estimated useful lives of the assets as follows:

	Years
Buildings	20-30
Transportation means	5
Test aircraft	5
Negative forms	3
Other intangible assets	3-5

Land and assets under construction are not depreciated.

Land, buildings and equipment and their significant components that have been initially recognised are derecognised upon disposal or when no future economic benefits are expected from their use or disposal. Any gains or losses arising on derecognition of an asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) are included in profit or loss at the time of derecognition.

The residual values, useful lives and depreciation methods of land, buildings and equipment are reviewed at the end of each reporting period and adjusted prospectively, if appropriate.

Items of land, buildings and equipment with a useful life exceeding one year and an acquisition cost of less than CZK 80 thousand are expensed directly.

4.4. Impairment of Assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. If any such indication exists, or when annual impairment testing of an asset is required, the Group estimates the recoverable amount of the asset. The recoverable amount of an asset or a cash-generating unit ("CGU") is the higher of its fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices of publicly traded companies or other available indicators of fair value.

Impairment losses relating to continuing operations are recognised in profit or loss.

At each reporting date, the Group assesses whether there is any indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the recoverable amount of the asset or CGU. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

Intangible assets with indefinite useful lives are tested for impairment annually as of 31 December, either individually or at the level of a cash-generating unit, if circumstances indicate that the carrying amount may be impaired.

4.5. Leases

Identification of a lease – lease contract

A lease is a contract, or part of a contract, that conveys the right to use an identified asset for a period of time in exchange for consideration. At inception of a contract, the Group assesses whether the contract is, or contains, a lease. The Group reassesses whether a contract is or contains a lease only if the terms and conditions of the contract are changed.

The Group assesses whether a contract conveys the right to control the use of an identified asset for a period of time based on the following:

- The Group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use;
- The lease relates to a specific identified asset, and the lessor does not have a substantive right to substitute the asset or benefit economically from such substitution;
- The Group has the right to direct the use of the identified asset;
- The lease term exceeds 12 months (short-term lease exemption permitted under IFRS 16); and
- The value of the new asset exceeds CZK 80,000 (low-value asset exemption permitted under IFRS 16).

The Group assesses whether a contract contains a lease for each potential lease component separately.

The Group does not have any external subleases outside the Group nor any contracts in which the Group acts as a lessor.

Lease liability

At the commencement date, the lessee measures the lease liability at the present value of the lease payments that are not paid at that date. Lease payments are payments made by the lessee to the lessor for the right to use the underlying asset during the lease term. These payments include:

- fixed payments (less any lease incentives),
- variable lease payments that depend on an index or a rate,
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, variable lease payments that are not included in the measurement of the lease liability are recognised in profit or loss in the period in which the event or condition that triggers those payments occurs. Interest on the lease liability is recognised as a finance cost of the Group.

Right-of-use asset

The Group measures the right-of-use asset at the commencement date based on the lease contract. The measurement includes:

- the amount of the lease liability, adjusted for any lease payments made at or before the commencement date (less any lease incentives),
- any initial direct costs incurred by the Group,
- an estimate of costs to be incurred in dismantling and removing the underlying asset or restoring the site on which it is located, and
- an adjustment for costs of modifications and restoration required by the lease contract, recognised as a provision in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Right-of-use assets are generally depreciated on a straight-line basis over the shorter of the asset's useful life and the lease term.

4.6. Transactions in foreign currency

The consolidated financial statements of the Group are presented in Czech crowns. Items included in the financial statements of each entity are measured using that entity's functional currency.

Foreign currency transactions of Group entities are initially recorded at the functional currency exchange rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the spot exchange rate of the functional currency at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss as finance income or costs. Non-monetary items measured at historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Any gain or loss arising on translation of non-monetary items measured at fair value is recognised in line with the recognition of the gain or loss on the change in fair value of the item.

4.7. Financial instruments (IFRS 9)

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Financial assets are classified based on the Group's business model and the characteristics of the contractual cash flows. Under IFRS 9, financial assets are classified into the following categories: financial assets subsequently measured at amortised cost ("AC"), financial assets measured at fair value through other comprehensive income ("FVTOCI"), and financial assets measured at fair value through profit or loss ("FVTPL").

Trade receivables and other receivables that do not contain a significant financing component, or for which the Group has applied the practical expedient, are measured at the transaction price determined under IFRS 15.

The Group's financial assets include cash and cash equivalents and trade and other receivables without a significant financing component, which meet the criteria for classification as AC.

Trade receivables and other receivables

Trade receivables and other receivables are recognised at their original invoiced amount less an allowance for impairment.

A description of the Group's policies for impairment of receivables is set out below, and further information on trade receivables and other receivables is provided in Note 19.

Impairment of financial assets measured at amortised cost

As the Group's financial statements include only financial assets representing trade receivables and other receivables that do not contain a significant financing component, the Group applies the simplified approach in calculating expected credit losses ("ECL"). Accordingly, the Group does not track changes in credit risk but instead recognises a loss allowance based on lifetime ECL at each reporting date. The carrying amount of the asset is reduced either directly or through the use of an allowance account. The amount of the loss is recognised in profit or loss.

The simplified approach adopted by the Group uses elements of the general approach, with the main difference being that staging of financial assets is not applied.

The determination of ECL is based on three components used by the Group: probability of default ("PD"), exposure at default ("EAD"), and loss given default ("LGD"):

- PD is an estimate of the probability of default over a given time horizon. It is calculated based on a combination of the financial condition and performance of customers, transactional data, volumes and payment behaviour. The set of variables differs depending on the scorecards applied to customers, which are determined by their country of residence.
- EAD is an estimate of the exposure at a future default date, taking into account expected changes in exposure after the reporting period, including repayments of principal and interest and expected drawdowns of committed credit limits.
- LGD is an estimate of the loss arising in the event of default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from any collateral. It is usually expressed as a percentage of EAD.

Receivables are written off when they are assessed as uncollectible.

Financial liabilities

Financial liabilities are primarily classified into the category measured at fair value. The Group's financial liabilities include trade payables and other payables.

Trade payables and other payables

Trade payables are recognised at nominal value, which is considered to approximate fair value.

Derecognition

A financial liability is derecognised when the obligation is discharged, cancelled or expires. If an existing financial liability is replaced by another liability from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is accounted for as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

4.8. Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost is assigned to individual items using the first-in, first-out (FIFO) method (the initial cost used to measure inventory additions is used as the cost for inventory disposals). The cost of purchased inventories includes costs related to acquisition (transport, duties, commissions, etc.).

Inventories produced internally are measured at cost, which includes direct costs incurred in production or other activities and, where appropriate, a portion of indirect costs attributable to production or other activities.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

4.9. Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash on hand and cash at banks.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts, as these are considered an integral part of the Group's cash management.

4.10. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. Costs related to provisions are recognised in profit or loss.

Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

4.11. Cash dividends to shareholders of the Company

The Company recognises a liability to pay cash distributions to the Company's shareholders when the distribution is approved and is no longer at the discretion of the Company. Under the legal regulations of the Czech Republic governing commercial companies, a distribution is approved when it is approved by the shareholders. The corresponding amount is recognised directly in equity.

4.12. Taxes

Current tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as at the reporting date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss. The Group's management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and, where appropriate, establishes provisions. As of 31 December 2024 and 2025, no tax provisions were recognised.

Deferred tax

Deferred tax is calculated separately for each entity in the Group using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and that taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to

be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it is probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted as at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if there is a legally enforceable right to offset current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination but not satisfying the criteria for separate recognition at that date are recognised subsequently if new information about facts and circumstances becomes available. The adjustment is either treated as a reduction of goodwill (if it does not exceed goodwill) if it arises during the measurement period or recognised in profit or loss.

5. Adoption of new or revised standards

The amendments do not have a significant impact on the Group's consolidated financial statements.

5.1. Application of new IFRS accounting standards – New or amended standards effective and endorsed by the European Union

IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (Amendment)

The amendment is effective for annual periods beginning on or after 1 January 2025, with earlier application permitted. It clarifies how an entity should assess whether a currency is exchangeable and how it should determine the spot exchange rate when a currency is not exchangeable. A currency is considered exchangeable if an entity is able to obtain another currency within a timeframe that allows for a normal administrative delay, through a market or exchange mechanism that creates enforceable rights and obligations.

If a currency is not exchangeable, an entity is required to estimate the spot exchange rate at the measurement date. The objective is to determine the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. In accordance with the amendment, an entity may use an observable exchange rate without adjustment or apply another estimation technique.

5.2. New or amended standards issued but not yet effective and not early adopted by the Group/Company

IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments (Amendments)

In May 2024, the IASB issued amendments relating to the Classification and Measurement of Financial Instruments, amending IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures.

The amendments are effective for annual periods beginning on or after 1 January 2026, with earlier application permitted. Early application of the amendments relating to the classification of financial assets and related disclosures is permitted, with the option to apply the remaining amendments at a later date. The amendments clarify that a financial liability is derecognised at the “settlement date”, when the obligation is discharged, cancelled, expires or otherwise meets the criteria for derecognition. An accounting policy option is introduced to derecognise liabilities settled through electronic payment systems before the settlement date, subject to certain conditions. The amendments also provide guidance for assessing the contractual cash flow characteristics of financial assets that include environmental, social or governance (ESG) features or other similar contingent features. In addition, the amendments clarify the treatment of non-recourse assets and contractually linked instruments and require additional disclosures under IFRS 7 for financial assets and liabilities with references to contingent events (including ESG-linked features) and equity instruments measured at fair value through other comprehensive income.

IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures – Contracts Referencing Electricity Dependent on Renewable Sources (Amendments)

In December 2024, the IASB issued targeted amendments aimed at better reflecting contracts referencing electricity dependent on renewable sources, amending IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures.

The amendments are effective for annual periods beginning on or after 1 January 2026, with earlier application permitted. The amendments include clarification of the application of the “own use” requirements, permit hedge accounting where contracts within the scope of the amendments are used as hedging instruments and introduce new disclosure requirements to enable investors to understand the impact of such contracts on the Group’s financial performance and cash flows. The clarification of the “own use” requirements must be applied retrospectively, while the guidance permitting hedge accounting must be applied prospectively to new hedging relationships designated on or after the date of initial application.

Annual Improvements to IFRS Accounting Standards – Volume 11

In July 2024, the IASB issued Annual Improvements to IFRS Accounting Standards – Volume 11. An entity shall apply these amendments for annual periods beginning on or after 1 January 2026, with earlier application permitted.

The annual improvements process of the IASB addresses non-urgent but necessary clarifications and amendments to IFRS. The July 2024 Annual Improvements – Volume 11 includes amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7. These changes are intended to clarify wording, correct minor unintended consequences, omissions or inconsistencies between requirements in the standards.

5.3. New or amended standards not yet effective and not yet endorsed by the European Union

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 – Presentation and Disclosure in Financial Statements, which replaces IAS 1 – Presentation of Financial Statements and will be effective for annual periods beginning on or after 1 January 2027, with earlier application permitted.

IFRS 18 introduces new requirements for presentation in the statement of profit or loss. It requires entities to classify all income and expenses into one of five categories: operating; investing; financing; income tax; and discontinued operations. These categories are complemented by requirements to present subtotals and totals for “operating profit or loss”, “profit or loss before financing and income tax”, and “profit or loss”. The standard also requires disclosure of management-defined performance measures and introduces new requirements for aggregation and disaggregation of financial information based on identified “roles” in the financial statements and notes. In addition, consequential amendments to other IFRS standards will be made. IFRS 18 will be effective for annual periods beginning on or after 1 January 2027, with earlier application permitted. Retrospective application is required for both annual and interim financial statements.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19 – Subsidiaries without Public Accountability: Disclosures, and in August 2025 issued amendments to IFRS 19. The standard IFRS 19 (including the amendments) will be effective for annual periods beginning on or after 1 January 2027, with earlier application permitted.

IFRS 19 allows subsidiaries without public accountability to apply reduced disclosure requirements if their parent (ultimate or intermediate) prepares publicly available consolidated financial statements in accordance with IFRS Accounting Standards. These subsidiaries must continue to apply recognition, measurement and presentation requirements in other IFRS standards. Unless otherwise specified, entities electing to apply IFRS 19 are not required to apply disclosure requirements in other IFRS standards. The amendments issued in August 2025 reduce the scope of disclosure requirements of new IFRS standards that were originally included in full upon the initial issuance of IFRS 19. IFRS 19 (including amendments) will be effective for annual periods beginning on or after 1 January 2027, with earlier application permitted.

IAS 21 The Effects of Changes in Foreign Exchange Rates: Translation into a Hyperinflationary Presentation Currency (Amendments)

In November 2025, the IASB issued amendments on Translation into a Hyperinflationary Presentation Currency, amending IAS 21 The Effects of Changes in Foreign Exchange Rates. The amendments will be effective for annual periods beginning on or after 1 January 2027, with earlier application permitted.

The amendments require translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency using the closing rate. Where an entity’s functional currency is that of a non-hyperinflationary economy but its presentation currency is that of a hyperinflationary economy, the financial position and performance are translated into the presentation currency by translating all amounts (i.e. assets, liabilities, equity items, income and expenses) and all comparative information at the closing rate at the date of the most recent statement of financial position. An entity whose functional and presentation currencies are both those of a hyperinflationary economy restates comparative information of a foreign operation whose functional currency is that of a non-hyperinflationary economy using a general price index. The amendments also introduce additional disclosure requirements and have not yet been endorsed for use in the EU.

IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)

In December 2015, the IASB deferred the effective date of these amendments indefinitely; the effective date will be determined based on the outcome of a research project on the equity method.

The amendments address an inconsistency between the requirements of IFRS 10 and IAS 28 regarding the accounting for the loss of control of a subsidiary in the context of a sale or contribution to an associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when the assets involved in the transaction constitute a business (whether or not it is housed in a subsidiary). Conversely, when the assets do not constitute a business (even if they are housed in a subsidiary), only a partial gain or loss is recognised.

Based on the Group management's assessment, the adoption of these standards, amendments to existing standards and interpretations in the period of their initial application is not expected to have a material impact on the Group's consolidated financial statements.

