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Overview



AIM quoted international aerospace company focused on the Unmanned Aerial Vehicle ('UAV') sector



Rapidly building a vertically integrated UAV offering, covering all aspects of the value chain including software, hardware and services



Goal to become a significant player serving the fast growing UAV market, which is forecast to grow to \$82.1bn between 2015 and 2025 (the AUVSI Economic Report 2013)



New experienced management team brought in to take advantage of consolidation opportunity to become a leading integrated player worldwide



Looking to fully capitalise on significant growth opportunities, particularly in the commercial space

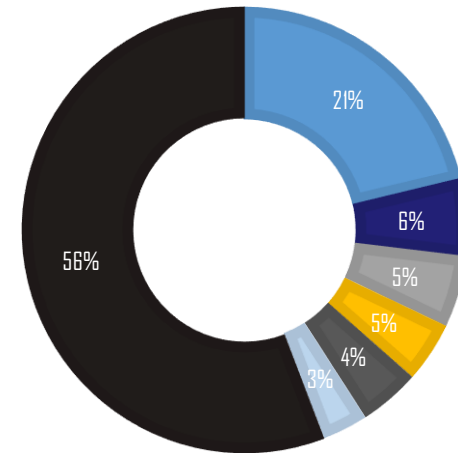
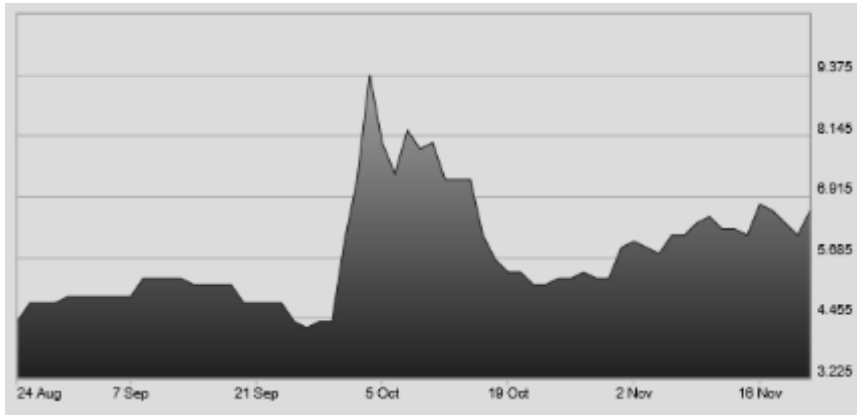


