DEFENCE HOLDINGS PLC

Five-Year Strategic Plan 2025–2030

Setting out how we will scale four core capability areas - **Critical Infrastructure Defence, AI Agents for Defence Operations, Information & Influence Warfare**, and **Drone Warfare & Aggregation** to address Europe's fast-evolving security priorities.

defenceplc.com

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Abstract

— Strategy centred on four technology pillars

The accelerating shift from hardware-centric defence to **software-defined, data-driven capability** is remaking the European security landscape.

Defence Holdings PLC intends to lead this transformation through a focused, capital-efficient strategy centred on four technology pillars:

AI Agents for Defence Operations

Information & Influence Warfare

Critical Infrastructure Defence

Drone Warfare & Aggregation

> This white paper details our vision, market rationale, operating model and five-year execution framework—supported by public-domain data, defence-industry analyses and government policy signals.

Global military spending reached **USD 2.718 trillion in 2024** (sipri.org), while NATO is debating a **5%-of-GDP** target (reuters.com). Europe's fast-growing sovereign-tech budgets (e.g., **€1.065b EDF 2025 work-programme** (defence-industry-space.ec.europa.eu) highlight an addressable software market that we estimate will exceed **USD 90b by 2030** across our four pillars.

2023–2025

— Global Conflict Snapshot

Metric (2023)	Count	Primary Source
Total state-based armed conflicts	59	UCDP (June 2024)
Wars (≥ 1,000 deaths/yr)	9	UCDP
States experiencing conflict	52	SIPRI Yearbook 2024
Major armed conflicts (> 10,000 deaths/yr)	4	SIPRI Yearbook 2024
Global conflict-related fatalities	170,700	SIPRI Yearbook 2024

Recent data from the **Uppsala Conflict Data Program (UCDP)** show a record **59 state-based armed conflicts in 2023**, the highest number since the dataset began in 1946 (Uppsala University Press Release, 3 Jun 2024).

Of these, **nine met the threshold of "war"**—defined as causing ≥ 1,000 battle-related deaths in a calendar year. Meanwhile, the **SIPRI Yearbook 2024 notes 52 states** experienced some form of armed conflict in 2023, with **four major armed conflicts** (> 10,000 fatalities) and global conflict deaths rising to **170,700**—a five-year high (sipri.org).

Regional Hotspots (2024-25)

- **Sudan**
- **Israel-Palestine**
- **Myanmar**
- **Haiti**
- **Democratic Republic of Congo**
- **Ethiopia**
- **Syria**
- **Yemen**
- **Ukraine**

> These theatres collectively accounted for more than 60 % of all conflict deaths last year (SIPRI).

In-depth

Ukraine
An Exemplar of 21st-Century Multi-Domain Warfare

Since Russia's full-scale invasion in February 2022, Ukraine has become a live testbed for the technologies and operational concepts central to Defence Holdings' four pillars.

Human Cost

The United Nations reports **> 12,300 civilian deaths** and **24,000+ injuries** between Feb 2022 and Jan 2025, with a sharp 30 % rise in late 2024 (Reuters, 8 Jan 2025). UCDP estimates **~ 71,000 battle deaths in 2023 alone**—the deadliest single conflict worldwide that year.

Displacement & Economic Impact

More than **10 million Ukrainians** remain internally displaced or abroad; infrastructure damage is assessed at **USD 152 billion**, with reconstruction needs projected at **USD 486 billion** (Reuters, 18 Nov 2024).

Drone Proliferation

First-person-view (FPV) quadcopters costing < USD 20 k have destroyed main battle tanks valued at > USD 4 m, illustrating the **asymmetric ROI of autonomous systems**.

Air & Missile Defence Saturation

On 24 May 2025 Russia launched **367 drones and missiles in a single night**—Ukraine's largest recorded aerial assault; Ukrainian forces downed **≈ 80 %** but still suffered civilian casualties (Reuters, 24 May 2025).