6. Significant accounting judgements, estimates and assumptions

The preparation of the consolidated financial statements requires the use of estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, as well as the disclosure of contingent liabilities at the reporting date. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amounts of the affected assets or liabilities in future periods.

Management has based these estimates and assumptions on all relevant information available to it. Since the issuance of the previous financial statements, there have been no changes in the nature or magnitude of the estimates used.

Set out below are the key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market developments or circumstances beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Useful lives of non-current assets

The Group reassesses the useful lives of assets and, where appropriate, adjusts the depreciation methods at the reporting date, taking into account the current condition of the assets and the related investment plans for future periods.

Leases

The Group has applied judgement in determining the lease term for certain lease contracts that include extension or termination options or are agreed for an indefinite period. The assessment of whether the Group is reasonably certain to exercise such options, and the assessment of how long the Group will

use the underlying assets under contracts agreed for an indefinite period, affects the lease term, which has a significant impact on the recognised lease liabilities and right-of-use assets.

7. Information about the Group

Consolidated accounting statements of the Group includes:

Namee	Activity	Registered office	Address	Effective share	
				2025	2024
Primoco UAV SE	UAV Production	Czech Republic	Výpadová 1563/29f, 153 00 Prague 5 Czech Republic	Company	Company
Primoco UAV Defence s.r.o.	UAV Sale	Czech Republic	Výpadová 1563/29f, 153 00 Prague 5 Czech Republic	100 %	100 %

All shares are ordinary shares, unless stated otherwise.

7.1. Group Management

The day-to-day operations of the Group's companies are managed by management. Strategic and long-term decisions regarding significant investments and the overall direction of the Group's development are subject to approval by the Group's management.

The Board of Directors is the highest governing body of the parent company, responsible for the Company's business management and acting on behalf of the Company in all matters not reserved by the articles of association or by law to the General Meeting or the Supervisory Board. The Supervisory Board is the Company's supervisory body, overseeing the activities of the Board of Directors and the Company's operations.

As of 31 December 2025, the Group's management had the following composition:

Management

Ladislav Semetkovský	Chairman of the Board of Directors, CEO
Petr Kováč	Member of the Board of Directors
Romana Wyllie	Member of the Board of Directors
Jaroslav Svoboda	Manufacturing Director
Josef Šťastný	Technical Director
Jakub Toman	Chief Pilot
Miroslav Mišík	Financial Director
Vladan Ševčík	Quality Director
Jakub Fojtík	Business Director
Lenka Holsteinová	Director of Legal Affairs and General Counsel

Supervisory Board

Jan Sechter	Chairman of the Supervisory Board
Vladan Ševčík	Member of the Supervisory Board
Jakub Fojtík	Member of the Supervisory Board

Audit Committee*

Petr Babický	Chairman of the Audit Committee
Jan Vengláš	Member of the Audit Committee
Rostislav Kuneš	Member of the Audit Committee

* On 30 January 2026, the General Meeting approved the members of the Audit Committee.

8. Segment information

Management is the chief operating decision maker (CODM) and monitors operating results and performance indicators in order to make decisions about resource allocation and to assess performance at the level of a single segment (i.e. the Group as a whole).

The Group is therefore presented as a single operating segment.

9. Revenue from contracts with customers

The Group consists of a single segment engaged in the sale of aircraft and related equipment and services.

The timing of revenue recognition was as follows:

Thous. CZK	2025	2024
Goods and services transferred at a point in time	389,294	444,387
Total revenue from contracts with customers	389,294	444,387

Services provided to customers include training of pilots and aircraft operators, which are delivered at the time the aircraft is handed over to the customer.

In total, services provided as part of aircraft sales amounted to CZK 21,025 thousand in 2025 (2024: CZK 1,180 thousand).

9.1. Contract balances

Thous. CZK	2025	2024
Trade receivables	161,236	-
Contract assets	-	-
Contract liabilities	394,029	15,301

Contract liabilities represent advance payments received from customers with whom contracts for the purchase of aircraft have been concluded.

9.2. Performance obligations

A typical contract with a customer includes several performance obligations. The transaction price is allocated to these obligations based on their standalone selling prices. Information about the Group's performance obligations is set out below:

Manufacture and delivery of aircraft and related equipment

The performance obligation is satisfied at the point in time when the aircraft and equipment are delivered and handed over to the customer.

Payment is divided into two instalments. 50% of the consideration is payable within 14 days of signing the contract, and the remaining amount is payable 14 days prior to the agreed delivery date to the customer.

Training of pilots and mechanics

These performance obligations are satisfied over time, and the consideration for these services is included in the transaction price specified in the contract.

The Group recognises contract liabilities for these obligations and recognises revenue over time, typically over a period of 2–3 months, depending on how the customer receives and consumes the benefits from the services.

Remote pilot support

Customers may order remote pilot support measured in flight hours under the contract.

As this service is prepaid by the customer, the Group recognises a contract liability and satisfies the obligation over time in line with customer demand and consumption of flight hours.

Contractual obligation		
Thous. CZK	2025	2024
Opening balance	15,301	-
Additions	394,029	15,301
Release	-15,301	-
Total	394,029	15,301

10. Other operating income

Thous. CZK	2025	2024
Revenue from the sale of intangible and tangible non-current assets	4,873	578
Income from government grants	1,789	6,159
Other operating income	686	92
Total other operating income	7,348	6,829

On 23 November 2022, the Company entered into a Grant Agreement (Project 101073911 — I-SEAMORE: INTEGRATED SURVEILLANCE ECOSYSTEM FOR EUROPEAN AUTHORITIES RESPONSIBLE FOR MARITIME OPERATIONS LEVERAGED BY RELIABLE AND ENHANCED AERIAL SUPPORT), supported under the HORIZON-CL3-2021-BM-01 call by the European Research Executive Agency (REA).

The agreement was concluded with the coordinating entity: ATOS IT SOLUTIONS AND SERVICES IBERIA SL (ATOS IT), PIC 952979120, established at RONDA DE EUROPA 5, TRES CANTOS, MADRID 28760, Spain.

The grant was provided under an EU funding programme focused on security and environmental protection and forms part of a project financed from EU funds.

The grant was awarded for a fixed period from 1 January 2023 to 31 October 2025. As at the reporting date, the grant has not yet been finally approved and closed. Until 30 June 2023, the beneficiary on our side was Primoco UAV Defence, s.r.o.; from 1 July 2023, it is Primoco UAV SE.

The objective of the project is to develop a platform integrating infrastructure in the form of unmanned aerial vehicles equipped with sensors for data collection, additional open (satellite) data sources, and a software layer based on artificial intelligence for data analysis. The platform is intended to support end users in monitoring extensive maritime borders and coastal areas, analysing potential threats, supporting search and rescue operations, and detecting illegal activities.

Prefinancing for both entities amounts to EUR 419,015.63 (75% of the grant).

At the end of 2024 and 2025, the Company prepared and submitted the final report and recognised the related expenditure movements in other operating income.

11. Costs of services and repairs and maintenance

Thous. CZK	2025	2024
Repairs and maintenance	1,121	509
Commissions	13,048	35,546
External contractors	6,433	6,928
Other services	21,659	12,890
Total costs of services	42,261	55,873

12. Other operating expenses

Thous. CZK	2025	2024
Insurance expenses	2,171	1,403
Capitalization of non-current assets	-	-2,904
Other operating expenses	6,079	2,058
Total other operating expenses	8,250	557

13. Finance income and costs

Thous. CZK	2025	2024
Interest expense on lease liabilities	615	183
Bank charges	59	71
Foreign exchange losses	7,170	3,657
Total finance costs	7,844	3,911
Interest income	5,198	8,773
Foreign exchange gains	3,316	11,088
Total finance income	8,514	19,861

14. Earnings per share

The following table reflects the income and shares data used in the calculation of basic earnings per share.

In 2024 and 2025, no share options or other convertible instruments were issued, nor were there any additional share issuances. As a result, there are no dilutive effects, and the weighted average number of ordinary shares remained unchanged and corresponds to the original issue

Thous. CZK	2025	2024
Earnings	104,149	122,086
Number of shares	4,709	4,709
EPS	22.12	25.93

15. Intangible assets

Cost of intangible assets:

Thous. CZK	Purchased software	Patents and rights	Other intangible assets	Development costs	Intangible assets under construction	Total
1 January 2024	752	-	1,125	6,112	5,633	13,622
Additions	685	-	1,036	1,364	6,311	9,396
Transfer	-	-	-	-	-2,336	-2,336
31 December 2024	1,437	-	2,161	7,476	9,608	20,682
Additions	-	-	-	-	6,557	6,557
Transfer	1,891	-	9,482	-	-11,373	-
31 December 2025	3,328	-	11,643	7,476	4,792	27,239

Accumulated amortization and impairment of intangible assets:

Thous. CZK	Purchased software	Patents and rights	Other intangible assets	Development costs	Intangible assets under construction	Total
1 January 2024	739	-	102	2,560	-	3,401
Amortisation	76	-	258	1,657	-	1,991
31 December 2024	815	-	360	4,217	-	5,392
Amortisation	526	-	1,920	1,885	-	4,331
31 December 2025	1,341	-	2,280	6,102	-	9,723

Net book value

1 January 2024	13	-	1,023	3,552	5,633	10,221
31 December 2024	622	-	1,801	3,259	9,608	15,290
31 December 2025	1,987	-	9,363	1,374	4,792	17,516

Significant assets

In 2025, the Company successfully completed certification under NATO STANAG 4703. The One 150M is the first military unmanned aircraft in the world to obtain this certification. Costs of services related to the certification process were recognised as intangible assets under construction and subsequently capitalised as Other intangible assets – STANAG certification. The Company continues further development of the certification process.

In 2025, the Company also participated in achieving a higher level of STANAG certification. Services related to the certification were recognised as intangible assets under construction.

In the same year, the Company further invested in the development of know-how in the field of aviation technology.

16. Property, plant and equipment

Cost of property, plant and equipment:

Thous. CZK	Land	Buildings	Vehicles	Machinery and equipment	Assets under construction	Other tangible assets	Total
1 January 2024	19,466	10,522	10,939	5,507	4,824	-	51,258
Additions	95,021	-	4,703	4,363	105,394	77	209,558
Transfer	-	-	-	-	-104,087	-	-104,087
Disposals	-	-	-1,000	-	-	-	-1,000
31 December 2024	114,487	10,522	14,642	9,870	6,131	77	155,729
Additions	-	-	-	-	37,670	-	37,670
Transfer	-	159	8,162	296	-8,617	-	-
Disposals	-	-	-5,942	-663	-	-	-6,605
31 December 2025	114,487	10,681	16,862	9,503	35,184	77	186,794

Accumulated depreciation and impairment of property, plant and equipment:

Thous. CZK	Land	Buildings	Vehicles	Machinery and equipment	Assets under construction	Other tangible assets	Total
1 January 2024	-	1,563	2,352	4,644	-	-	8,559
Amortisation	-	367	2,240	668	-	-	3,275
Disposals	-	-	-213	-	-	-	-213
31 December 2024	-	1,930	4,379	5,312	-	-	11,621
Amortisation	-	370	2,512	1,295	-	-	4,177
Disposals	-	-	-1,596	-663	-	-	-2,259
31 December 2025	-	2,300	5,295	5,944	-	-	13,539

Net book value							
1 January 2024	19,466	8,959	8,587	863	4,824	-	42,699
31 December 2024	114,487	8,592	10,263	4,558	6,131	77	144,108
31 December 2025	114,487	8,381	11,567	3,559	35,184	77	173,255

Significant assets

In 2025, the Company continued cooperation with designers on the project "Construction of a new airport in Písek, a production hall and an administrative building". Costs of related services were recognised as

assets under construction. The Company also acquired additional land for the construction of Písek Airport, the production hall and the administrative building and capitalised it in the asset register.

The Company acquired new vehicles to ensure smooth transportation between Prague and Písek Airport. Unused vehicles were disposed of.

17. Leases

The Group currently leases a head office building with related warehouse and production facilities and an aircraft for travel purposes.

The lease agreements for the office and aircraft include extension and termination options.

The Group applies the exemptions under IFRS 16 for short-term leases and leases of low-value assets.

Right-of-use assets

Thous. CZK	Buildings	Aircraft	Total
1 January 2024	1,341	-	1,361
Additions	-	6,908	6,908
Additions from modification	2,193	-	2,193
Amortisation	-1,830	-1,439	-3,269
31 December 2024	1,704	5,469	7,173
Additions	-	-	-
Additions z from modification	5,587	12,768	18,355
Amortisation	-1,825	3,367	-5,192
31 December 2025	5,466	14,870	20,336

Lease liabilities

Thous, CZK	2025	2024
At 1 January	7,249	1,361
Additions	18,354	9,101
Interest accretion	615	183
Payments	-5,576	-3,396
At 31 December	20,642	7,249
Non-current	16,554	2,072
Current	4,088	5,177

A maturity analysis of future undiscounted cash flows from lease liabilities is disclosed in Note 27.

In 2025, the Company reassessed the extension options for both the office and aircraft leases and increased the lease term for both contracts.

18. Inventories

Thous. CZK	2025	2024
Material	44,179	52,394
Spare parts	-	78
Work in progress	34,977	28,192
Finished goods and merchandise	38,271	16,915
Inventories total	117,427	97,579

Cost of goods sold, materials consumed, and change in inventory of own production:

Thous, CZK	2025	2024
Consumption of materials and spare parts	166,458	219,308
Capitalization of materials and goods	-	-
Change in inventory of own production and impairment of inventories	-28,154	-25,174
Total	138,304	194,134

19. Trade receivables and other receivables

Thous. CZK	2025	2024
Trade receivables	161,236	-
Intra-group receivables	-	-
Advances paid	738	329
Prepaid expenses	6	106
Other receivables	-	-
Total	161,980	435

Trade receivables bear interest at a rate of 0.05% of the outstanding amount for each day of delay, up to a maximum of 10%, and are generally due within 14 days. Trade and other receivables are non-derivative financial assets measured at amortised cost.

When entering contracts with customers for the sale of aircraft, the Company collects a 50% advance payment, which covers the production costs under the contract. Based on this, the Group mitigates the risk of unpaid production costs.