THE INTEGRATED FULL SOLUTIONS PROVIDER HELPING WORLDWIDE CLIENTS
EMBED DRONE TECHNOLOGY IN THEIR OPERATIONS

Key Data

MARKET	TICKER	SHARE PRICE	MARKET CAP	SHARES IN ISSUE
AIM	AERO	7 PENCE*	£7.93 MILLION*	114,301,771

* As of 26.11.15



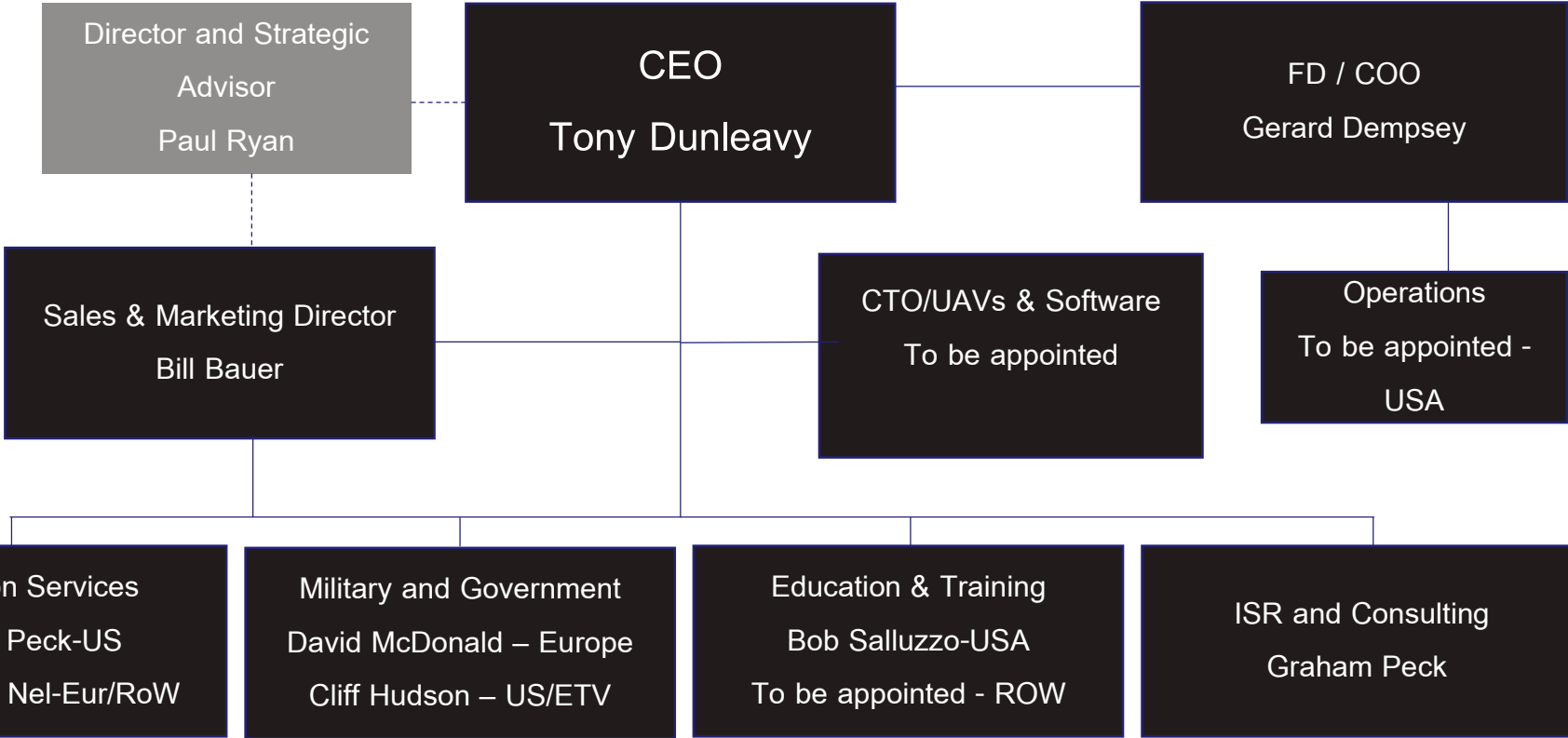
- Russell Peck
- Jonathan Adams
- Graham Peck
- Robert Salluzzo
- The trustees for the time being of the REB Living Trust
- The trustees for the time being of The Focusplay Retirement Benefit Scheme
- Others

The Team



	Tony Dunleavy CEO	Gerard Dempsey FD & COO	Paul Ryan Director, Strategy	Bill Bauer Sales & Marketing Director
ABOUT	<p>Entrepreneurial PwC trained international accountant, experienced in a variety of industries at senior management & board level. Over 30 years of Corporate Finance, Business Development, Financial & General Management experience both in a management and advisory capacity</p>	<p>30+ years in senior PWC/AA finance & operations professional with a successful track record across commercial, corporate treasury and investment banking environments with leading global MNCs</p>	<p>20+ years in the telecoms and ICT sectors, at board level. Global experience, qualified solicitor, prior experience in ICT start-ups, known for strategic yet practical approach, including in challenging and complex commercial, political and geographic environments</p>	<p>B2B sales and marketing leader with 20+ years' experience in the IT and telecom sectors. Committed team builder, has consistently delivered business results. In his most recent sales role led a cross-functional team responsible for more than 200 global accounts with HQs across 8 countries</p>