Information Operations

Deep-fake videos purporting to show major casualty events circulated widely in 2024, forcing platforms to deploy authenticity checks; EU DisinfoLab recorded a **900 % YoY rise in Ukraine-related synthetic media**.

Lessons learned

— Strategic insights for Defence Holdings

AI Agents for Defence Operations

Digital-twin rehearsals offer decisive planning speed; reinforcement-learned logistics models reduced Ukrainian front-line resupply times by > 25 % (Kyiv School of Economics, 2024).

Information & Influence Warfare

Deep-fake detection must operate at nation-scale throughput (< 3 s latency) to counter real-time narrative shaping.

Critical Infrastructure Defence

Targeting of Ukraine's power grid underscores need for OT-digital twins and predictive anomaly detection to keep essential services online under kinetic and cyber assault.

Drone Warfare & Aggregation

Low-cost drones with modular AI payloads can neutralise high-value assets; resilient, encrypted swarm networks are critical under EW saturation.

This case study validates Defence Holdings' strategic focus and highlights near-term revenue opportunities as European allies rush to harden defences against similar multi-domain threats.

Our thesis rests on three observations:

Digital Sovereignty Imperative: EU and UK policymakers increasingly demand indigenous IP and sovereign control over critical technologies (defence-industry-space.ec.europa.eu).

Agility Premium: Smaller, product-centric firms capture emerging budgets, evidenced by the rapid rise of venture-backed defence tech in the US and EU.

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— Market Landscape & Policy Drivers

Regional Hotspots (2024-25)

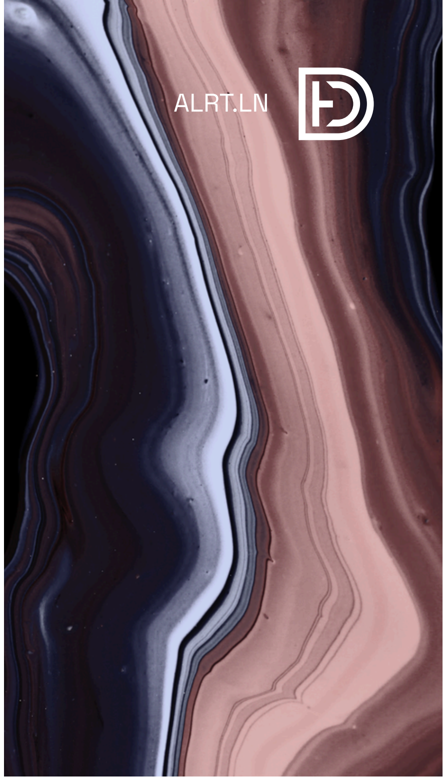
- World military outlays hit USD 2.718 trn in 2024, a 9.4 % YoY increase and the steepest rise since 1988 (sipri.org).
- Asia-Pacific spending grew 6.3 % to USD 629 bn (sipri.org), underlining multipolar demand.

European Funding Mechanisms

Instrument	2025 Allocation	Focus
European Defence Fund (EDF)	**€1.065 bn** (defence-industry-space.ec.europa.eu)	Collaborative R&D across all domains
EDIRPA (Short-term procurement)	€300 m	Urgent joint procurement of critical matériel
NATO Defence Pledge	2 % → proposed 5 % of GDP (reuters.com)	Capability ramp-up & infrastructure/cyber

Addressable Software Markets (2030)

Segment	TAM 2024	CAGR 25-30	2030 Forecast
Commercial & defence drone ecosystem	USD 30.2 bn	9 %	**USD 57.8 bn** (droneii.com, morningstar.com)
Military AI & autonomy	USD 9.3 bn	13 %	**USD 18.4 bn** (grandviewresearch.com)
Deep-fake detection & counter-influence	USD 0.76 bn	41 %	**USD 6.1 bn** (grandviewresearch.com)
Critical-infrastructure OT protection	USD 124.8 bn	3.7 %	**USD 166.5 bn** (marketresearchfuture.com)