Given the high level of receivables collection, the Group did not create any impairment allowances as at the end of 2025 and 2024.

20. Other receivables and financial assets

Thous. CZK	2025	2024
Receivables from tax authorities	1,846	3,066
Other receivables	4,858	-
Total	6,704	3,066

21. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise:

Thous. CZK	2025	2024
Cash at banks	486,375	230,636
Other receivables	-	-
Cash and cash equivalents presented in the statement of financial position and statement of cash flows	486,375	230,636

The fair value of cash and cash equivalents approximates their carrying amount due to their short-term maturities.

22. Trade payables and other payables

Thous. CZK	2025	2024
Trade payables	2,479	404
Employee-related liabilities	6,077	871
Liabilities to tax authorities	-	-
Other payables	1,691	205
Total	10,247	1,480

Trade payables are non-interest-bearing and are generally settled within 14 days.

Other payables mainly include accrued expenses, which capture costs for energy and services and audit fees. These costs relate to 2025 in terms of substance and timing; however, the relevant tax documents will only be delivered to the Company after 31 December 2025 and therefore could not be recognised in this accounting period.

Employee-related liabilities include social security and health insurance liabilities, liabilities to employees for wages, and accruals for unused vacation, which will be taken or paid out in the following accounting period. These liabilities also include a provision for unpaid bonuses, which will be paid in 2026.

Trade payables and other payables represent non-derivative financial liabilities measured at amortised cost. The fair value of short-term trade payables and other payables approximates their carrying amount due to their short-term maturity.

23. Provisions

Thous. CZK	Other provisions
1 January 2024	200
Additions	-
Utilised	-
Unused amounts reversed	-
31 December 2024	200
Additions	-
Utilised	-
Unused amounts reversed	-
31 December 2025	200

In 2023, the Group recognised a provision of CZK 200 thousand for costs incurred in legal proceedings with a former employee, Mr Lukáš Trzaskalik. The legal proceedings have not yet been concluded; therefore, the provision is also recognised in 2025.

24. Income tax

The structure of income tax in the respective accounting periods is as follows:

Thous. CZK	2025	2024
Current income tax	29,268	32,101
Adjustments relating to current income tax of previous years	-	-
Deferred tax	-798	418
Total	28,470	32,519

Reconciliation of tax expense and accounting profit multiplied by the domestic tax rate of the Parent Company for the periods below:

Thous. CZK	2025	2024
Accounting profit before tax	132,619	154,605
Statutory income tax rate in the Czech Republic of 21%	27,850	32,467
Adjustments relating to current income tax of previous years	97	-
Non-deductible expenses	1,272	123
Unrecognized deferred tax	-749	-71
Impact of change in tax rate on deferred tax	-	-
Adjustment of deferred tax from previous periods	-	-
Effective income tax rate	21.47%	21.03%
Income tax recognized in the statement of profit or loss	28,470	32,519

Deferred tax balances and movements:

Thous. CZK	1 January 2025	Recognized in profit or loss	Recognized in equity	Exchange differences	31 December 2025
Difference between the carrying amount of non-current assets for accounting and tax purposes	-59	-352	-	-	-411
Impairment of receivables	-	-	-	-	-
Provisions for liabilities and charges	184	1,134	-	-	1,318
Tax losses	-	-	-	-	-
Other	48	16	-	-	64
Net deferred tax asset / liability	173	798	-	-	971
Recognized deferred tax asset	173	798	-	-	971
Recognized deferred tax liability	-	-	-	-	-

Thous. CZK	1 January 2024	Recognized in profit or loss	Recognized in equity	Exchange differences	31 December 2024
Difference between the carrying amount of non-current assets for accounting and tax purposes	414	-473	-	-	-59
Impairment of receivables	-	-	-	-	-
Provisions for liabilities and charges	133	51	-	-	184
Tax losses	-	-	-	-	-
Other – consolidation adjustments	44	4	-	-	48
Net deferred tax asset / liability	591	-418	-	-	173
Recognized deferred tax asset	-	-	-	-	173
Recognized deferred tax liability	-	-	-	-	-

The Group offsets tax receivables and tax liabilities only when it has a legally enforceable right to offset current tax assets and current tax liabilities.

25. Equity

The Group has 4,708,910 issued and fully paid ordinary shares with a nominal value of CZK 1 and identification number (ISIN) CZ0005135970. The market value of the Group's shares on the primary market (Prime Market) of the Prague Stock Exchange as of 31 December 2025 was CZK 1,100 per share.

Approved, issued and fully paid shares:

	Number of shares	Share capital Thous. CZK	Share premium Thous. CZK
Ordinary shares			
At 1 January 2024	4,709	4,709	159,269
Issue of share capital, nominal value CZK 1	-	-	-
Conversion into shares with nominal value	-	-	-
At 31 December 2024	4,709	4,709	159,269
At 31 December 2025	4,709	4,709	159,269

All ordinary shares are freely transferable. Each share with a nominal value of CZK 1 carries one vote.

In 2025, the net profit for 2024 was transferred to retained earnings. The Company did not pay any dividends in 2025 and did not issue any new shares.

26. Personnel expenses

The Company has established rules for entitlement to the variable component of remuneration for each employee. Each employee has defined targets that must be met for the bonus to be paid. Achievement of targets is reviewed during performance evaluations conducted throughout the year.

Personnel expenses for the respective periods consist of the following:

Thous. CZK	2025	2024
Average number of employees and key management personnel of the Group	44	39
Wages and remuneration of statutory bodies	49,360	42,081
Social security and health insurance	12,845	10,814
Other personnel expenses	-26	567
Total personnel expenses	62,179	53,462

Of which remuneration of key management personnel:

Thous. CZK	2025	2024
Wages and remuneration of statutory bodies	15,696	13,675
Total	15,696	13,675

Under contractual arrangements with executive members of elected bodies and directors, the Group does not stipulate any right to reclaim the variable component of remuneration or any part thereof once the entitlement has arisen and the remuneration has been paid. Entitlement to this variable component of remuneration is conditional upon meeting performance indicators set by the Supervisory Board of the Group, approval by the General Meeting, and submission of the auditor's report on the audit of the Group's financial statements for the relevant calendar year, which represents a robust mechanism aimed at preventing unjustified payment of variable remuneration.

In addition, under its remuneration policy, the Group reserves the right to claim damages that would include variable remuneration paid to a member of the Board of Directors convicted of the criminal offence of misrepresentation of financial results and assets.

27. Financial risk management

The Group's classes of financial instruments correspond to the items presented in the consolidated statement of financial position.

The Group's main financial liabilities include lease liabilities and trade and other payables. The primary purpose of these financial liabilities is to finance the Group's operating activities and investments. The Group's main financial assets include trade receivables and other receivables, cash and cash equivalents, which arise directly from its operations.

The Group is exposed to market risk, currency risk and liquidity risk. The Group's management identifies financial risks that may adversely affect its business objectives and reduces these risks to an acceptable level through active risk management.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices.

All production processes take place in the Czech Republic, and the Group focuses on maintaining stable and reliable supplier relationships, which contributes to its resilient market position. An important element of market risk management is supplier diversification, ensuring timely information on price movements from appropriate sources, and optimisation of procurement and inventory levels.

In the event of supply chain disruptions, the Group can quickly replace suppliers with alternative partners, further reducing potential risks associated with commodity price fluctuations.

Currency risk

Currency risk is the risk that the fair value or future cash flows will fluctuate due to changes in foreign exchange rates. The Group's exposure to foreign exchange risk relates primarily to its operating activities (where revenues or costs are denominated in foreign currencies).

The Group invoices predominantly in Euros. However, there is some foreign exchange risk arising from sales and purchases in other currencies, particularly CZK, EUR and USD.

Financial assets and liabilities include cash and cash equivalents, trade receivables and other receivables, and trade and other payables. All other assets and liabilities in foreign currencies are insignificant or not subject to foreign exchange risk (e.g. land, buildings and equipment).

The following table shows the sensitivity of profit before tax to a hypothetical change in EUR and USD exchange rates. The sensitivity analysis assumes that all other variables remain constant.

Thous. CZK	% change in rate	2025	2024	1 January 2024
EUR	+/- 10 %	+/- 23.267	+/- 1.548	+/- 257
USD	+/- 10 %	-	-	-

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and availability of funding to meet obligations as they fall due. The Group regularly monitors its liquidity position to ensure sufficient financial resources to settle its liabilities and receivables.

The following table summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments (in thous. CZK):

31 December 2025	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Lease liabilities	-	935	4,700	16,980	-	22,615
Trade and other payables	-	4,170	-	-	-	4,170
Total	-	5,105	4,700	16,980	-	26,785

31 December 2024	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Lease liabilities	-	-	5,370	2,100	-	7,470
Trade and other payables	-	609	-	-	-	609
Total	-	609	5,370	2,100	-	8,079

Trade and other payables do not include tax liabilities, advances received and contract liabilities, as these represent non-financial liabilities.

Interest rate risk

The Group is exposed to minimal interest rate risk, as its operations are fully financed by its own resources and the Group has no loan liabilities.

Credit risk

Credit risk is the risk that counterparties will be unable to meet their contractual obligations.

The Group is exposed to minimal credit risk as it always collects a 50% advance payment for production orders, which covers the production costs under the contract. This eliminates the risk of unpaid production costs during aircraft manufacturing.

Final delivery of the product always takes place only after receipt of the full consideration for the order. In the event of non-payment of the remaining consideration, the Group is able to sell the product to another counterparty.

28. Capital management

The primary objective of the Group’s capital management is to ensure that it has sufficient capital to operate and grow the business at an appropriate cost of capital, without taking on excessive financial risk. For the purposes of capital management, the Group’s capital includes share capital, and all other equity reserves attributable to the Company’s shareholders.

The main objective of the Group’s capital management is to maximise shareholder value. The Group’s capital allocation principles include:

- Investments in technology and capabilities for organic growth.
- Maintaining a robust balance sheet and financial strength ensuring strategic flexibility.
- Prioritising growth over dividend distributions, with no intention to declare dividends in the near term.
- Maintaining a high operating margin.

The Group manages its capital structure and makes adjustments in response to changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust dividend payments to shareholders, return capital to shareholders or issue new shares.

There were no changes in the objectives, policies or processes for managing capital during the above period.

29. Related party disclosures

During 2025 and 2024, the Group did not enter into any contractual transactions with related parties outside the Group.

Contractual transactions with Primoco UAV Defence, s.r.o. were concluded on standard market terms:

Statement of financial position	31 December 2025	31 December 2024
Receivables	1,148	1,929
Total receivables	1,148	1,929

Statement of financial position	31 December 2025	31 December 2024
Liabilities – advances received	244,487	269
Total liabilities	244,487	269

Statement of comprehensive income	31 December 2025	31 December 2024
Purchases – commissions and brokerage	-	15,531
Total purchases	0	15,531

Statement of comprehensive income	31 December 2025	31 December 2024
Sales – car rental	480	390
Sales – sublease of premises	360	360
Sales – sublease of aircraft	5,756	1,500
Sales – re-invoicing of other services	1,281	2,486
Sales – UAV products	349,315	398,604
Total sale	357,192	403,340

Contractual transactions with PRIMOCO INVESTMENTS s.r.o. were concluded on standard market terms:

Statement of comprehensive income	31 December 2025	31 December 2024
Purchases – sublease of aircraft	5,756	1,500
Total purchases	5,756	1,500

30. Subsequent events

Ing. Jan Sechter, termination of the position of Chairman of the Supervisory Board as of 25 February 2026, termination of membership as of 28 February 2026.

Ing. Vladan Ševčík, appointment as Chairman of the Supervisory Board on 25 February 2026.

JUDr. Lenka Holsteinová, appointment as member of the Supervisory Board on 1 March 2026.

On 30 January 2026, the General Meeting approved the members of the Audit Committee:

Ing. Petr Babický, Chairman of the Committee.

Ing. Jan Venglář, Member of the Committee.

Ing. Rostislav Kuneš, Member of the Committee.

On 30 January 2026, a General Meeting was convened, where one of the agenda items was: Amendment to the Company's Articles of Association in relation to the General Meeting.

The General Meeting approved this amendment, and pursuant to Article 6.2, it reads as follows:

“The General Meeting shall have a quorum if shareholders holding shares with a nominal value exceeding 50% of the share capital are present.”

Article 6.3 of the Articles of Association continues to read as follows:

“The General Meeting shall adopt resolutions by a simple majority of the votes of the shareholders present, unless Council Regulations, legal regulations of the Czech Republic implementing Council Directives, legal regulations of the Czech Republic, or these Articles of Association require a qualified majority of votes for a European company or a joint-stock company.”

No other significant subsequent events occurred after the reporting date that would affect the Group's financial position.

7. Independent Auditor's Report on the Consolidated Financial Statements



Grant Thornton

Primoco UAV SE

REPORT

**ON THE AUDIT
OF CONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2025**

**prepared in accordance with IFRS
as adopted by the European Union**



INDEPENDENT AUDITOR'S REPORT

This report is intended for the Company's shareholders

Primoco UAV SE

Registered Address: Výpadev 1563/29f, Radotn, 153 00 Praha 5

Company Identification Number (I): 037 94 393

Auditor's Opinion

We have audited the accompanying consolidated financial statements of Primoco UAV SE (hereinafter also the "Company") and their subsidiaries (hereinafter the "Group") prepared in accordance with International Financial Reporting Standards as adopted by the European Union with the balance sheet amount of 994 329 thsd. CZK and consolidated profit after tax in the amount of 104 149 thsd. CZK. These consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended 31 December 2025, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information. Information about the Company and the Group is given in point 1. Information about the company and point 7. Information about the Group of the notes to these consolidated financial statements.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year ended 31 December 2025 in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors, by Regulation of the European Parliament and the Council (EU) no. 537/2014 and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application clauses. Our responsibilities under these laws and regulations are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section. We are independent of the Company in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic, including its requirements relating to audits of financial statements of public interest entities. We have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were the most significant in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements

This report constitutes the auditor's report, which relates solely and exclusively to the official annual financial report prepared in XHTML format. This is a translation of the original Czech Auditor's Report on the accompanying financial statements. Therefore, in the event of any inconsistency between the English and the Czech version, the Czech version shall prevail.

as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How the audit matter was handled
The key audit matter was determined to be consolidation adjustments, including adjustments related to the conversion of financial statements under Czech accounting regulations to International Financial Reporting Standards as adopted by the European Union.	We have evaluated the application of the full method, reconciled the opening balances to the individual financial statements audited by us, confirmed the correctness of the exclusion of the financial investment and equity items, verified the eliminated intercompany receivables and payables, expenses and revenues and IFRS adjustments for completeness and accuracy.

