

SA Strat Aero Plc



Company Presentation | November 2014

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An aerial satellite view of an airport terminal and surrounding runways. The terminal is a large, multi-winged building with a central hub. Runways and taxiways are visible as long, straight paths. In the background, there are several large, circular green structures, likely water treatment tanks. The text "A unique opportunity to gain exposure to a company capitalising on the exponential growth of UAVs and the wider aerospace industry" is overlaid in blue. Road markers for 127, 13, 235, and 58 are visible. A compass rose is in the top right corner. The text "© 2014 Google" and "Google earth" are at the bottom.

A unique opportunity to
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Overview

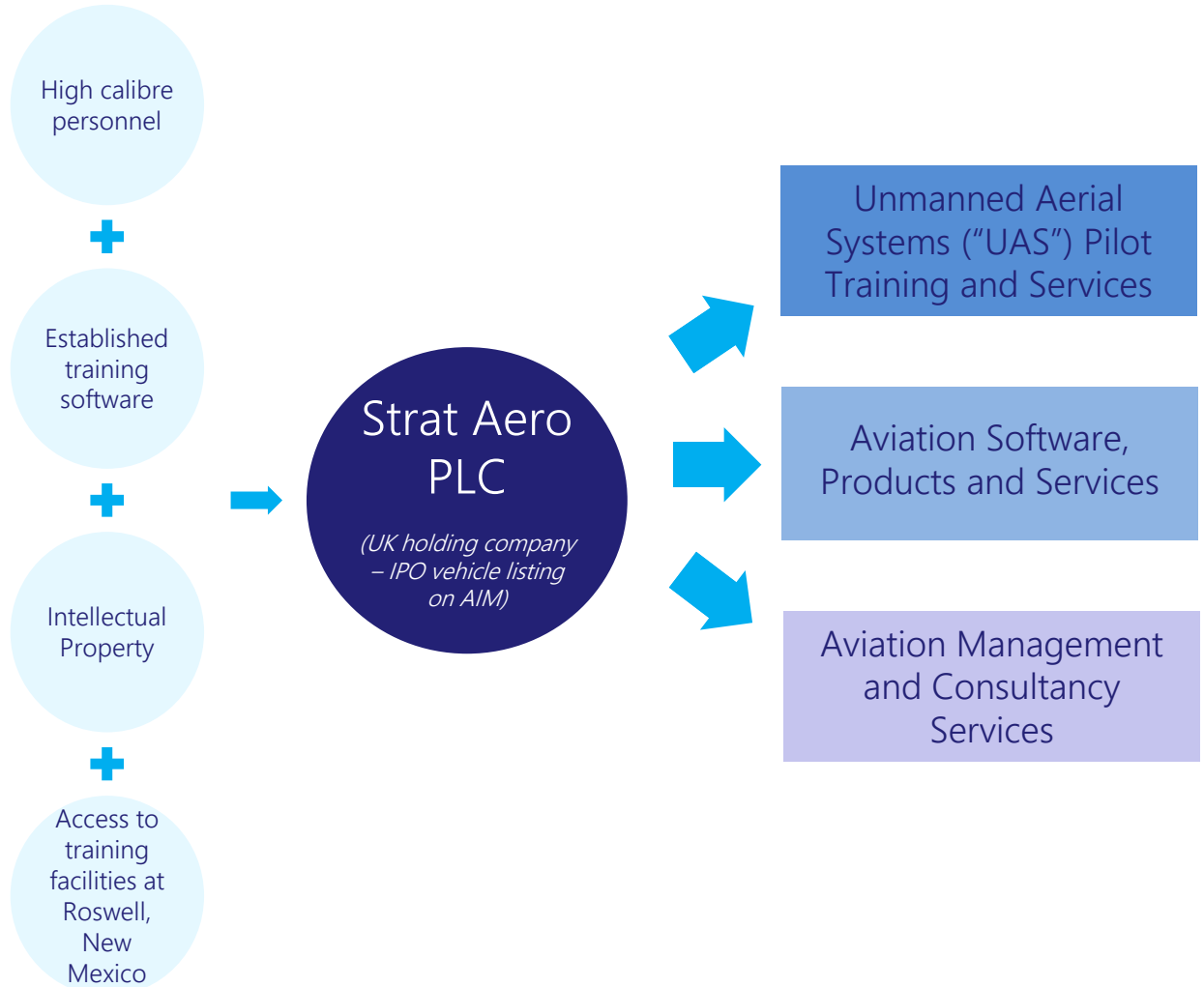
A multi-divisional aerospace services company leveraging its established position within the aviation sector to expand existing consultancy & development agreements with international aviation companies, government bodies and universities