— Business Model & Value-Creation Flywheel

Architecture

HoldCo (ALRT)

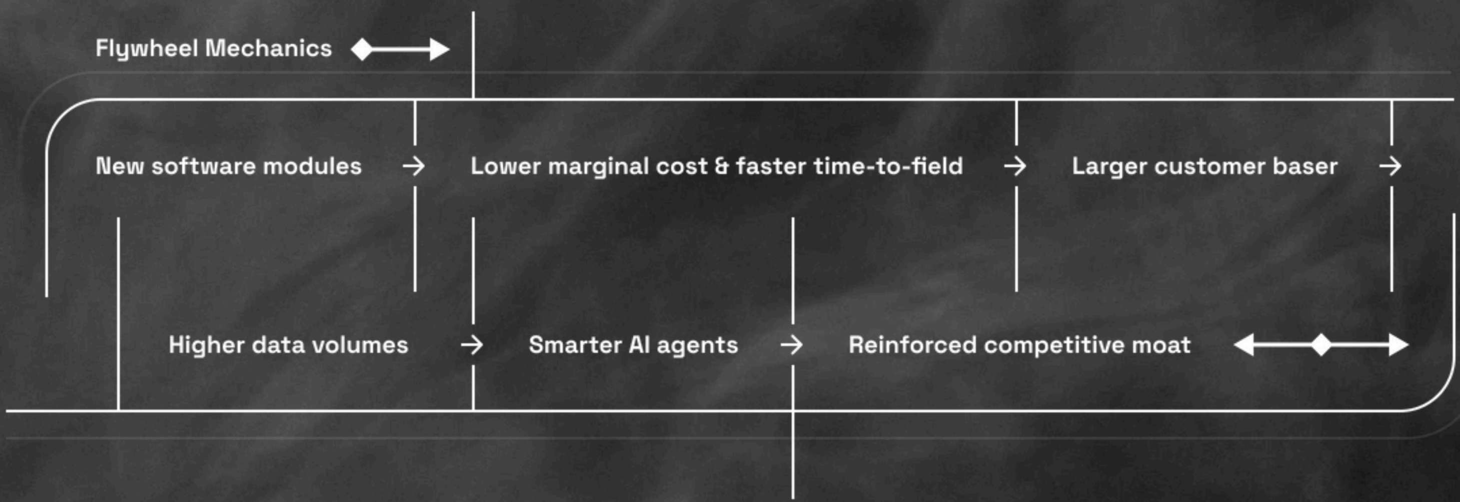
Capital allocation, regulatory compliance, sovereign security clearances.

Product Studio

Cross-functional team (Software, AI/ML, EW, Compliance) producing dual-use modules reused across pillars.

Buy-and-Build Programme

Targeting bolt-on acquisitions to onboard niche IP and customers.



Technology Pillars

AI Agents for Defence Operations

Market Rationale

Military AI market CAGR 13 % (grandviewresearch.com); digital-twin adoption reducing training costs by 30-40 % (Deloitte, 2024).

Agent Library Road-Map

Phase	Representative Agent	Capability
Alpha (FY-25)	Pathfinder-L	Logistics route optimiser using reinforcement learning
Beta (FY-26)	Tactica-P	Plan-on-a-Page generator ingesting ISR feeds
Gamma (FY-27)	Aegis-C	Cyber deception & active-defence orchestrator
Delta (FY-28+)	Sentinel-Duo	Joint-domain digital-twin with red-blue AI adversaries

Integration Strategy

- OpenAPI interfaces for primes and MoD command systems.
- Compliance with MoD “AI Safety & Ethical Principles” (JCN 1/21).

Technology Pillars

Information & Influence Warfare

Threat Landscape

Deep-fake videos up 900 % YoY
on social platforms (EU DisinfoLab, 2025).