KEY EXPERIENCE	<ul style="list-style-type: none"> Director, Corp. Finance: PJ Carroll PLC General Manager, Finance: TSB Bank Advisor: Milestone Aviation (\$2b buy out by GE) CFO: Creganna Medical Devices (\$2b IPO due) Restructuring advisor: Rabobank Various CFO/Board advisory roles Start ups & Turnarounds 	<ul style="list-style-type: none"> VP Logistics Services & Finance Director: Sandvik Mining CFO: Media Technology start up Finance Director: Microsoft Ireland Head of Finance: Guinness Head of Corporate Treasury and Structured Financing: Diageo Senior Corporate Treasury: Pfizer Investment banking risk management : Schroders Australia 	<ul style="list-style-type: none"> Strategy Director: Vodafone Ireland & Vodafone Ghana Public Affairs: Vodafone Group from Brussels Significant M&A experience Previously Board Member of \$1bn+ entities and AIM board experience Strategic accomplishments inc. fibre roll out in Ireland and Ghana turnaround 	<ul style="list-style-type: none"> Director of Market Development: Alcatel VP Operations & Integration: SBC Europe Region Head: Vodafone Global Enterprise Board Member of SBC operating units in France, Switzerland, Norway
KEY SKILLS	<ul style="list-style-type: none"> Goal orientated / value creation Stakeholder Management Deal Making & Team Building 	<ul style="list-style-type: none"> Results orientated Commercially focused Change management 	<ul style="list-style-type: none"> Strategic thinker Creating partnerships Significant external credibility 	<ul style="list-style-type: none"> Team builder People development and motivation Driving complex deals with large business customers Communications