Other Information in the Annual Report

In compliance with Section 2(b) of the Act on Auditors, the other information comprises the information included in the Annual Report other than the consolidated financial statements and auditor's report thereon. The Company's Board of Directors is responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge about the accounting entity and the Group obtained during the audit or otherwise appears to be significantly (materially) misstated. In addition, we assess whether the other information was prepared, in all material aspects, in accordance with applicable law or regulation, in particular, whether the other information complies with law or regulation in terms of formal requirements and procedure for preparing the other information in the context of significance (materiality), i.e. whether any non-compliance with these requirements could influence judgements made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that:

- the other information describing the facts that are also presented in the financial statements and the consolidated financial statements is, in all significant (material) aspects, consistent with the financial statements and the consolidated financial statements; and
- the other information is prepared in compliance with applicable law or regulation.

In addition, our responsibility is to report, based on the knowledge and understanding of the Company and the Group obtained during the audit, on whether the other information contains any significant (material) misstatement of fact. Based on the procedures we have performed on the other information obtained, we have not identified any significant (material) misstatement of fact.

Responsibilities of the Company's Board of Directors (hereinafter also the "Company's statutory body") and Supervisory Board and Audit Committee for the Consolidated Financial Statements

The Company's statutory body is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the European Union and for such internal control as the statutory body determines is necessary to enable the preparation of the consolidated financial statements that are free of significant (material) misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Company's statutory body is responsible for assessing the Group's ability to continue as a going concern, describing in the notes to the financial statements, as applicable, matters related to going concern and using the going concern assumption in preparing the consolidated financial statements, unless the Company's statutory body either intends to liquidate the Company or to cease operations, or has no other realistic alternative but to do so.

The Supervisory Board and the Audit Committee are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free of any significant (material) misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the above-mentioned regulations will always detect any potential significant (material) misstatement in the consolidated financial statements.

Misstatements can arise from fraud or error and are considered significant (material) if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the above law or regulation, we exercise professional judgment and maintain professional skepticism throughout the audit. Our duty was also to:

- Identify and assess the risks of significant (material) misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responding to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a significant (material) misstatement resulting from fraud is higher than the risk of not detecting a significant (material) misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the Company's and Group's internal control system relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control system.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Company's statutory body in the notes to the consolidated financial statements.
- Evaluate whether the Company's statutory body's use of the going concern assumption in preparing the consolidated financial statements was appropriate and,

based on the obtained evidence, whether there is a significant (material) uncertainty related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that there is a significant (material) uncertainty, we are required to point out in our auditor's report any information concerning this fact in the notes to the consolidated financial statements or, if such information is inadequate, to modify our opinion. Our conclusions regarding the Group's ability to continue as a going concern are based on the evidence obtained up to the date of our auditor's report. However, future events or conditions may result in the Group's loss of its ability to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and suitable information about financial information concerning the Group's accounting entities or business activities in order to express our opinion on the consolidated financial statements. We are responsible for the management, oversight and execution of the Group's audit. It is our exclusive responsibility to provide our opinion.

It is our duty to communicate with the Company's statutory body, the Supervisory Board and the Audit Committee regarding, among other matters, the planned scope and timing of the audit and our significant audit findings, including any significant deficiencies identified in the internal controls.

It is also our duty to provide the Audit Committee with a statement that we have complied with the relevant ethical requirements relating to independence and to inform it about any relationships and other matters that could reasonably be expected to affect our independence as well as about any potential related measures.

Furthermore, it is our duty to select, based on the matters communicated to the Company's statutory body, the Supervisory Board and the Audit Committee, those matters that are most significant for the audit of the consolidated financial statements for the current year and that therefore constitute key audit matters, and to describe those matters in our report. This duty does not apply where law prohibits the disclosure of such matters or where, in a very exceptional case, we believe that we should not report on the matters in our report because it can be reasonably expected that any potential negative impact of such disclosure could outweigh the public interest benefit.

Information about Other Legal Requirements

Information required by Regulation (EU) no. 537/2014 of the European Parliament and of the Council

In compliance with Article 10 (2) of Regulation (EU) no 537/2014 of the European Parliament and of the Council, we include in our independent auditor's report the following information required in addition to International Auditing Standards:

Appointment of the auditor and the audit time period

The Company's General Meeting appointed us as the Group's auditor on 13 June 2025. This is our second year as the Group's auditor.

This report constitutes the auditor's report, which relates solely and exclusively to the official annual financial report prepared in XHTML format. This is a translation of the original Czech Auditor's Report on the accompanying financial statements. Therefore, in the event of any inconsistency between the English and the Czech version, the Czech version shall prevail.

Compliance with Additional report to the Audit Committee

We confirm that our opinion on the consolidated financial statements in this report is in compliance with our Additional report to the Company's Audit Committee, which we issued on 27 April 2026 in compliance with Article 11 of Regulation (EU) No 537/2014 of the European Parliament and of the Council.

Providing non-audit services

We declare that we did not provide any prohibited services referred to in Article 5 of Regulation (EU) No 537/2014 of the European Parliament and of the Council.

Other than the statutory audit, we did not provide the Company and the entities controlled by the Company with any other services undisclosed in the Company's annual financial report.

Report on compliance with the ESEF Regulation

We have performed an engagement that provided reasonable assurance and was to verify the compliance of the financial statements included in the annual financial report with the provisions of Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format ("ESEF Regulation"), as they relate to the financial statements.

Responsibility of the Board of Directors ("the Company's statutory body")

The Company's statutory body is responsible for the preparation of the financial statements in accordance with the ESEF Regulation. The Company's statutory body is responsible for, inter alia:

- Designing, implementing and maintaining an internal control system relevant to the application of the requirements of the ESEF Regulation;
- Preparing all financial statements included in the annual financial report in the applicable XHTML format; and
- Selecting and using XBRL tags as required by the ESEF Regulation.

Responsibility of the auditor

Our responsibility is to express an opinion, based on obtained evidence, on whether the financial statements included in the annual financial report comply, in all significant (material) aspects, with the requirements of the ESEF Regulation. We have performed this engagement providing reasonable assurance in accordance with International Standard on Assurance Engagements ISAE 3000 (Revised) - "Assurance Engagements that are not Audits or Reviews of Historical Financial Information" ("ISAE 3000").

The nature, timing and extent of the selected procedures depend on the auditor's judgement. Reasonable assurance is a high degree of assurance, but is not a guarantee that a verification performed in accordance with the aforesaid standard will in all cases detect any potential existing significant (material) non-compliance with the ESEF Regulation.

Using the selected procedures, we performed the following activities:

- We familiarized ourselves with the requirements of the ESEF Regulation;

This report constitutes the auditor's report, which relates solely and exclusively to the official annual financial report prepared in XHTML format. This is a translation of the original Czech Auditor's Report on the accompanying financial statements. Therefore, in the event of any inconsistency between the English and the Czech version, the Czech version shall prevail.

- we familiarized ourselves with the Company's internal controls relevant to the application of the requirements of the ESEF Regulation;
- We identified and assessed the risks of a significant (material) non-compliance with the requirements of the ESEF Regulation due to fraud or error; and as a result
- Proposed and performed procedures to address the assessed risks and to obtain reasonable assurance for the purpose of expressing our conclusion.

The goal of our procedures was to assess whether

- The financial statements included in the annual financial report were prepared in a valid XHTML format;
- The information in the consolidated financial statements, where required by the ESEF Regulation, were tagged and all tagging complies with these requirements:
 - XBRL markup language was used;
 - The elements of the basic taxonomy specified in the ESEF Regulation with the closest accounting relevance were used, unless an element of an extension taxonomy was created in accordance with Annex IV of the ESEF Regulation;
 - The tagging is in accordance with the common tagging rules of the ESEF Regulation.

We believe that the obtained evidence provides a sufficient and appropriate basis for our conclusion.

Conclusion

In our opinion, the Company's financial statements for the year ended 31 December 2025 included in the annual financial report comply, in all significant (material) aspects, with the requirements of the ESEF Regulation.

In Prague, on 27 April 2026

Grant Thornton Audit

Grant Thornton Audit s.r.o.

Pujmanové 1753/10a, 140 00 Prague 4 - Nusle

License no. 603

J. Pešičková

Mgr. Jitka Pešičková
Auditor, License no. 2106



- 8. Separate Financial Statements of Primoco UAV SE in accordance with International Financial Reporting Standards as of 31 December 2025**

PRIMOCO UAV SE

SEPARATE FINANCIAL STATEMENTS

IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

AS AT 1 January 2025 TO 31 December 2025

Prague, 27 April 2026



Ladislav Semetkovský,
Chairman of the Board of Directors

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- 2. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025**

1. Financial Statements in accordance with IFRS

Statement of comprehensive income

		2025	2024
		Thous. CZK	Thous. CZK
	Note		
Revenues from contracts with customers	9	357,551	403,654
Other operating income	10	7,236	6,423
Change in inventories of finished goods and work in progress	19	-28,154	-25,174
Consumption of materials and energy	19	166,459	219,304
Personnel expenses	27	42,682	32,695
Services and repairs and maintenance expenses	11	32,236	37,097
Depreciation and amortisation expenses		10,333	7,096
Other operating expenses	12	8,247	554
Finance costs	13	1,621	2,779
Finance income	13	5,140	15,907
Profit/(loss) before tax		136,503	151,633
Income tax	25	29,289	31,890
Profit for the period		107,214	119,743
Earnings per share	14		
- Basic, earnings per share attributable to holders of ordinary shares of the parent		22.77	25.43
OTHER COMPREHENSIVE INCOME			
Total other comprehensive income		-	-
Total comprehensive income for the period		107,214	119,743

Statement of financial position

		2025	2024	2023
		thous. CZK	thous. CZK	thous. CZK
	Note			
ASSETS				
Non-current assets				
Land, buildings and equipment	16	173,255	144,108	42,699
Intangible assets	15	17,516	15,290	10,221
Long-term financial investments	17	100	100	100
Right-of-use assets	18	5,466	1,704	1,341
Deferred tax assets	25	-	100	510
		<u>196,337</u>	<u>161,302</u>	<u>54,871</u>
Current Assets				
Inventories	19	117,427	97,579	58,912
Trade receivables and other receivables	9.1.	1,894	2,364	2,674
Tax receivables	25	6,791	-	-
Other current receivables and financial assets	21	1,855	3,055	2,582
Cash and cash equivalents	22	474,873	187,671	239,472
		<u>602,840</u>	<u>290,669</u>	<u>303,640</u>
TOTAL ASSETS		<u>799,177</u>	<u>451,971</u>	<u>358,511</u>
EQUITY				
Share capital	26	4,709	4,709	4,709
Share premium	26	159,269	159,269	159,269
Other reserves		-	-	-
Retained earnings	26	380,210	272,995	153,249
Total equity		<u>544,188</u>	<u>436,973</u>	<u>317,227</u>
Non-current liabilities				
Lease liabilities	18	3,800	-	-
Deferred tax liabilities		318	-	-
		<u>4,118</u>	<u>-</u>	<u>-</u>
Current liabilities				
Trade and other payables	23	4,397	1,459	495
Contract liabilities	9.2.	244,485	-	60
Lease liabilities	18	1,789	1,735	1,361
Government grants		-	285	-
Income tax liabilities		-	11,319	39,168
Provisions	24	200	200	200
		<u>250,871</u>	<u>14,998</u>	<u>41,284</u>
Total liabilities		<u>254,989</u>	<u>14,998</u>	<u>41,284</u>
TOTAL EQUITY AND LIABILITIES		<u>799,177</u>	<u>451,971</u>	<u>358,511</u>

Statement of changes in equity

	Note	Share capital	Share premium	Retained earnings	Total equity
In thous. CZK					
As at 1 January 2024		4,709	159,269	153,249	317,227
Profit for the period		-	-	119,743	119,743
Total comprehensive income for the period		-	-	119,743	119,743
As at 31 December 2024		4,709	159,269	272,995	436,973
As at 1 January 2025		4,709	159,269	272,995	436,973
Profit for the period		-	-	107,214	107,214
Profit for the period		-	-	-	-
Total comprehensive income for the period		-	-	107,214	107,214
As at 31 December 2025		4,709	159,269	380,210	544,188

Statement of cash flows

thous. CZK	Note	2025	2024
Cash flows from operating activities			
Profit before tax		136,504	151,636
Adjustments:			
Depreciation and amortisation		10,333	7,096
Finance income	13	-4,138	-7,643
Finance costs	13	242	77
Foreign exchange differences		1,928	-
Gain on disposal of land, buildings and equipment		-528	209
Other non-cash items		1,200	-473
Changes in working capital:		-	-
Change in trade receivables and other receivables		470	310
Change in inventories		-19,848	-38,667
Change in trade and other payables		247,137	1,189
		373,300	113,734
Interest received		4,138	7,643
Interest paid on lease liabilities	18	-242	-77
Income tax paid		-46,980	-59,329
Net cash flows from operating activities		330,216	61,971
Cash flows from investing activities			
Proceeds from disposal of land, buildings and equipment		4,873	578
Purchase of land, buildings and equipment		-42,000	-107,462
Purchase of intangible assets		-2,226	-5,069
Net cash flows from investing activities		-39,353	-111,953
Cash flows from financing activities			
Repayments of lease liabilities	18	-1,733	-1,819
Net cash flows from financing activities		-1,733	-1,819
Net increase in cash and cash equivalents		289,130	-51,801
Effect of exchange rate changes		-1,928	-
Cash and cash equivalents at the beginning of the period		187,671	239,472
Cash and cash equivalents at the end of the period	22	474,873	187,671

3. Notes to the financial statements for the year ended 31 December 2025

1. Company Information

Primoco UAV SE (the “Company”) is a joint-stock company incorporated and domiciled in the Czech Republic, whose shares are publicly traded on the Prague Stock Exchange. The Company is registered at Výpadová 1563/29f, 153 00 Prague 5. The Company’s identification number is 037 94 393. The Company is the sole shareholder of Primoco UAV Defence s.r.o., with its registered office at Výpadová 1563/29f, 153 00 Prague 5 (hereinafter referred to as “Primoco Defence” or the “Subsidiary”).

