

CSG to manufacture jet engines for UAS in the United States. The project is part of AviaNera's global strategy

Global industrial and technology group CSG has announced its intention to establish serial production capabilities in Wisconsin, United States, for jet engines for drones, unmanned systems and other applications. Production will be carried out by Firecrest Aerospace, a new joint venture between CSE USA and AviaNera Technologies, both part of CSG. The project is part of CSG's broader strategy to build, through its subsidiary AviaNera Technologies, a global manufacturing platform for propulsion systems for unmanned platforms across several continents.

The Firecrest Aerospace project in Wisconsin is intended to bring AviaNera's manufacturing concept to the U.S. market. The company plans to establish advanced manufacturing capabilities in Stevens Point for turbojet and turbofan engines designed for unmanned aircraft systems, precision defence systems, loitering munitions and other next-generation applications. The project includes an initial investment of up to USD 15 million and will be implemented in phases.

The first phase will focus on assembly, integration and testing for U.S. customers, followed by expansion into full-scale serial production, engineering and further product development. As operations gradually mature, production is expected to grow from hundreds of propulsion units to several thousand engines per year. Initial assembly is expected to begin within months, with full-scale production planned for 2027.

"Unmanned systems will fundamentally shape the future of the defence industry and the nature of modern military operations. CSG is therefore building long-term capabilities in this area, from propulsion units and other key subsystems to serial production. AviaNera confirms our ambition to become a major international player in technologies for unmanned platforms, and the Firecrest Aerospace project in Wisconsin is an important part of that," said Michal Strnad, CEO and Chairman of the Board of CSG.

"This investment marks an important step in building a strong U.S.-based manufacturing capability for advanced propulsion units," said Paul Lemke, CEO of CSE USA. *"We are combining a rapid project launch with a long-term vision to scale production in the United States and support the evolving needs of U.S. and allied customers. It is both professionally and personally meaningful for me to bring this project to Central Wisconsin, where I have deep personal roots."*

"Wisconsin continues to attract high-impact global investments that strengthen our economy and create opportunities for our workforce," said John W. Miller, Secretary and CEO of the Wisconsin Economic Development Corporation (WEDC), the state's leading economic development organization. *"This project reinforces Wisconsin's position as a center for advanced manufacturing and aerospace innovation."*

The project will also include dedicated facilities at Stevens Point Municipal Airport for engine integration, ground testing and flight validation. The location was selected, among other reasons, for its combination of industrial capacity, a skilled workforce and direct access to aviation infrastructure, enabling production to be efficiently connected with subsequent testing under real-world conditions.

The emerging manufacturing capabilities in Stevens Point, Wisconsin, will form part of AviaNera Technologies' international network, connecting research and development capabilities in Serbia with manufacturing capabilities in other key markets, including India and the United Arab Emirates. The network will also include a reference manufacturing centre in the Czech Republic. The long-term objective of CSG's strategy is to combine proprietary technological know-how, a standardized manufacturing concept and the ability to produce close to customers in markets where demand for unmanned systems is growing rapidly.

AviaNera as CSG's key platform in unmanned systems

Only a few years ago, the main pillars of the defence industry were tanks, artillery and armoured vehicles. The war in Ukraine, however, has shown a fundamental shift: drones and other unmanned systems have become one of the most important elements of the modern battlefield. CSG therefore decided to build its own capabilities in propulsion units, unmanned systems, autonomous technologies, electronics and systems integration. The goal is not merely to manufacture individual components, but to progressively control a significant part of the value chain. Within this strategy, AviaNera Technologies represents a key platform focused on one of the most critical technologies in the entire segment: advanced propulsion units.

"At AviaNera, we are building production from the outset as a scalable industrial system, not as traditional low-volume aerospace engine manufacturing. Our priorities are digitalized processes, top-tier quality, automated inspection steps and the ability to rapidly transfer engineering solutions into serial production. The Czech Republic remains an important part of AviaNera's manufacturing and technology base in this model. The Wisconsin project builds on this concept and will allow us to bring proven processes closer to customers in the U.S. market," said Pavel Čechal, CEO of AviaNera Technologies.

AviaNera Technologies was established by CSG in 2025 as a new pillar of the Group's activities in unmanned systems. It focuses primarily on the development, production and integration of turbojet, turbofan and other propulsion units for unmanned platforms, guided missiles, target drones and other advanced defence and aerospace applications. It is not a drone manufacturer in the traditional sense, but a technology company focused on a critical subsystem that determines the performance, range, reliability and cost efficiency of modern unmanned platforms.

An important milestone in AviaNera's development was the acquisition of a majority stake in Serbia-based MUST Solutions, headquartered in Belgrade. MUST specializes in the development of advanced propulsion units for higher-category unmanned platforms and operates its own R&D centre, design office and prototyping workshop. Within AviaNera, the Serbian capabilities form the research and development centre focused on new generations of engines. The Czech Republic

complements this role as an important part of the manufacturing and technology base, where serial production, process engineering, prototyping and customer-specific modifications are being developed.

AviaNera's manufacturing model is based on the transition from traditional low-volume aerospace engine manufacturing to modern industrial serial production. The company intends to apply principles known from the automotive industry, a high level of automation, digital production management, automated inspection systems, error-proof manufacturing and standardized processes. The objective is to achieve highly repeatable quality, rapid production scaling and cost-efficient manufacturing that matches the growing demand for reliable and affordable propulsion units for unmanned platforms.

The development of AviaNera's global manufacturing network fits into CSG's broader strategy to strengthen its own capabilities in technologically critical segments of the defence industry. In addition to Serbia, the Czech Republic and the United States, AviaNera is also preparing further steps in India and the United Arab Emirates. The purpose of this network is to combine central technology development and unified manufacturing standards with local production tailored to the needs of individual markets, strengthening supply chain resilience and reducing the distance to end customers.

About CSG

CSG N.V. ("CSG") is a Dutch company and a leading European defence industrial group, with its top management headquartered in Prague, Czech Republic. CSG develops and delivers defence and industrial technologies that contribute to a safer and more stable future. The Group focuses on the development and manufacturing of strategically important products, systems and technologies in the fields of defence and ammunition, as well as in related sectors such as aerospace. CSG operates key manufacturing facilities in the United States, the United Kingdom, Spain, Italy, Germany, the Czech Republic, Slovakia, Serbia and India, and exports its products worldwide. The Group continues to invest in the growth of its portfolio companies and the expansion of its core business activities. Key companies within the Group include Excalibur Army (Czech Republic, land systems), Tatra Trucks (Czech Republic, vehicles), MSM Group (Slovakia, artillery ammunition) and The Kinetic Group (United States, small-calibre ammunition). CSG employs more than 14,000 people across its integrated and affiliated companies. In 2025, the Group reported annual revenues of EUR 6.7 billion. CSG shares are traded on Euronext Amsterdam under the ticker CSG. More information is available at: www.csg.com.

About AviaNera Technologies

AviaNera Technologies a. s. is a European technology company and a member of the industrial technology group CSG. It specializes in the development, production and commercialization of technologies for unmanned aircraft systems (UAS) and other advanced defence and aerospace applications. Building on the long-standing Czech aviation tradition, AviaNera's ambition is to become one of the world's leading technology players in the UAS segment. AviaNera focuses on in-

house development, serial production and maximum vertical integration of key technologies. The company builds on expertise in propulsion units, design, electronics, warheads and ammunition, further strengthened through close synergies with other CSG companies. Its objective is to build an industrial platform capable of developing and manufacturing advanced technologies for unmanned systems, including turbojet, turbofan and other propulsion units, while gradually localizing manufacturing capabilities in key markets.

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