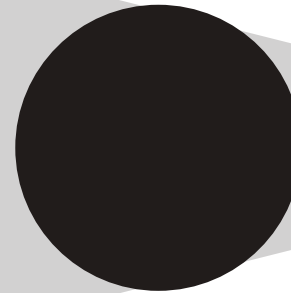
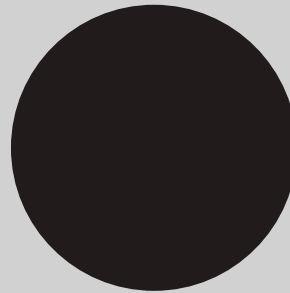
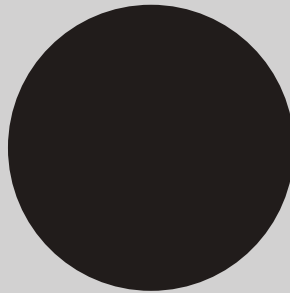
Management Structure



The Strategy

Leverage proven sector knowledge, excellent contacts and established alliances with manufacturers, users and other key industry professionals

Roll-out on the ground operators & sales teams



Build software & integration and hardware & IP capabilities both organically and via acquisition

Utilise military 'inside-track'

\$100m+ market cap

Vision to become a significant player in the dynamic UAS market

The Rise of UAVs



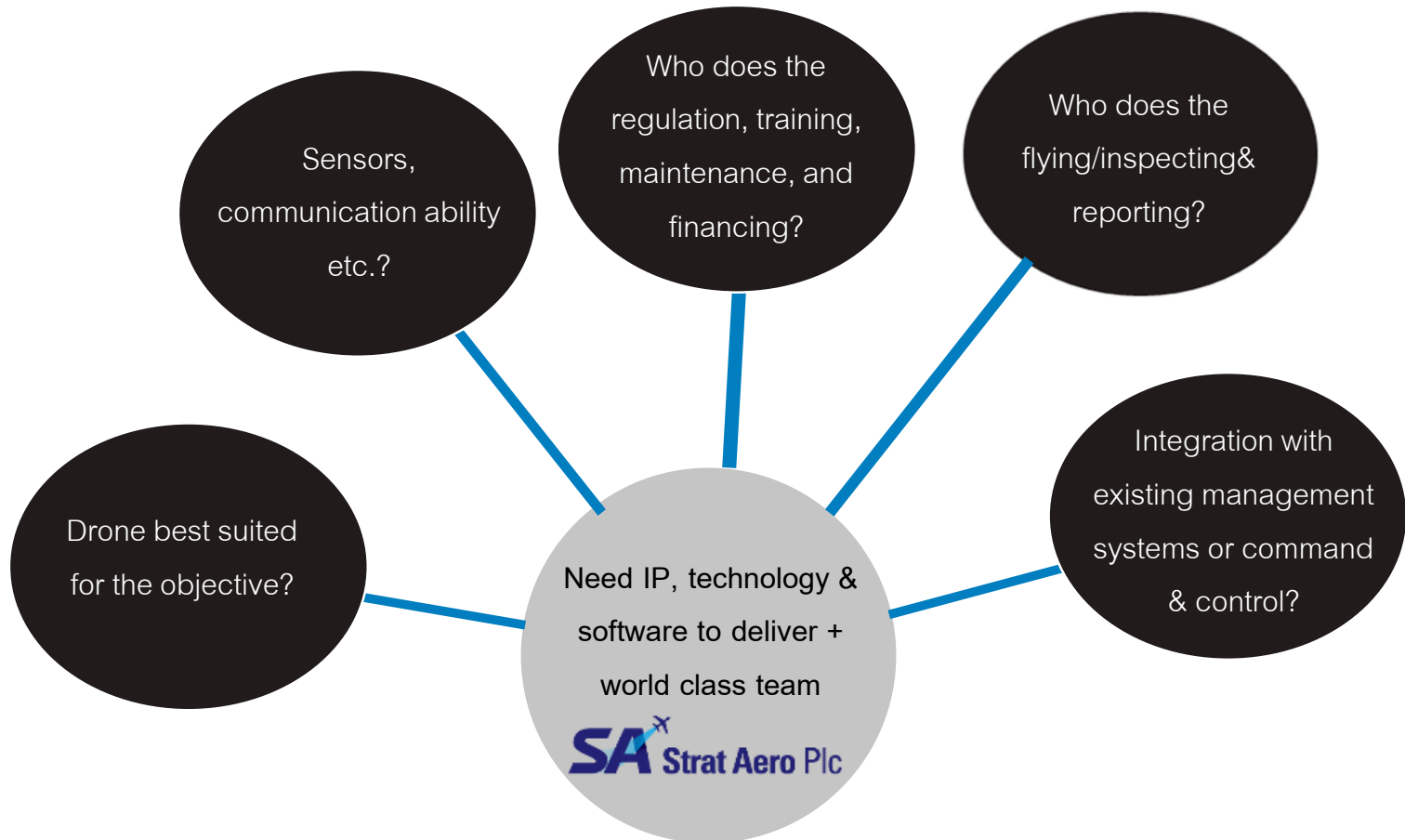
- Use of UAVs has grown rapidly in recent years due to:
 - Significant technical advances making UAVs more flexible, reliable and readily available
 - Cost and safety considerations – no danger to the pilot or flight crew and much cheaper than traditional aircraft
 - Ability to stay aloft for many hours



- UAS market forecast to grow to more than US\$82.1bln between 2015 and 2025 and create more than 70,000 new jobs in the first three years and 103,776 by 2025 (The AUVSI Economic Report 2013)
- UAVs continue as the most dynamic growth sector of the world aerospace industry this decade (Teal Group: 2014 UAV Market Profile and Forecast)
- The commercial wind Inspection UAV market is expected to be worth +\$6bln by 2024 (Navigant Qtr 3, 2015)

The Opportunity – Current Market Limitations

The opportunity is endless but prospective clients, including farmers, police forces and utility companies, need educating on what drones can do for them



The Solution: Delivering a one-stop UAV shop



Evaluation & assessment of client's needs



Hardware, Sensors, Communication



Training & Regulation



Data collection (flying!)