The shareholders holding significant voting rights in the Company are Primoco Capital, s.r.o. (50.4%) and a qualified shareholder (21%). The remaining 28.6% of the Company’s shares are free float.

The Company is engaged in the manufacture and sale of medium-sized, fully autonomous unmanned aerial vehicles (UAVs) and the provision of related aviation services.

The Company has its own research and development team and trained personnel capable of producing up to 60 aircraft per year. The aircraft are manufactured and assembled using in-house components, including the engine, airframe and other parts. In 2018, the Company conducted an initial public offering of approximately six per cent of its shares on the Prague Stock Exchange. Through the subscription, the Company raised CZK 63 million, which it used, among other things, for the acquisition of the factory airport in Písek-Krašovice. The Company continues its operations and develops its capabilities in the field of unmanned aircraft without foreign capital, bank loans or subsidies. In addition, the Company raised new funds in the amount of CZK 90.5 million through a secondary share issue in 2021.

The Company holds ISO 9001 certification and is a certified organisation for the design and manufacture of military aviation equipment (DOA/POA). In 2019, through its subsidiary Primoco UAV Defence, s.r.o., the Company obtained a licence from the Ministry of Industry and Trade of the Czech Republic for trading in military material. In 2023, the Company received the EASA LUC (Light UAS Operator Certificate) from the Civil Aviation Authority of the Czech Republic. The Company does not manufacture or sell combat unmanned aircraft with munitions. It uses military material only at the level of sensors, specialised electronics and software. The principal markets targeted by the Company are primarily Europe, the Middle East, Africa and Asia. The Company offers customers clearly demonstrable economic benefits compared with the use of alternative solutions (e.g. helicopters).

2. Basis of Preparation

The separate financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (“IFRS”). The separate financial statements have been prepared on a historical cost basis. The separate financial statements are presented in Czech crowns, and all amounts are rounded to thousands of CZK unless stated otherwise. The separate financial statements have been prepared on a going concern basis. The financial year of the accounting entity begins on 1 January and ends on 31 December.

Remuneration of the audit firm

Grant Thornton Audit s.r.o. provided audit services for 2024 and 2025. The fees for audit services for 2024 are disclosed in the Consolidated Annual Financial Report for the period from 1 January 2025 to 31 December 2025.

3. First-time adoption of IFRS

The separate financial statements for the year ended 31 December 2025 are the first financial statements that the Company has prepared in accordance with IFRS.

The Company has prepared separate financial statements that comply with IFRS standards effective for the period ended 31 December 2025, together with comparative information as at 31 December 2024, as described in the accounting policies in Note 4. In preparing these financial statements, the Company's opening statement of financial position was prepared as at 1 January 2024, being the date of the Company's transition to IFRS.

In preparing the opening statement of financial position at the date of transition to IFRS, the Company applied IFRS 1 First-time Adoption of International Financial Reporting Standards. IFRS 1 sets out the procedures that the Company must follow when it first applies IFRS as the basis for preparing separate financial statements. The Company is required to establish its accounting policies under IFRS as at 31 December 2025 and to apply them generally retrospectively in determining the opening IFRS statement of financial position at the date of transition, i.e. 1 January 2025. IFRS 1 permits certain exemptions from the retrospective application of certain IFRS requirements effective for the period ended 31 December 2025.

Estimates

The estimates as at 1 January 2025 and 31 December 2025 are consistent with the estimates made as at the same dates under Czech Accounting Standards ("CAS") (after adjustments to reflect any differences in accounting policies).

Determining whether a contract contains a lease

The Company assessed all contracts existing as at 1 January 2024 to determine whether a contract contains a lease based on the facts and circumstances existing as at 1 January 2024.

Reconciliation of comprehensive income:

Thous. CZK	2024
Profit for the period under Czech Accounting Standards	119,756
<u>Effects of changes in accounting policies:</u>	
Impact of leases	-13
Profit for the period under IFRS	119,743

Reconciliation of equity:

Thous. CZK	31 December 2024	1 January 2024
Total equity under Czech Accounting Standards	465,122	342,992
<u>Effects of changes in accounting policies:</u>		
Impact of leases	-32	-19
Impact of financial investment	-28,121	-25,746
Rounding	4	
Total equity under IFRS	436,973	317,227

Leases

The adoption of IFRS changed the Company’s accounting for leases. Under CAS, lease payments were recognised evenly as an expense. Under IFRS, lease payments are capitalised as right-of-use assets, which are depreciated over the lease term, and as lease liabilities together with accrued interest on the lease liability.

Long-term financial investments

An investment in a subsidiary measured using the equity method under CAS was measured at cost.

The application of IFRS had no significant impact on the presentation of cash flows, except for repayments of the principal portion of lease liabilities, which are included in cash flows from financing activities rather than cash flows from operating activities under CAS.

A detailed reconciliation of the impact of the transition to IFRS on the statement of financial position is set out below:

thous. CZK	31 December 2024	1 January 2024
<u>Effects of changes in accounting policies:</u>		
Right-of-use assets	1,704	1,341
Lease liabilities	-1,735	-1,361
Long-term financial investments	-28,121	-25,746
Rounding	3	1
Impact on total equity	-28,149	-25,765

4. Significant accounting policies

The accounting policies applied in the preparation of the Separate Financial Statements are set out below. These accounting policies have been applied consistently in all material respects throughout the periods presented.

4.1. Revenue from contracts with customers

Revenue recognition

Revenue is recognised when the Company satisfies a performance obligation and when the amount of revenue can be measured reliably. The Company recognises revenue in an amount that reflects the consideration to which the Company expects to be entitled (net of expected discounts) in exchange for transferring goods or services to a customer.

All contracts with customers are analysed after conclusion in order to identify all performance obligations owed to the customer. The transaction price is then determined and allocated to the individual performance obligations based on their stand-alone selling price. Subsequently, revenue is recognised for the individual performance obligations in the relevant amount either at a point in time or over time, when control over the goods or services passes to the customer.

Revenue from the sale of aircraft, control units, payloads and spare parts is recognised when control passes to the customer and the amount of revenue is agreed or reliably determinable and collection is probable. This generally corresponds to the point in time when the products are delivered to the customer.

Revenue from the sale of services that are sold together with the aircraft but are distinct from it (e.g. training of pilots and mechanics), and which will be provided in future periods, is identified as separate performance obligations and recognised when the service is provided, or on a straight-line basis over the relevant period if the services are provided continuously over several months. The payment received is initially recognised within contract liabilities from payments received and is subsequently released to revenue depending on the duration of the service contract.

Contract assets

A contract asset is the Company’s right to consideration in exchange for goods, products or services that it has transferred to a customer. If the Company performs by transferring goods, products or services to a customer before the customer pays consideration, or before payment becomes due, the Company recognises that conditional consideration as a contract asset.

Contract liabilities

A contract liability is recognised when consideration has been received from a customer, or when consideration is due (whichever occurs earlier), before the Company provides the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e. transfers control of the related goods or services to the customer).

Trade receivables

A receivable is recognised when the Company has an unconditional right to consideration (i.e. only the passage of time is required before payment of that consideration is due).

4.2. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. Internally generated intangible assets, except for capitalised development costs, are not capitalised and the related expenditure is recognised in profit or loss in the period in which it is incurred. Directly attributable costs capitalised as part of software include employee costs and an appropriate portion of related overheads. Capitalised development costs are recognised as intangible assets and amortised from the date the asset is available for use.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over their useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are treated as changes in the amortisation period or method and are accounted for as changes in accounting estimates.

Amortisation of intangible assets with finite useful lives is recognised on a straight-line basis over the estimated useful life as follows:

	Years
Development results	6
Software	3
Other valuable rights	6
Other long-term intangible assets – STANAG certification	6
Other long-term intangible assets	1.5

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

4.2. Land, buildings and equipment

Land, buildings and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Cost includes the total amount paid and the fair value of any other consideration given to acquire the asset, and includes costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating as intended.

Where significant parts of land, buildings and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of land, buildings and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is recognised on a straight-line basis over the estimated useful lives of the assets as follows:

	Years
Buildings	20-30
Vehicles	5
Test aircraft	5
Negative moulds	3
Other tangible assets	3-5

Land and construction in progress are not depreciated.

Land, buildings and equipment and any significant parts initially recognised are derecognised upon disposal or when no future economic benefits are expected from their use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of land, buildings and equipment are reviewed at the end of each reporting period and adjusted prospectively, if appropriate.

Items of land, buildings and equipment with a useful life longer than one year and a cost lower than CZK 80 thousand are charged directly to expenses.

4.3. Impairment of assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the recoverable amount of the asset. The recoverable amount of an asset or cash-generating unit (“CGU”) is the higher of the asset’s or CGU’s fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are

corroborated by valuation multiples, quoted share prices of publicly traded companies or other available indicators of fair value.

Impairment losses from continuing operations are recognised in profit or loss.

For assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses no longer exist or may have decreased. If such indication exists, the Company estimates the recoverable amount of the asset or CGU. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 December, either individually or at the cash-generating unit level, when circumstances indicate that the carrying amount may be impaired.

4.5. Leases

Identification of the lease subject matter – lease contract

A lease is a contract, or part of a contract, that conveys the right to use an identified asset for a period of time in exchange for consideration. At inception of a contract, the Company assesses whether the contract is, or contains, a lease. The Company reassesses whether a contract is, or contains, a lease only if the terms and conditions of the contract are changed.

The Company assesses whether the contract conveys the right to control the use of an identified asset for a period of time on the basis that:

- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use;
- the lease is agreed for a specific asset and the lessor has no right to substitute it or to gain financially from such substitution;
- the Company has the right to control the use of the identified asset;
- the lease term is longer than 12 months (short-term lease exemption permitted under IFRS 16); and
- the value of the new asset is higher than CZK 80,000 (low-value asset exemption permitted under IFRS 16).

The Company assesses whether a contract contains a lease separately for each potential lease component.

The Company has no external subleases outside the Company and no contracts under which the Company is the lessor.

Lease liability

At the commencement date, the lessee measures the lease liability at the present value of the lease payments that are not paid at that date. Lease payments are payments made by the lessee to the lessor for the right to use the underlying asset during the lease term. These payments include:

- fixed payments (less any lease incentives),
- variable lease payments that depend on an index or a rate,
- purchase option payments if the lessee is reasonably certain to exercise the option,
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, variable lease payments that are not included in the measurement of the lease liability are recognised in profit or loss in the period in which the event or condition that triggers those payments occurs. Interest on the lease liability is a finance cost of the Company.

Right-of-use asset

The Company measures the right-of-use asset at the commencement date on the basis of the lease contract. This measurement is based on:

- the amount of the lease liability increased by any lease payment made by the Company before the commencement date (less lease incentives – discounts);
- initial direct costs of the lease paid by the Company;
- the estimated amount of costs to dismantle and remove the identified asset or to restore the site on which the asset was located; and
- an increase for the costs of modifications and reconstruction of the asset required by the lease contract, by creating a provision in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Right-of-use assets are generally depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term.

4.6. Foreign currency transactions

The Company's separate financial statements are presented in Czech crowns. Items included in the financial statements of each accounting unit are measured using that functional currency.

Foreign currency transactions of the Company are initially recorded at the functional currency exchange rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot exchange rate at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss as finance income and costs. Non-monetary items measured at historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Gain or loss on translation of non-monetary items measured at fair value is recognised consistently with the recognition of the gain or loss on the change in fair value of the item.

4.7. Financial instruments (IFRS 9)

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Financial assets are classified based on the Company's business model and the characteristics of the contractual cash flows. Under IFRS 9, financial assets are classified into the following categories: financial assets subsequently measured at amortised cost ("AC"), financial assets measured at fair value through other comprehensive income ("FVTOCI"), and financial assets measured at fair value through profit or loss ("FVTPL").

Trade receivables and other receivables that do not contain a significant financing component, or for which the Company has applied the practical expedient, are measured at the transaction price determined under IFRS 15.

The Company's financial assets include cash and trade and other receivables without a significant financing component, which meet the criteria for classification as AC.

Trade receivables and other receivables

Trade receivables and other receivables are recognised at the original invoiced amount less an allowance for impairment of these receivables.

A description of the Company's rules for impairment of receivables is set out below and further information on trade and other receivables is disclosed in Note 20.

Impairment of financial assets measured at amortised cost

As the Company's financial statements include only financial assets representing trade receivables and other receivables that do not contain a significant financing component, the Company applies the simplified approach in calculating expected credit losses ("ECL"). The Company therefore does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL at each reporting date. The carrying amount of the asset is reduced either directly or through an allowance account. The amount of the loss is recognised in profit or loss.

The simplified approach adopted by the Company uses elements of the general approach, the main difference being that no staging of financial assets is applied.

The determination of the amount of ECL is based on three components used by the Company: probability of default ("PD"), exposure at default ("EAD") and loss given default ("LGD"):

- PD is an estimate of the probability of default over a given time period. It is calculated from a combination of customers' financial condition and performance, transactional data, volumes and payment behaviour. The set of variables differs depending on the scorecards applied to customers, which are determined by their country of residence.
- EAD is an estimate of the exposure at a future default date, taking into account expected changes in exposure after the reporting period, including repayments of principal and interest and expected drawdowns of allocated credit limits.
- LGD is an estimate of the loss arising in the event of default. It is based on the difference between the contractual cash flows due and the cash flows that the creditor would expect to receive, including from any collateral. It is usually expressed as a percentage of EAD.

Impaired receivables are written off when they are assessed as uncollectible.

Financial liabilities

Financial liabilities are classified primarily in the fair value measurement category. The Company's financial liabilities include trade and other payables.

Trade and other payables

Trade payables are recognised at nominal value, which is considered to be substantially equivalent to fair value.