Synthetic-persona bot-nets influencing bond spreads (ECB Bulletin, Q1-25).

Defence Holdings Offering

Sentinel-Verify™

Multimodal authenticity engine analysing pixels, audio spectrograms and blockchain-anchored provenance metadata.

Counter-IA Ops Cell

24/7 managed-service delivering early-warning intelligence to government clients.

Key Metrics

- Real-time throughput target: 1 m assets/day with <3 s latency.
- Detection precision ≥ 97 % (F1-score) on open-source DFDC benchmark.

Technology Pillars

Critical Infrastructure Defence

Market Drivers

Critical-infrastructure cyber-physical incidents increased 70 % since 2021 (ENISA Threat Landscape, 2025). Market to hit USD 166 bn by 2032 (marketresearchfuture.com).

Product Modules

OT-Guard™

Passive network sensor with self-learning anomaly detection.

Grid-Twin™

Digital-twin simulation enabling red-team stress-tests for energy operators.

Partnership Model

Joint go-to-market with SCADA vendors; revenue split SaaS + managed services.

Technology Pillars

Drone Warfare & Aggregation

Market Rationale

Global drone spend projected at USD 57.8 bn by 2030 (droneii.com, morningstar.com).

Ukraine conflict showcased <USD 20 k FPV drones neutralising MBTs; software-defined swarm coordination is now mission-critical.

Solution Stack

Mesh-Cloud™ SDK – encrypted, peer-to-peer networking protocol for heterogeneous UAV fleets.

Mission OS – Kubernetes-native orchestration layer enabling operator-in-the-loop or fully autonomous modes.

Edge AI Pods – NVIDIA Jetson-based kits providing real-time EO/IR object recognition, EW and BVLOS compliance.

Five-Year Objectives

- **Reach TRL-7 interoperability with NATO waveform standards.**
- **Demonstrate large-scale swarms (>1k nodes) in EU coalition exercises.**

Competitive Landscape

Player	Focus	Limitation
Anduril	Proprietary Lattice OS	US Export Control constraints in EU
Helsing	AI sensor fusion	Heavy reliance on single national contracts
Defence Holdings	Open-architecture + EU sovereignty	Early-stage scale, raising growth capital

— Implementation Road-Map & Milestones

FY-25

AI Studio operational; ISO 27001 compliance

Technology
Mesh-Cloud alpha;
Sentinel acquisition LOI

Commercial
First OT pilot (UK TSO)

FY-26

Series-B raise (£60 m)

Technology
Mesh-Cloud beta;
PathFinder-L field trials

Commercial
Two MoD pilot contracts

FY-27

Two bolt-on acquisitions

Technology
NATO waveform certification;
25-agent library

Commercial
Multi-year framework agreement in 1 EU state

FY-28

EBITDA positive

Technology
Large-scale drone swarm demo; 1 m/day deep-fake scan

Commercial
OT SaaS across 3 utilities

FY-29/30

M&A optionality

Technology
>50 agents; Grid-Twin rolled out

Commercial
Revenue ≥ £130 m; EBITDA ≥ 35 %

— Risk Matrix & Mitigations

Risk	Likelihood	Impact	Mitigation
Regulatory export re-classification	M	H	Early engagement with UK ECJU; modular export-controlled code paths
Adversarial AI attacks on models	H	M	Adversarial-training pipeline; red-team/blue-team exercises
Supply chain chip shortages	M	M	Dual sourcing; strategic inventory; design for COTS chips

— Glossary & Acronyms

AI	Artificial Intelligence
COTS	Commercial-Off-The-Shelf
EDF	European Defence Fund
EDIRPA	European Defence Industry Reinforcement via Common Procurement Act
EO/IR	Electro-Optical / Infra-Red
FPV	First-Person-View Drone
OT	Operational Technology
TRL	Technology Readiness Level

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