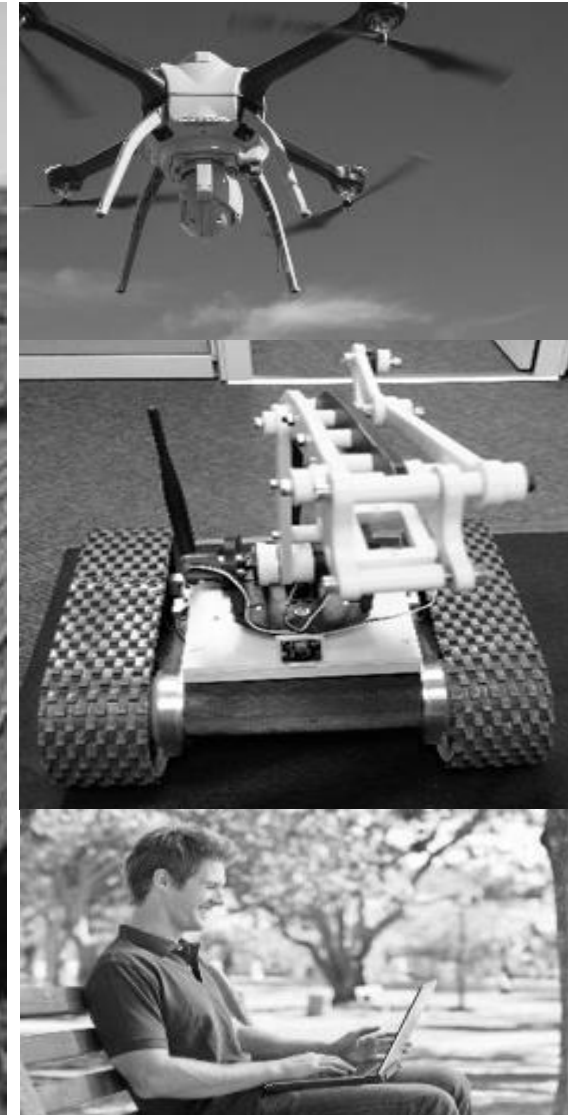


Data analysis & reporting



The Solution: Agriculture Example

- UAV detects area needing fertiliser
- Tells UGV to go and spray it
- Sends full reporting solution back to farmer



Growing Pipeline of Opportunities



\$90m sales pipeline shows Strat Aero's best opportunities across multiple divisions

1
2
3
4
5

Inspection Services

Combining the utility of UAVs with client reporting software. This will move from Survey, to Wind, to Cell, to Power and beyond

Military Training

Superior offering to existing competitors via USI Sandstorm

ISR/Large Company Solutions

Security and other forces need to make best use of UAV technology

Training & Education

A new 'learning discipline'

Consultancy and Related Services

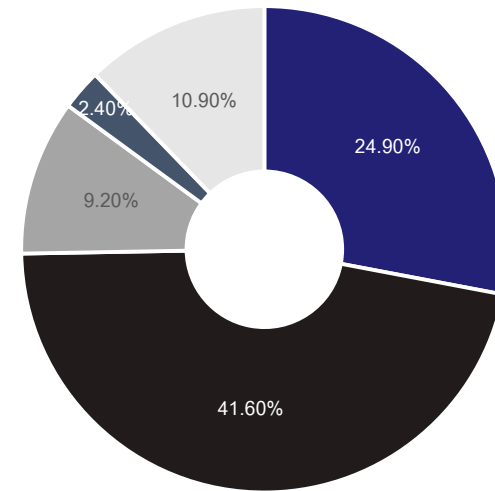
Leveraging the know-how and contacts of the founders

Revenue Pipeline: Per Division

(Strat Aero only)

SALES PIPELINE - \$90M WITH 95 PROSPECTS	
Sector	Potential revenue: \$ million
Inspection Services	10.9
Military, State	24.9
ISR, Security	41.6
Training, Education	9.2
Consultancy etc.	2.4
TOTAL	89.0

Gross Pipeline Revenue



- Military/State
- ISR & Security
- Training & Education
- Consultancy etc.
- Inspection Services

Commercial Opportunity: Wind

- Navigant study says wind turbine inspection UAV market will be worth \$6bn by 2024
- Strat Aero solution combines UAV blade inspection with inspection expert data analysis and software solution to manage the data (own DDM-Digital Data Mgt system)
- Average cost of \$750 for Strat Aero solution versus current main solution of \$3500+ to send men on ropes up
- Superior assessment and data management capabilities and significant cost savings to wind farm operators
- DDM solution also offers full 'management solution' across the wind farm, i.e. a database of the whole inspection process across the farm