Derecognition

A financial liability is derecognised when the obligation is discharged, cancelled or expires. When an existing financial liability is replaced by another liability from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a

derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

4.8. Inventories

Inventories are measured at the lower of cost and net realisable value.

Costs are assigned to individual items on the basis of the first-in, first-out (“FIFO”) method (the initial cost used on recognition of an increase in inventories is used as the initial cost on recognition of a decrease in inventories). The cost of purchased inventories includes acquisition-related costs (transport, customs duties, commissions, etc.).

Inventories created internally are measured at production cost, which includes direct costs incurred in production or other activity and, where appropriate, a portion of indirect costs relating to production or other activity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

4.9. Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash on hand and cash at banks.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts, as these are considered an integral part of the Company’s cash management.

4.10. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount of the obligation can be estimated reliably. The expense relating to a provision is recognised in profit or loss.

Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that, where appropriate, reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

4.11. Cash dividends to the Company’s shareholders

The Company recognises a liability to pay cash distributions to the Company’s shareholders when the distribution is authorised and is no longer at the discretion of the Company. Under Czech company law, a distribution is authorised when it is approved by the shareholders. The corresponding amount is recognised directly in equity.

4.12. Taxes

Current tax

Current income tax assets and liabilities for the accounting period are measured at the amount expected to be recovered from, or paid to, the tax authorities. The tax rates and tax laws used to compute the amount are those enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss. The Company’s management regularly evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. As at 31 December 2024 and 2025, no tax provisions were recognised.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss;
- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and that taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority.

Tax benefits acquired as part of a business combination that do not satisfy the criteria for separate recognition at that date are recognised subsequently if new information about facts and circumstances changes. The adjustment is either treated as a reduction of goodwill (provided it does not exceed goodwill), if incurred during the measurement period, or recognised in profit or loss.

5. Adoption of new or revised standards

The amendments do not have a significant impact on the individual financial statements.

5.1. Application of new IFRS accounting standards – New or amended standards effective and endorsed by the European Union

IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (Amendment)

The amendment is effective for annual periods beginning on or after 1 January 2025, with earlier application permitted. It clarifies how an entity should assess whether a currency is exchangeable and how it should determine the spot exchange rate when a currency is not exchangeable. A currency is considered exchangeable if an entity is able to obtain another currency within a timeframe that allows for a normal administrative delay, through a market or exchange mechanism that creates enforceable rights and obligations.

If a currency is not exchangeable, an entity is required to estimate the spot exchange rate at the measurement date. The objective is to determine the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. In accordance with the amendment, an entity may use an observable exchange rate without adjustment or apply another estimation technique.

5.2. New or amended standards issued but not yet effective and not early adopted by the Company

IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments (Amendments)

In May 2024, the IASB issued amendments relating to the Classification and Measurement of Financial Instruments, amending IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures.

The amendments are effective for annual periods beginning on or after 1 January 2026, with earlier application permitted. Early application of the amendments relating to the classification of financial assets and related disclosures is permitted, with the option to apply the remaining amendments at a later date. The amendments clarify that a financial liability is derecognised at the “settlement date”, when the obligation is discharged, cancelled, expires or otherwise meets the criteria for derecognition. An accounting policy option is introduced to derecognise liabilities settled through electronic payment systems before the settlement date, subject to certain conditions. The amendments also provide guidance for assessing the contractual cash flow characteristics of financial assets that include environmental, social or governance (ESG) features or other similar contingent features. In addition, the amendments clarify the treatment of non-recourse assets and contractually linked instruments and require additional disclosures under IFRS 7 for financial assets and liabilities with references to contingent events (including ESG-linked features) and equity instruments measured at fair value through other comprehensive income.

IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures – Contracts Referencing Electricity Dependent on Renewable Sources (Amendments)

In December 2024, the IASB issued targeted amendments aimed at better reflecting contracts referencing electricity dependent on renewable sources, amending IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures.

The amendments are effective for annual periods beginning on or after 1 January 2026, with earlier application permitted. The amendments include clarification of the application of the “own use” requirements, permit hedge accounting where contracts within the scope of the amendments are used as hedging instruments and introduce new disclosure requirements to enable investors to understand the impact of such contracts on the Company’s financial performance and cash flows. The clarification of the “own use” requirements must be applied retrospectively, while the guidance permitting hedge accounting must be applied prospectively to new hedging relationships designated on or after the date of initial application.

Annual Improvements to IFRS Accounting Standards – Volume 11

In July 2024, the IASB issued Annual Improvements to IFRS Accounting Standards – Volume 11. An entity shall apply these amendments for annual periods beginning on or after 1 January 2026, with earlier application permitted.

The annual improvements process of the IASB addresses non-urgent but necessary clarifications and amendments to IFRS. The July 2024 Annual Improvements – Volume 11 includes amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7. These changes are intended to clarify wording, correct minor unintended consequences, omissions or inconsistencies between requirements in the standards.

5.3. New or amended standards not yet effective and not yet endorsed by the European Union

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 – Presentation and Disclosure in Financial Statements, which replaces IAS 1 – Presentation of Financial Statements and will be effective for annual periods beginning on or after 1 January 2027, with earlier application permitted.

IFRS 18 introduces new requirements for presentation in the statement of profit or loss. It requires entities to classify all income and expenses into one of five categories: operating; investing; financing; income tax; and discontinued operations. These categories are complemented by requirements to present subtotals and totals for “operating profit or loss”, “profit or loss before financing and income tax”, and “profit or loss”. The standard also requires disclosure of management-defined performance measures and introduces new requirements for aggregation and disaggregation of financial information based on identified “roles” in the financial statements and notes. In addition, consequential amendments to other IFRS standards will be made. IFRS 18 will be effective for annual periods beginning on or after 1 January 2027, with earlier application permitted. Retrospective application is required for both annual and interim financial statements.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19 – Subsidiaries without Public Accountability: Disclosures, and in August 2025 issued amendments to IFRS 19. The standard IFRS 19 (including the amendments) will be effective for annual periods beginning on or after 1 January 2027, with earlier application permitted.

IFRS 19 allows subsidiaries without public accountability to apply reduced disclosure requirements if their parent (ultimate or intermediate) prepares publicly available individual financial statements in accordance with IFRS Accounting Standards. These subsidiaries must continue to apply recognition, measurement and presentation requirements in other IFRS standards. Unless otherwise specified, entities electing to apply IFRS 19 are not required to apply disclosure requirements in other IFRS standards. The amendments issued in August 2025 reduce the scope of disclosure requirements of new IFRS standards that were originally included in full upon the

initial issuance of IFRS 19. IFRS 19 (including amendments) will be effective for annual periods beginning on or after 1 January 2027, with earlier application permitted.

IAS 21 The Effects of Changes in Foreign Exchange Rates: Translation into a Hyperinflationary Presentation Currency (Amendments)

In November 2025, the IASB issued amendments on Translation into a Hyperinflationary Presentation Currency, amending IAS 21 The Effects of Changes in Foreign Exchange Rates. The amendments will be effective for annual periods beginning on or after 1 January 2027, with earlier application permitted.

The amendments require translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency using the closing rate. Where an entity's functional currency is that of a non-hyperinflationary economy but its presentation currency is that of a hyperinflationary economy, the financial position and performance are translated into the presentation currency by translating all amounts (i.e. assets, liabilities, equity items, income and expenses) and all comparative information at the closing rate at the date of the most recent statement of financial position. An entity whose functional and presentation currencies are both those of a hyperinflationary economy restates comparative information of a foreign operation whose functional currency is that of a non-hyperinflationary economy using a general price index. The amendments also introduce additional disclosure requirements and have not yet been endorsed for use in the EU.

IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)

In December 2015, the IASB deferred the effective date of these amendments indefinitely; the effective date will be determined based on the outcome of a research project on the equity method.

The amendments address an inconsistency between the requirements of IFRS 10 and IAS 28 regarding the accounting for the loss of control of a subsidiary in the context of a sale or contribution to an associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when the assets involved in the transaction constitute a business (whether or not it is housed in a subsidiary). Conversely, when the assets do not constitute a business (even if they are housed in a subsidiary), only a partial gain or loss is recognised.

Based on the Company management's assessment, the adoption of these standards, amendments to existing standards and interpretations in the period of their initial application is not expected to have a material impact on the Company's consolidated financial statements.

6. Significant accounting judgements, estimates and assumptions

The preparation of the consolidated financial statements requires the use of estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, as well as the disclosure of contingent liabilities at the reporting date. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amounts of the affected assets or liabilities in future periods.

Management has based these estimates and assumptions on all relevant information available to it. Since the issuance of the previous financial statements, there have been no changes in the nature or magnitude of the estimates used.

Set out below are the key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period. The Company based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market developments or circumstances beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Useful lives of non-current assets

The Company reassesses the useful lives of assets and, where appropriate, adjusts the depreciation methods at the reporting date, taking into account the current condition of the assets and the related investment plans for future periods.

Leases

The Company has applied judgement in determining the lease term for certain lease contracts that include extension or termination options or are agreed for an indefinite period. The assessment of whether the Company is reasonably certain to exercise such options, and the assessment of how long the Company will use the underlying assets under contracts agreed for an indefinite period, affects the lease term, which has a significant impact on the recognised lease liabilities and right-of-use assets.

7. Information about the Company

The Company was incorporated on 12 February 2015 by registration in the Commercial Register as a joint-stock company.

Name	Main activity	Seat	Address	ID Number	Registration number
Primoco UAV SE	UAV manufacturing	Czech Republic	Výpadová 1563/29f, 153 00 Prague 5	03794393	H 1546 with the Municipal Court in Prague

All shares are ordinary shares unless stated otherwise.

7.1. Company Management

The day-to-day operations of the Company’s companies are managed by management. Strategic and long-term decisions regarding significant investments and the overall direction of the Company’s development are subject to approval by the Company’s management.

The Board of Directors is the highest governing body of the parent company, responsible for the Company’s business management and acting on behalf of the Company in all matters not reserved by the articles of association or by law to the General Meeting or the Supervisory Board. The Supervisory Board is the Company’s supervisory body, overseeing the activities of the Board of Directors and the Company’s operations.

As at 31 December 2025, the Company’s management had the following composition:

Management

Ladislav Semetkovský	Chairman of the Board of Directors, CEO
Petr Kováč	Member of the Board of Directors
Romana Wylle	Member of the Board of Directors

Jaroslav Svoboda	Manufacturing Director
Josef Šťastný	Technical Director
Jakub Toman	Chief Pilot
Miroslav Mišík	Financial Director
Vladan Ševčík	Quality Director
Jakub Fojtík	Business Director
Lenka Holsteinová	Director of Legal Affairs and General Counsel

Supervisory Board

Jan Sechter	Chairman of the Supervisory Board
Vladan Ševčík	Member of the Supervisory Board
Jakub Fojtík	Member of the Supervisory Board

Audit Committee*

Petr Babický	Chairman of the Audit Committee
Jan Vengláš	Member of the Audit Committee
Rostislav Kuneš	Member of the Audit Committee

* On 30 January 2026, the General Meeting approved the members of the Audit Committee.

8. Information about Segments

Management is the chief operating decision maker (CODM) and monitors operating results and performance indicators in order to make decisions about resource allocation and to assess performance at the level of a single segment (i.e. the Company as a whole).

The Company is therefore presented as a single operating segment.

9. Revenue from contracts with customers

The Company consists of a single segment engaged in the sale of aircraft and related equipment and services.

The timing of revenue recognition was as follows:

thous. CZK	2025	2024
Goods and services transferred at a point in time	357,551	403,654
Total revenue from contracts with customers	357,551	403,654

Services provided to customers include training of pilots and aircraft operators, which are delivered at the time the aircraft is handed over to the customer.

In total, services provided as part of aircraft sales amounted to CZK 21,025 thousand in 2025 (2024: CZK 1,180 thousand).

9.1. Contract balance

thous. CZK	2025	2024	K 1 January 2024
Trade receivables	1.149	1.929	2.268
Contract assets	-	-	-
Contract liabilities	244.485	-	60

Contract liabilities represent advance payments received from customers with whom contracts for the purchase of aircraft have been concluded.

9.2. Performance obligations

A typical contract with a customer includes several performance obligations. The transaction price is allocated to these obligations based on their standalone selling prices. Information about the Company's performance obligations is set out below:

Manufacture and delivery of aircraft and related equipment

The performance obligation is satisfied at the point in time when the aircraft and equipment are delivered and handed over to the customer.

Payment is divided into two instalments. 50% of the consideration is payable within 14 days of signing the contract, and the remaining amount is payable 14 days prior to the agreed delivery date to the customer.

Training of pilots and mechanics

These performance obligations are satisfied over time, and the consideration for these services is included in the transaction price specified in the contract.

The Company recognises contract liabilities for these obligations and recognises revenue over time, typically over a period of 2–3 months, depending on how the customer receives and consumes the benefits from the services.

Remote pilot support

Customers may order remote pilot support measured in flight hours under the contract.

As this service is prepaid by the customer, the Company recognises a contract liability and satisfies the obligation over time in line with customer demand and consumption of flight hours.

thous. CZK	2025	2024	As of 1 January 2024
Opening balance	-	60	-5
Additions	244,485	-	60
Release	-	60	5
Total	244,485	0	60

10. Other operating income

thous. CZK	2025	2024
Revenue from the sale of intangible and tangible non-current assets	4,873	578
Income from government grants	1,677	5,753
Other operating income	686	92
Total other operating income	7,236	6,423

On 23 November 2022, the Company entered into a Grant Agreement (Project 101073911 — I-SEAMORE: INTEGRATED SURVEILLANCE ECOSYSTEM FOR EUROPEAN AUTHORITIES RESPONSIBLE FOR MARITIME OPERATIONS LEVERAGED BY RELIABLE AND ENHANCED AERIAL SUPPORT), supported under the HORIZON-CL3-2021-BM-01 call by the European Research Executive Agency (REA).

The agreement was concluded with the coordinating entity: ATOS IT SOLUTIONS AND SERVICES IBERIA SL (ATOS IT), PIC 952979120, established at RONDA DE EUROPA 5, TRES CANTOS, MADRID 28760, Spain.

