



MARKET REPORT

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Ukrainian Dynamism

TEAM

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Ukrainian Dynamism

By Jan-Erik Asplund

TL;DR: With hundreds of retrofitted Cold War-era factories, cheap engineers, and a front-row seat to the Russo-Ukrainian war, former Eastern Bloc countries are becoming the Shenzhen of drone manufacturing. From Ukraine's TAF Drones (\$180M revenue) and Poland's WB Group (\$400M) to upstarts like Estonia's Thread Systems (\$44M, up 87% YoY), these ex-Soviet economies are turning into the drone arsenal for all of NATO. For more, check out our full report and dataset on Thread Systems.

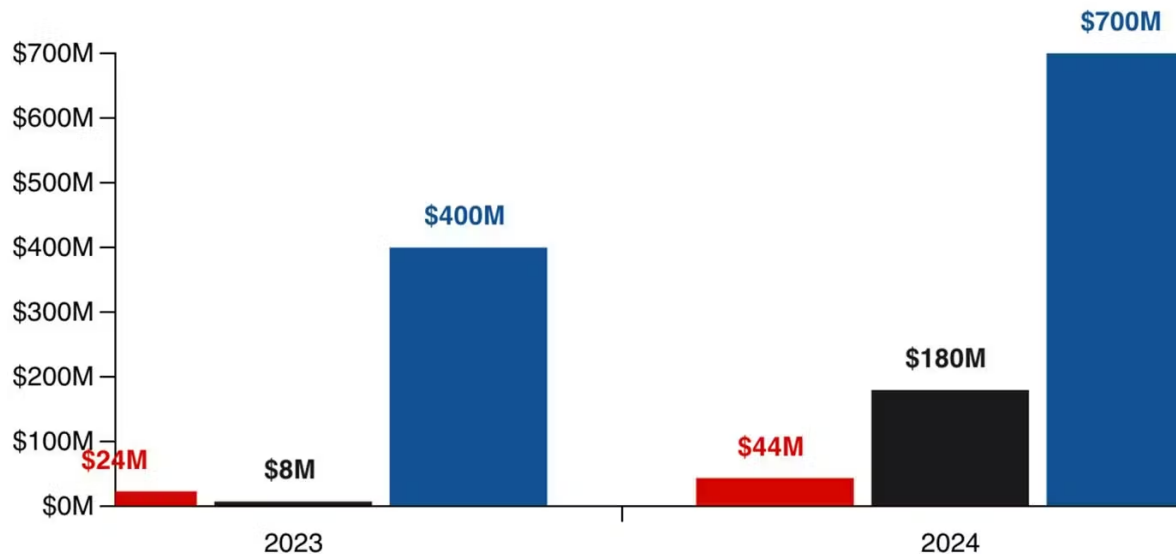




THREOD vs. TAF vs. WB GROUP

Revenue

■ Threod Systems: Revenue (\$M) ■ TAF Drones: Revenue (\$M)
■ WB Group: Revenue (\$M)



Key points via Sacra AI:

- **As drones dominate the Russo-Ukrainian War (responsible for 70% of casualties on both sides) and conflicts in Gaza, Sudan, and Myanmar, the former Eastern Bloc is emerging as NATO's Shenzhen for drones—a UAV manufacturing hub with 1.8M native engineers at 40-60% the cost of Western European engineers & thousands of Soviet-era factories now converted for drone production.** With Rheinmetall (Germany) opening a \$215M artillery shell factory in Lithuania, Airbus (France) servicing military helicopters out of Romania, and Leonardo (Italy) producing helicopters out of Poland, major Western defense contractors are establishing operations across the former Eastern Bloc.
- **The former Eastern Bloc now hosts companies from across the drone stack—first-person-view (FPV) drone swarms for cheap, fast strikes (TAF Drones, WB Group), tactical ISR for eyes-in-the-sky (Threod Systems, Ukrspesystems), long-range strike UAVs (UkrJet), heavy cargo haulers for logistics (Airlogix, Dronamics), and autonomous “drone-in-a-box” stations (Dronehub, Robotican-PL). 33% of all FPV drones on the front lines in Ukraine come from TAF Drones, Ukraine's largest native manufacturer, which did a Sacra-estimated \$180M in revenue in 2024, up 2,250% YoY, while Estonia's Threod Systems did \$44M in sales in 2024, up 87% YoY from \$24M in 2023, and**

Poland's WB Group reported \$700M in 2024 revenue, up 75% YoY from \$400M in 2023.

- **With thousands of combat hours flown, battle-tested Eastern Bloc drone companies have gone from supplying drones to the front lines in Ukraine to exporting them around the West, flipping ex-Soviet factories into the West's permanent arsenal rather than a wartime stopgap—a trend that will accelerate as Kyiv plans to relax export bans later in 2025 to promote the growth of their domestic miltech industry.** While the fast-cycle manufacturing base in Ukraine & other former Eastern Bloc countries accounts for the bulk of frontline drone deployments, Anduril (\$1B in 2024 revenue, up 138% YoY) sells long-range attack drones and counter-UAS towers into the UK and Polish Armed Forces, Shield AI (\$267M in 2024 revenue, up 64% YoY) sells long-range surveillance drones into NATO units, and Destinus (\$70M in 2024 revenue, up 289% YoY) sells jet-powered drones for long-range strikes—together covering the spectrum from low-cost swarm munitions to high-spec autonomous systems for deep-strike and ISR.

For more, check out this other research from our platform:

- TAF Drones (dataset)
- Threod Systems (dataset)
- WB Group (dataset)
- Shield AI (dataset)
- Scott Sanders, Chief Growth Officer at Forterra, on autonomy for every vehicle
- Saildrone (dataset)
- Saronic (dataset)
- America First vs. American Dynamism
- Anduril (dataset)
- Anduril at \$1B/yr
- SpaceX (dataset)
- Anduril, SpaceX, and the American dynamism GTM playbook
- The biggest mistake defense startups make
- Ross Fubini, Managing Partner at XYZ Capital, on the defense tech opportunity



- Scott Sanders, chief growth officer at RRAI, on the defense tech startup playbook