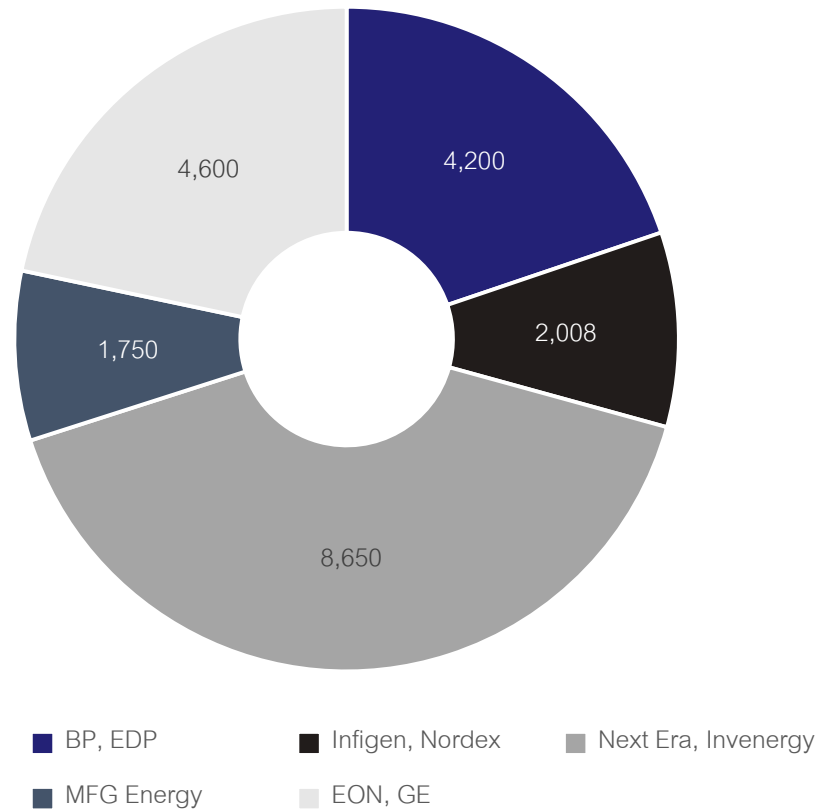


Wind – Leads Summary

42 LEADS FOR A SALES POTENTIAL OF \$10.6M

Interest Level	Turbines	Revenue: \$ million (\$500 each)	Main Clients
1	4,200	2.1	BP, EDP
2	2,008	1.0	Infigen, Nordex
3	8,650	4.3	Next Era, Invenergy
4	1,750	0.9	MFG Energy
5	4,600	2.3	EON, GE
TOTAL	21,208	10.6	