The grant was provided under an EU funding programme focused on security and environmental protection and forms part of a project financed from EU funds.

The grant was awarded for a fixed period from 1 January 2023 to 31 October 2025. As at the reporting date, the grant has not yet been finally approved and closed. Until 30 June 2023, the beneficiary on our side was Primoco UAV Defence, s.r.o.; from 1 July 2023, it is Primoco UAV SE.

The objective of the project is to develop a platform integrating infrastructure in the form of unmanned aerial vehicles equipped with sensors for data collection, additional open (satellite) data sources, and a software layer based on artificial intelligence for data analysis. The platform is intended to support end users in monitoring extensive maritime borders and coastal areas, analysing potential threats, supporting search and rescue operations, and detecting illegal activities.

Prefinancing for both entities amounts to EUR 419,015.63 (75% of the grant).

At the end of 2024 and 2025, the Company prepared and submitted the final report and recognised the related expenditure movements in other operating income.

11. Costs of services and repairs and maintenance

thous. CZK	2025	2024
Repairs and maintenance	1,121	509
Commissions	-	-
External contractors	6,433	6,928
Other services	24,682	29,660
Total costs of services, repairs and maintenance	32,236	37,097

12. Other operating expenses

thous. CZK	2025	2024
Insurance expenses	2,171	1,403
Capitalization of non-current assets	-	-2,904
Other operating expenses	6,076	2,055
Total other operating expenses	8,247	554

13. Finance income and costs

thous. CZK	2025	2024
Interest expense on lease liabilities	242	77
Bank charges	37	64
Foreign exchange losses	1,342	2,638
Total finance costs	1,621	2,779
Interest income	4,138	7,643
Foreign exchange gains	1,002	8,264
Total finance income	5,140	15,907

14. Earnings per share

The following table reflects the income and shares data used in the calculation of basic earnings per share.

In 2024 and 2025, no share options or other convertible instruments were issued, nor were there any additional share issuances. As a result, there are no dilutive effects, and the weighted average number of ordinary shares remained unchanged and corresponds to the original issue.

Earnings per share

thous. CZK	2025	2024
Earnings	107,214	119,743
Number of shares	4,709	4,709
EPS	22.77	25.43

15. Intangible assets

Cost of intangible assets:

Thous. CZK	Purchased software	Patents and rights	Other intangible assets	Development costs	Intangible assets under construction	Total
1 January 2024	752	-	1,125	6,112	5,633	13,622
Additions	685	-	1,036	1,364	6,311	9,396
Transfer	-	-	-	-	-2,336	-2,336
31 December 2024	1,437	-	2,161	7,476	9,608	20,682
Additions	-	-	-	-	6,557	6,557
Transfer	1,891	-	9,482	-	-11,373	-

31 December 2025	3,328	-	11,643	7,476	4,792	27,239
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Accumulated amortization and impairment of intangible assets:

Thous. CZK	Purchased software	Patents and rights	Other intangible assets	Development costs	Intangible assets under construction	Total
1 January 2024	739	-	102	2,560	-	3,401
Amortization	76	-	258	1,657	-	1,991
31 December 2024	815	-	360	4,217	-	5,392
Amortization	526	-	1,920	1,885	-	4,331
31 December 2025	1,341	-	2,280	6,102	-	9,723

Net book value

1 January 2024	13	-	1,023	3,552	5,633	10,221
31 December 2024	622	-	1,801	3,259	9,608	15,290
31 December 2025	1,987	-	9,363	1,374	4,792	17,516

Significant assets

In 2025, the Company successfully completed certification under NATO STANAG 4703. The One 150M is the first military unmanned aircraft in the world to obtain this certification. Costs of services related to the certification process were recognised as intangible assets under construction and subsequently capitalised as Other intangible assets – STANAG certification. The Company continues further development of the certification process.

In 2025, the Company also participated in achieving a higher level of STANAG certification. Services related to the certification were recognised as intangible assets under construction.

In the same year, the Company further invested in the development of know-how in the field of aviation technology.

16. Property, plant and equipment

Cost of property, plant and equipment:

Thous. CZK	Land	Buildings	Vehicles	Machinery and equipment	Assets under construction	Other tangible assets	Total
1 January 2024	19,466	10,522	10,939	5,507	4,824	-	51,258
Additions	95,021	-	4,703	4,363	105,394	77	209,558
Transfer	-	-	-	-	-104,087	-	-104,087
Disposals	-	-	-1,000	-	-	-	-1,000
31 December 2024	114,487	10,522	14,642	9,870	6,131	77	155,729

Additions	-	-	-	-	37,670	-	37,670
Transfer	-	159	8,162	296	-8,617	-	-
Disposals	-	-	-5,942	-663	-	-	-6,605
31 December 2025	114,487	10,681	16,862	9,503	35,184	77	186,794

Accumulated depreciation and impairment of property, plant and equipment:

Thous. CZK	Land	Buildings	Vehicles	Machinery and equipment	Assets under construction	Other tangible assets	Total
1 January 2024	-	1,563	2,352	4,644	-	-	8,559
Amortisation	-	367	2,240	668	-	-	3,275
Disposals	-	-	-213	-	-	-	-213
31 December 2024	-	1,930	4,379	5,312	-	-	11,621
Amortisation	-	370	2,512	1,295	-	-	4,177
Disposals	-	-	-1,596	-663	-	-	-2,259
31 December 2025	-	2,300	5,295	5,944	-	-	13,539

Net book value

1 January 2024	19,466	8,959	8,587	863	4,824	-	42,699
31 December 2024	114,487	8,592	10,263	4,558	6,131	77	144,108
31 December 2025	114,487	8,381	11,567	3,559	35,184	77	173,255

Significant assets

In 2025, the Company continued cooperation with designers on the project “Construction of a new airport in Písek, a production hall and an administrative building”. Costs of related services were recognised as assets under construction. The Company also acquired additional land for the construction of Písek Airport, the production hall and the administrative building and capitalised it in the asset register.

The Company acquired new vehicles to ensure smooth transportation between Prague and Písek Airport. Unused vehicles were disposed of.

17. Long-term financial investments

Long-term financial investments are presented in the statement of financial position.

The Company is the sole shareholder of Primoco UAV Defence s.r.o. (hereinafter “Primoco Defence”), with its registered office at Výpadová 1563/29f, 153 00 Prague 5. The Company holds a 100% ownership interest in Primoco Defence. The registered capital of Primoco Defence amounts to CZK 100,000 and has been fully paid up.

Primoco Defence was incorporated on 18 April 2019 by registration in the Commercial Register as a limited liability company.

Name	Main activity	Seat	Address	ID Number	Registration number
Primoco UAV Defence, s.r.o.	UAV sale	Czech republic	Výpavová 1563/29f, 153 00 Prague 5	08105111	C 313076 with the Municipal Court in Prague

The Company's acquisition cost equals the registered capital of Primoco Defence.

18. Leases

The Company currently leases a head office building with related warehouse and production facilities and an aircraft for travel purposes.

The lease agreements for the office and aircraft include extension and termination options.

The Company applies the exemptions under IFRS 16 for short-term leases and leases of low-value assets.

Right-of-use assets

thous. CZK	Buildings	Total
1 January 2024	1,341	1,341
Additions	-	-
Additions from modification	2,193	2,193
Amortisation	-1,830	-1,830
31 December 2024	1,704	1,704
Additions	-	-
Additions from modification	5,587	5,587
Amortisation	-1,825	-1,825
31 December 2025	5,466	5,466

Lease liabilities

thous. CZK	2025	2024
As of 1 January	1,735	1,361
Additions	5,588	2,193
Interest accretion	242	77
Payments	-1,976	-1,896
As of 31 December	5,589	1,735
Non-current	3,800	-
Current	1,789	1,735

A maturity analysis of future undiscounted cash flows from lease liabilities is disclosed in Note 28.

In 2025, the Company reassessed the extension options for both the office and aircraft leases and increased the lease term for both contracts.

19. Inventories

thous. CZK	2025	2024	K 1
Material	44,179	52,394	38,811
Spare parts	-	78	18,858
Work in progress	34,977	28,192	-
Finished goods and	38,271	16,915	1,243
Inventories total	117,427	97,579	58,912

Cost of goods sold, materials consumed, and change in inventory of own production:

thous. CZK	2025	2024
Consumption of materials and spare parts	166,459	219,304
Capitalization of materials and goods	-	-
Change in inventory of own production and impairment of inventories		-25,174
Total	138,305	194,130

20. Trade receivables and other receivables

thous. CZK	2025	2024	As of 1 January 2024
Trade receivables	1,149	1,929	2,268
Intra-company receivables	-	-	-
Advances paid	739	329	324
Prepaid expenses	6	106	77
Other receivables	-	-	5
Total	1,894	2,364	2,674

Trade receivables bear interest at a rate of 0.05% of the outstanding amount for each day of delay, up to a maximum of 10%, and are generally due within 14 days. Trade and other receivables are non-derivative financial assets measured at amortised cost.

When entering contracts with customers for the sale of aircraft, the Company collects a 50% advance payment, which covers the production costs under the contract. Based on this, the Company mitigates the risk of unpaid production costs.

Given the high level of receivables collection, the Company did not create any impairment allowances as at the end of 2025 and 2024.

21. Other receivables and financial assets

thous. CZK	2025	2024	As of 1 January 2024
Receivables from tax authorities	1,847	3,055	2,551
Other receivables	8	-	31
Total	1,855	3,055	2,582

22. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise:

thous. CZK	2025	2024	As of 1 January 2024
Cash at banks	474,873	187,671	239,642
Other receivables – cash in transit	-	-	-170
Cash and cash equivalents presented in the statement of financial position and statement of cash flows	474,873	187,671	239,472

The fair value of cash and cash equivalents approximates their carrying amount due to their short-term maturities.

23. Trade payables and other payables

thous. CZK	2025	2024	K 1
Trade payables	2,478	405	14
Employee-related liabilities	228	579	238
Liabilities to tax authorities	-	-	-
Other payables	1,691	475	243
Total		1,459	495

Trade payables are non-interest-bearing and are generally settled within 14 days.

Other payables mainly include accrued expenses, which capture costs for energy and services and audit fees. These costs relate to 2025 in terms of substance and timing; however, the relevant tax documents will only be delivered to the Company after 31 December 2025 and therefore could not be recognised in this accounting period.

Employee-related liabilities include social security and health insurance liabilities, liabilities to employees for wages, and accruals for unused vacation, which will be taken or paid out in the following accounting period. These liabilities also include a provision for unpaid bonuses, which will be paid in 2026.

Trade payables and other payables represent non-derivative financial liabilities measured at amortised cost. The fair value of short-term trade payables and other payables approximates their carrying amount due to their short-term maturity.

24. Provisions

thous. CZK	Other provisions
1 January 2024	200
Additions	-
Utilised	-
Unused amounts reversed	-
31 December 2024	200
Additions	-
Utilised	-
Unused amounts reversed	-
31 December 2025	200

In 2023, the Company recognised a provision of CZK 200 thousand for costs incurred in legal proceedings with a former employee, Mr Lukáš Trzaskalik. The legal proceedings have not yet been concluded; therefore, the provision is also recognised in 2025.

25. Income tax

The structure of income tax in the respective accounting periods is as follows:

thous. CZK	2025	2024
Current income tax	29,289	31,890
Adjustments relating to current income tax of previous years	-	-

Deferred tax	-318	100
Total	28,971	31,990

Reconciliation of tax expense and accounting profit multiplied by the domestic tax rate of the Parent Company for the periods below:

Thous. CZK	2025	2024
Accounting profit before tax	136,503	151,633
Statutory income tax rate in the Czech Republic of 21%	28,666	31,843
Adjustments relating to current income tax of previous years	97	-
Non-deductible expenses	91	-269
Unrecognized deferred tax	435	316
Impact of change in tax rate on deferred tax	-	-
Adjustment of deferred tax from previous periods	-	-
Effective income tax rate	21.46 %	21.03 %
Income tax recognized in the statement of profit or loss	29,289	31,890

Deferred tax balances and movements:

thous. CZK	1 January 2025	Recognized in profit or loss	Recognized in equity	Exchange differences	31 December 2025
Difference between the carrying amount of non-current assets for accounting and tax purposes	-59	-352	-	-	-411
Impairment of receivables	-	-	-	-	-
Provisions for liabilities and charges	164	-74	-	-	90
Tax losses	-	-	-	-	-
Other	-5	8	-	-	3
Net deferred tax asset / liability	100	-418	-	-	-318
Recognized deferred tax asset	100	-418	-	-	-318
Recognized deferred tax liability	-	-	-	-	-

thous. CZK	1 January 2024	Recognized in profit or loss	Recognized in equity	Exchange differences	31 December 2024
Difference between the carrying amount of non-current assets for accounting and tax purposes	414	-473	-	-	-59
Impairment of receivables	-	-	-	-	-
Provisions for liabilities and charges	92	72	-	-	164
Tax losses	-	-	-	-	-
Other – consolidation adjustments	4	-9	-	-	-5
Net deferred tax asset / liability	510	-410	-	-	100
Recognized deferred tax asset	510	-410	-	-	100
Recognized deferred tax liability	-	-	-	-	-

The Company offsets tax receivables and tax liabilities only when it has a legally enforceable right to offset current tax assets and current tax liabilities.

26. Equity

The Company has 4,708,910 issued and fully paid ordinary shares with a nominal value of CZK 1 and identification number (ISIN) CZ0005135970. The market value of the Company's shares on the primary market (Prime Market) of the Prague Stock Exchange as of 31 December 2025 was CZK 1,100 per share.

Approved, issued and fully paid shares:

	Number of shares	Share capital Thous. CZK	Share premium Thous. CZK
Ordinary shares			
At 1 January 2024	4,709	4,709	159,269
Issue of share capital, nominal value CZK 1	-	-	-
Conversion into shares with nominal value CZK 1	-	-	-
At 31 December 2024	4,709	4,709	159,269
At 31 December 2025	4,709	4,709	159,269

All ordinary shares are freely transferable. Each share with a nominal value of CZK 1 carries one vote.

In 2025, the net profit for 2024 was transferred to retained earnings. The Company did not pay any dividends in 2025 and did not issue any new shares.