Main Clients & Turbines by Interest Level

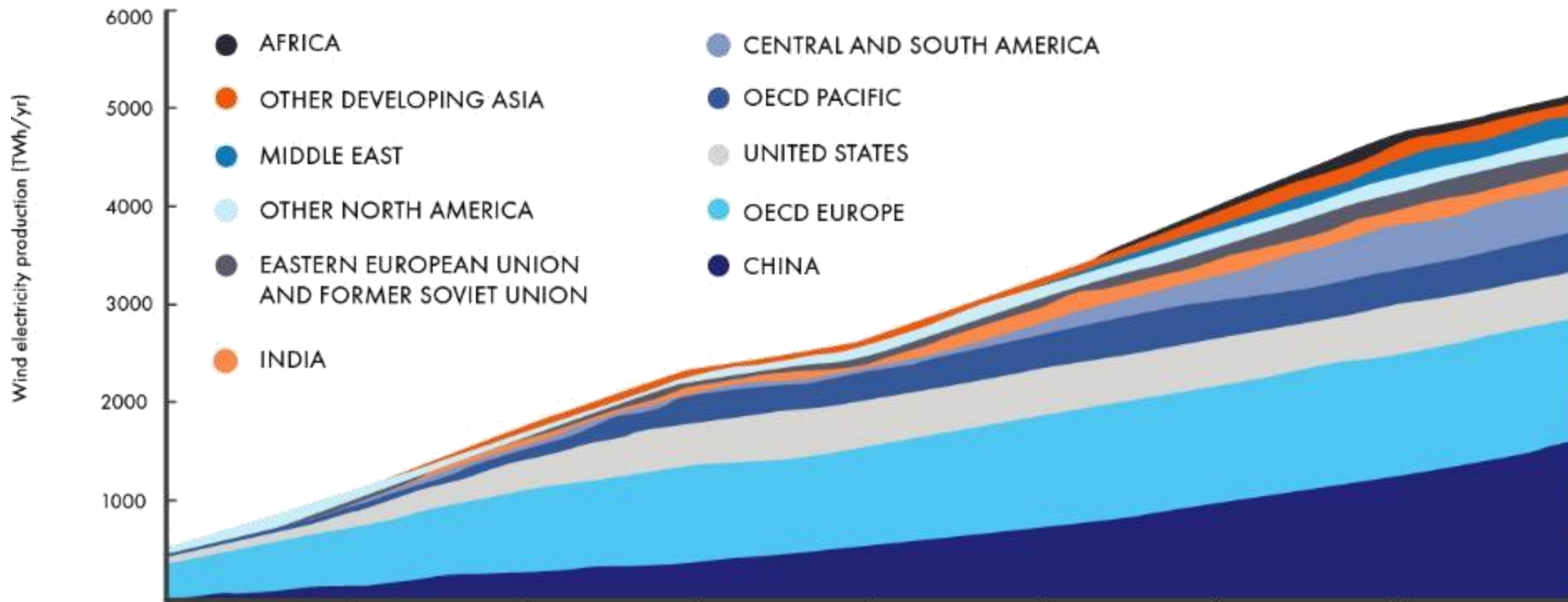


Wind: Global Potential



Navigant-Wind Turbines Drone Inspections – globally a \$6 billion market by 2024

Growth of Wind Electricity Production by Region



Source: Drones for Wind Turbine Inspection, Navigant Research, Q3 2015

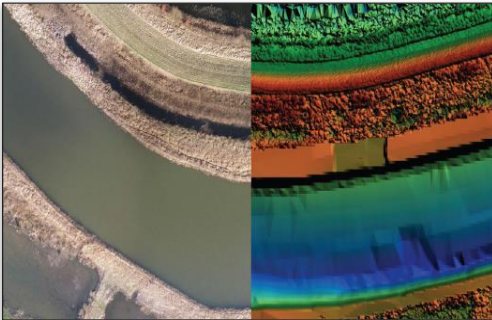
Commercial Opportunity: Mobile Cell Towers



- 825,000 cell towers worldwide - connections into a significant portion of these
- Identified trial partner (500 cell towers UK & Ireland) to develop a compelling industry offering, commencing Demos November 2015
- Identified the significant IP needed to develop to give Strat Aero a significant edge in this future marketplace (University collaborations in Ireland, the UK and the US)
- At a reasonable £500 per tower inspection charge, a 10% market share would be worth £41 million a year in revenue
- Due to sector needs, expect mobile cell towers to be a relatively early adopter of drone technology – Strat Aero will be pursuing this as a priority sector

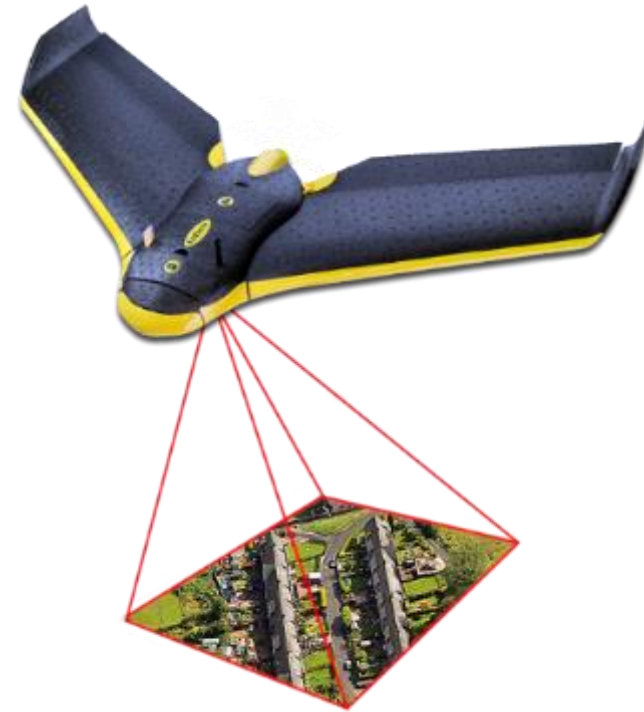
Commercial Opportunity: Flood Defences

- The UK EA alone is spending £1.1 billion per annum on flood defences
- Acquired Geocurve - specialist in the provision of UAV operated topographical surveys and inspection services
- Uses a combination of UAVs, water vehicles and engineering knowhow and manpower, to map flood defences for the entire Norfolk Broads national park
- Game changing capability over and above traditional techniques - what historically has taken years to achieve, Geocurve can do in weeks
- Substantial savings to the UK exchequer of over £100 million p/a– Strat Aero developing proposals to use political channels etc. to best overcome traditional methods as employed by the EA
- International opportunity - unique capability and all countries need better solutions - ultimate opportunity could reach £50 million p/a



Geocurve

- Geocurve specialises in the provision of UAV operated topographical surveys and inspection services
- Holds the first known authority from the Civil Aviation Authority to fly drones in congested urban areas
- Blue chip customer base including the UK's Environment Agency, EDF Energy, Carillion, and the RSPB
- Unique 3-D Modelling UAV based mapping solution and highly experienced team of specialist surveyors and UAV operators
- The combination of Geocurve and Strat Aero provides multiple cross-selling and expansion opportunities
- Intention to roll out Geocurve's capabilities internationally – two initial countries currently being explored



Military & Civilian Training



- Original military training solution using USI Sandstorm still compelling, in discussions with a number of international Air Forces - timelines exhaustive, but opportunities lucrative
- Long term courses ranging from 1 month to 2 years for the expected future civilian opportunity as many will seek to get work in this expanding sector
- In negotiations with various Asian partners to roll out courses across Asia where the Strat Aero brand is highly valued due its British plc credibility and the aviation background of its founders
- Joint Venture Agreement with UVAir on 7 October 2015 to establish Remotely Piloted Aircraft & Systems (RPAS) training centres and deliver RPAS training courses in territories overseas – now targeting 2 to 4 initial countries. This is orientated at shorter form 1-2 week courses for immediate certification of experienced operators/ airline pilots. UVAir is already a CAA licensed certification provider

Full Services Business Model and Fit of Acquisitions

Commercial Markets



- Drone/UAV manufacturers
- UAS Acquisition



- Partnerships with educational establishments
- UAVAir Joint Venture



- Wind
- Geocurve



- Data management tools & reporting systems
- Geocurve Data Analysis Centres
- University Collaboration programmes

Military Markets



- US Acquisitions



- Sand Storm via USI



- UAS Acquisition



- US Acquisition
- SA DDM



* Future acquisitions are in grey

Peer Group – Valued at 10x Revenue

DJI

Yuneec \$60 million (Aug 15)
Ehang \$42 million (Aug 15)

Manufacturer of popular consumer drones – May 2015 the Chinese drone-maker raised \$75 million at c.\$8 billion valuation, \$1 billion in sales, a nearly 10x growth from its \$130 million revenue in 2013, approximately 8 x revenue

3D Robotics

\$5 million revenue in 2013, raised c. \$64 million in April 2015, approximately x10 revenue

Airware

Raised \$11.7 million in Series A funding in 2013 from backers including Andreessen Horowitz and Google Ventures and an additional \$25 million in July 2014. Expected revenue 2014 of \$4 million, approximately 10x revenue

Skycatch

End of 2013, Skycatch had 10 clients buying units at \$100,000 apiece - closed a \$13 million funding round in May 2014, 10x revenue

PrecisionHawk

An information delivery company that uses drones and cloud-based software to collect, process and analyse aerial data - raised \$10 million in a Series B financing led by New York City-based Investor Millennium Technology Value Partners, bringing the total invested to date to \$11 million, revenue undisclosed, started to have 50 customers (April 2015)

*Source: RnRMarketResearch.com June 2015

Investment Summary

- Excellent market opportunity – UAV market forecast to grow to \$82.1 billion between 2015 and 2025 (The AUVSI Economic Report 2013)
- Highly experienced management team brought in to take advantage of consolidation opportunity to become a leading integrated player worldwide
- Defined growth strategy both organically and through acquisition
- Goal to become a significant player serving the fast growing UAV sector

RAPIDLY BUILDING A VERTICALLY INTEGRATED UAV OFFERING, COVERING ALL ASPECTS OF THE VALUE CHAIN INCLUDING SOFTWARE, HARDWARE AND SERVICES



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