27. Personnel expenses

The Company has established rules for entitlement to the variable component of remuneration for each employee. Each employee has defined targets that must be met for the bonus to be paid. Achievement of targets is reviewed during performance evaluations conducted throughout the year.

Personnel expenses for the respective periods consist of the following:

thous. CZK	2025	2024
Average number of employees and key management personnel of the Company	41	37
Wages and remuneration of statutory bodies	32,294	24,115
Social security and health insurance	10,611	7,956
Other personnel expenses	-223	624
Total personnel expenses	42,682	32,695

Of which remuneration of key management personnel:

thous. CZK	2025	2024
Wages and remuneration of statutory bodies	2,400	2,400
Total	2,400	2,400

Under its contractual arrangements with executive members of governing bodies and directors, the Company does not stipulate any right to reclaim the variable component of remuneration, or any part thereof, to which entitlement has arisen and which has already been paid. Entitlement to this variable component of remuneration is conditional upon meeting performance indicators set by the Supervisory Board of the Company, approval by the General Meeting, and submission of the auditor's report on the audit of the Company's financial statements for the relevant calendar year, which represents a robust mechanism aimed at preventing unjustified payment of variable remuneration.

In addition, under its remuneration policy, the Company reserves the right to claim damages that would include variable remuneration paid to a member of the Board of Directors convicted of the criminal offence of misrepresentation of financial results and assets.

28. Financial risk management

The Company's classes of financial instruments correspond to the items presented in the individual statement of financial position.

The Company's main financial liabilities include lease liabilities and trade and other payables. The primary purpose of these financial liabilities is to finance the Company's operating activities and investments. The Company's main financial assets include trade receivables and other receivables, cash and cash equivalents, which arise directly from its operations.

The Company is exposed to market risk, currency risk and liquidity risk. The Company's management identifies financial risks that may adversely affect its business objectives and reduces these risks to an acceptable level through active risk management.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices.

All production processes take place in the Czech Republic, and the Company focuses on maintaining stable and reliable supplier relationships, which contributes to its resilient market position. An important element of market risk management is supplier diversification, ensuring timely information on price movements from appropriate sources, and optimisation of procurement and inventory levels.

In the event of supply chain disruptions, the Company can quickly replace suppliers with alternative partners, further reducing potential risks associated with commodity price fluctuations.

Currency risk

Currency risk is the risk that the fair value or future cash flows will fluctuate due to changes in foreign exchange rates. The Company's exposure to foreign exchange risk relates primarily to its operating activities (where revenues or costs are denominated in foreign currencies).

The Company invoices predominantly in Euros. However, there is some foreign exchange risk arising from sales and purchases in other currencies, particularly CZK, EUR and USD.

Financial assets and liabilities include cash and cash equivalents, trade receivables and other receivables, and trade and other payables. All other assets and liabilities in foreign currencies are insignificant or not subject to foreign exchange risk (e.g. land, buildings and equipment).

The following table shows the sensitivity of profit before tax to a hypothetical change in EUR and USD exchange rates. The sensitivity analysis assumes that all other variables remain constant.

thous. CZK	% change in rate	2025	2024	1 January 2024
EUR	+/- 10 %	+/- 13	+/- 18	-
USD	+/- 10 %	-	-	-

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and availability of funding to meet obligations as they fall due. The Company regularly monitors its liquidity position to ensure sufficient financial resources to settle its liabilities and receivables.

The following table summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments (in thous. CZK):

31 December 2025	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Lease liabilities	-	-	1,789	3,800	-	5,589
Trade and other payables	-	2,706	-	-	-	2,706
Total	-	2,706	1,789	3,800	-	8,295

31 December 2024	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Lease liabilities	-	-	1,735	-	-	1,735
Trade and other payables	-	1,253	-	-	-	1,253
Total	-	1,253	1,735	-	-	2,988

Trade and other payables do not include tax liabilities, advances received and contract liabilities, as these represent non-financial liabilities.

Interest rate risk

The Company is exposed to minimal interest rate risk, as its operations are fully financed by its own resources and the Company has no loan liabilities.

Credit risk

Credit risk is the risk that counterparties will be unable to meet their contractual obligations.

The Company is exposed to minimal credit risk as it always collects a 50% advance payment for production orders, which covers the production costs under the contract. This eliminates the risk of unpaid production costs during aircraft manufacturing.

Final delivery of the product always takes place only after receipt of the full consideration for the order. In the event of non-payment of the remaining consideration, the Company is able to sell the product to another counterparty.

Trade and other payables do not include tax liabilities, advances received and contract liabilities, as these represent non-financial liabilities.

Interest rate risk

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29. Capital management

The primary objective of the Company’s capital management is to ensure that it has sufficient capital to operate and grow the business at an appropriate cost of capital, without taking on excessive financial risk. For the purposes of capital management, the Company’s capital includes share capital, and all other equity reserves attributable to the Company’s shareholders.

The main objective of the Company’s capital management is to maximise shareholder value. The Company’s capital allocation principles include:

- Investments in technology and capabilities for organic growth.
- Maintaining a robust balance sheet and financial strength ensuring strategic flexibility.
- Prioritising growth over dividend distributions, with no intention to declare dividends in the near term.
- Maintaining a high operating margin.

The Company manages its capital structure and makes adjustments in response to changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust dividend payments to shareholders, return capital to shareholders or issue new shares.

There were no changes in the objectives, policies or processes for managing capital during the above period.

30. Related party disclosures

During 2024 and 2025, transactions with related parties were conducted on arm’s length terms.

Contractual transactions with Primoco UAV Defence, s.r.o. were concluded on standard market terms:

Statement of financial position	31 December 2025	31 December 2024
Receivables	1,148	1,929
Total receivables	1,148	1,929

Statement of financial position	31 December 2025	31 December 2024
Liabilities – advances received	244,487	269
Total liabilities	244,487	269

Statement of comprehensive income	31 December 2025	31 December 2024
Purchases – commissions and brokerage	-	15,531
Total purchases	0	15,531

Statement of comprehensive income	31 December 2025	31 December 2024
Sales – car rental	480	390
Sales – sublease of premises	360	360
Sales – sublease of aircraft	5,756	1,500
Sales – re-invoicing of other services	1,281	2,486
Sales – UAV products	349,315	398,604
Total sale	357,192	403,340

Contractual transactions with PRIMOCO INVESTMENTS s.r.o. were concluded on standard market terms:

Statement of comprehensive income	31 December 2025	31 December 2024
Purchases – sublease of aircraft	5,756	1,500
Total purchases	5,756	1,500

31. Subsequent Events

Changes in the Supervisory Board in 2026:

Ing. Jan Sechter – termination of office as Chairman of the Supervisory Board as at 25 February 2026; termination of membership as at 28 February 2026.

Ing. Vladan Ševčík – appointment as Chairman of the Supervisory Board on 25 February 2026.

JUDr. Lenka Holsteinová – appointment as a member of the Supervisory Board on 1 March 2026.

On 30 January 2026, the General Meeting approved the members of the Audit Committee:

Ing. Petr Babický – Chairman of the Committee.

Ing. Jan Venglář – Committee member.

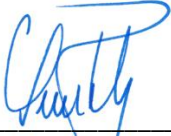
Ing. Rostislav Kuneš – Committee member.

On 30 January 2026, a General Meeting was convened, where one of the agenda items was an amendment to the Company's Articles of Association in relation to the General Meeting.

The General Meeting approved this amendment, and pursuant to Article 6.2, it now reads as follows: "The General Meeting shall have a quorum if shareholders holding shares with an aggregate nominal value exceeding 50% of the share capital are present." Article 6.3 of the Articles of Association now reads as follows: "The General Meeting shall adopt resolutions by a simple majority of the votes of the shareholders present, unless Council Regulations, Czech legal regulations implementing Council Directives, Czech legal regulations, or these Articles of Association require a qualified majority for a European company or a joint-stock company."

After the reporting date, no other significant subsequent events occurred that would affect the Company's financial position.

Prague, 27 April 2026



Ladislav Semetkovský

Chairman of the Board of Directors

9. Independent Auditor's Report on the Individual Financial Statements



Grant Thornton

Primoco UAV SE

REPORT

**ON THE AUDIT
OF FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2025**

**prepared in accordance with IFRS
as adopted by the European Union**



INDEPENDENT AUDITOR'S REPORT

This report is intended for the Company's shareholders

Primoco UAV SE

Registered Address: Výpadová 1563/29f, Radotín, 153 00 Praha 5

Company Identification Number (IČ): 037 94 393

Auditor's Opinion

We have audited the accompanying financial statements of Primoco UAV SE (hereinafter also the "Company") prepared in accordance with International Reporting Standards as adopted by the European Union with the balance sheet amount of 799 177 thsd. CZK and a profit after tax in the amount of 107 214 thsd. CZK. These financial statements comprise the statement of financial position as at 31 December 2025, and the statement of the comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 December 2025, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2025, and of its financial performance and its cash flows for the year ended 31 December 2025 in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors, and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application clauses. Our responsibilities under these laws and regulations are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic, including its requirements relating to audits of financial statements of public interest entities. We have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to paragraph 3. First adoption of IFRS notes to the financial statements containing information on the preparation of the financial statements in accordance with IFRS and the approach to opening balances and prior period data.

Other matter

The financial statements of the Company as at 31 December 2024 prepared in accordance with IFRS have not been audited, however, during the audit of the current period we have obtained sufficient and appropriate evidence that the opening balances do not contain misstatements that significantly (materially) affect the current period financial statements.

This report constitutes the auditor's report relating solely and exclusively to the official annual financial report prepared in XHTML format. This is a translation of the original Czech Auditor's Report on the accompanying financial statements. Therefore, in the event of any inconsistency between the English and the Czech version, the Czech version shall prevail.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were the most significant in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon. We do not provide a separate opinion on these matters.

Revenue from the sale of products

For the year ended 31 December 2025, the Company reported Revenues from contracts with customers totalling 357 551 thsd. CZK (as of 31 December 2024: 403 654 thsd. CZK).

Further details are given in the Profit and loss account I. Sales of own products and services of notes to the financial statements.

Key audit matters	How the audit matter was handled
The area of revenues from contracts with customers was identified as the key audit matter due to it being the most significant item in the company's statement of the comprehensive income and the identification of high risk of misstatement.	We have requested contractual documentation with the sole customer, subsidiary Primoco UAV Defence, s.r.o., invoices issued for the sale of own products in the year and related delivery notes. Revenues from contracts with customers were verified by performing detailed tests, where the verification included an examination of the inventory declines of own products and related materials.

Responsibilities of the Company's Board of Directors (hereinafter also the "Company's statutory body"), Supervisory Board and Audit Committee the Financial Statements

The Company's statutory body is responsible for the preparation of financial statements that give a true and fair view in accordance with accounting principles generally accepted in the European Union and for such internal control which they consider necessary to enable the preparation of financial statements that are free from significant (material) misstatement, whether due to fraud or error.

In preparing the financial statements, the Company's statutory body is responsible for assessing the Company's ability to continue as a going concern, describing in the notes to the financial statements, as applicable, matters related to going concern and using the going concern assumption in preparing the financial statements, unless the Company's statutory body either intends to liquidate the Company or to cease operations, or has no other realistic alternative but to do so.

The Supervisory Board and the Audit Committee are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of any significant (material) misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the above-

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mentioned regulations will always detect any potential significant (material) misstatement in the financial statements.

Misstatements can arise from fraud or error and are considered significant (material) if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the above law or regulation, we exercise professional judgment and maintain professional skepticism throughout the audit. Our duty was also to:

- Identify and assess the risks of significant (material) misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responding to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a significant (material) misstatement resulting from fraud is higher than the risk of not detecting a significant (material) misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the Company's internal control system relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control system.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Company's statutory body in the notes to the financial statements.
- Evaluate whether the Company's statutory body's use of the going concern assumption in preparing the financial statements was appropriate and, based on the obtained evidence, whether there is a significant (material) uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that there is a significant (material) uncertainty, we are required to point out in our auditor's report any information concerning this fact in the notes to the financial statements or, if such information is inadequate, to modify our opinion. Our conclusions regarding the Company's ability to continue as a going concern are based on the evidence obtained up to the date of our auditor's report. However, future events or conditions may result in the Company's loss of its ability to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the notes, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

It is our duty to communicate with the Company's statutory body, the Supervisory Board and the Audit Committee regarding, among other matters, the planned scope and timing of the audit and our significant audit findings, including any significant deficiencies identified in the internal controls.

Furthermore, it is our duty to select, based on the matters communicated to the Company's statutory body, the Supervisory Board and the Audit Committee, those matters that are most significant for the audit of the financial statements for the current year and that therefore constitute key audit matters, and to describe those matters in our report. This duty does not apply where law prohibits the disclosure of such matters or where, in a very exceptional case, we believe that we should not report on the matters in our report because it can be reasonably expected that any potential negative impact of such disclosure could outweigh the public interest benefit.

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Information about Other Legal Requirements

Information required by Regulation (EU) no. 537/2014 of the European Parliament and of the Council

In compliance with Article 10 (2) of Regulation (EU) no 537/2014 of the European Parliament and of the Council, we include in our independent auditor's report the following information required in addition to International Auditing Standards:

Appointment of the auditor and the audit time period

The Company's General Meeting appointed us as the Company's auditor on 13 June 2025. This is our second year as the Company's auditor.

Compliance with Additional report to the Audit Committee

We confirm that our opinion on the financial statements in this report is in compliance with our Additional report to the Company's Audit Committee, which we issued on 27 April 2026 in compliance with Article 11 of Regulation (EU) No 537/2014 of the European Parliament and of the Council.

Providing non-audit services

We declare that no prohibited services referred to in Article 5 of Regulation (EU) No 537/2014 of the European Parliament and of the Council have been provided to the Company by us or by the Grant Thornton network.

Prague on 27 April 2026

Grant Thornton Audit

Grant Thornton Audit s.r.o.

Pujmanové 1753/10a, 140 00 Praha 4 - Nusle

Licence No. 603

J. K. Pešičková



Mgr. Jitka Pešičková
Auditor, Licence No. 2106

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