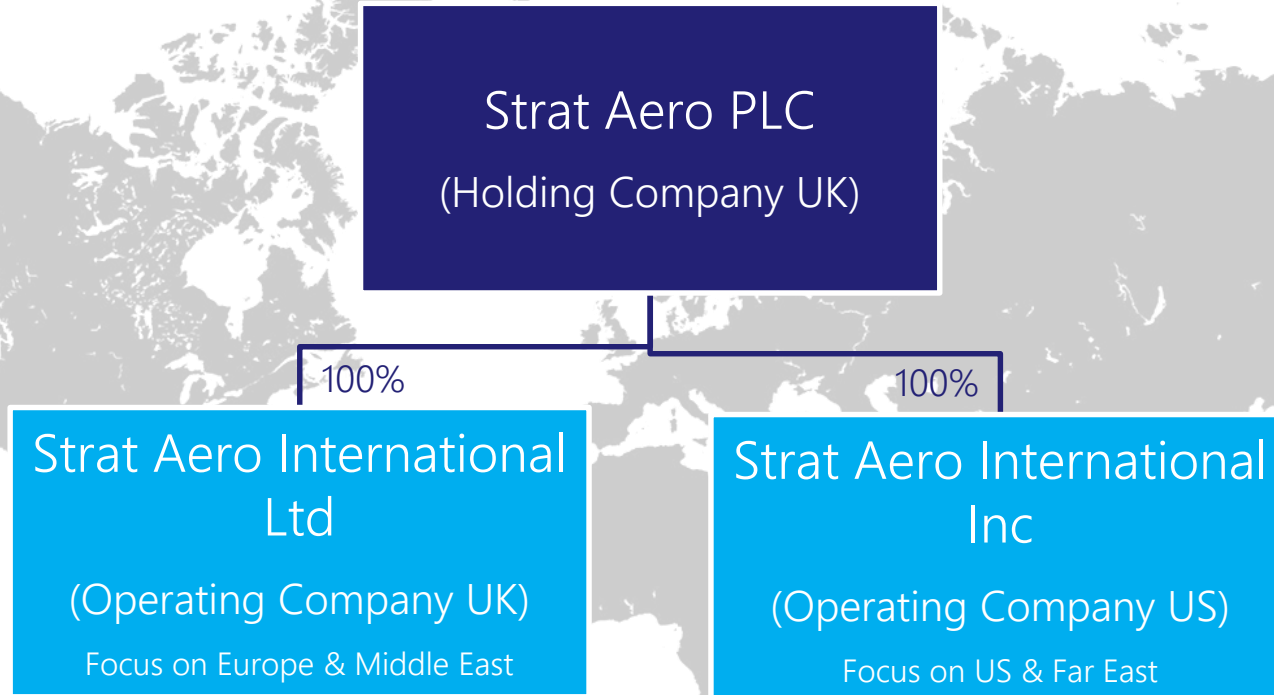
- Established in the USA in 2013 – led by a group of aviation specialists with a combination of operational and technical expertise to support delivery of targeted products and services
- An extensive network of employees and consultants across offices worldwide – working with international companies with multiple language requirements – head office at Gatwick Airport in Sussex
- Existing contracts and MOUs with defence companies, government bodies, and educational institutions
- Operates from a training complex utilising facilities at Roswell, New Mexico providing training for UAS – civilian, law enforcement and military applications in UAS expected to be a dynamic growth sector in the aerospace industry over the next 10 years
- Current revenue streams from existing contracts and consultancy agreements
- Strategy to leverage business and international agreements for growth
- Directors have invested to date in addition to pre-IPO funds from external shareholders

The Strat Aero Business

“Capitalising on market opportunities resulting from the strong growth forecast in the airline industry and rapid growth forecast in the emerging UAV industry over the coming decade”



Structure & Geography



Includes:

- UAV Development and Training
- Aviation learning & training systems
- Safety systems design and development
- Airborne surveillance systems & design
- Consultancy Services



Market Analysis



Global aviation market is in recovery, ISR industry & UAV market are expanding - attractive market dynamics on which to capitalise

- UAS market forecast to grow to more than US\$82.1 billion between 2015 and 2025 and create more than 70,000 new jobs in the first three years and 103,776 by 2025[†]
- Estimated value of the global airborne intelligence, surveillance and reconnaissance ('ISR') market in 2023 would reach US\$19.23 billion^{††}
- Boeing anticipates a US\$10 billion mid-sized ISR market using various airborne assets^{†††}

Sources:

[†] The AUVSI Economic Report 2013

^{††} Visiongain report, titled The Airborne ISR Market 2013-2023, October 2013

^{†††} Singapore Airshow new report, February 2014

Unmanned Aerial Vehicles ('UAVs')



SkyRanger

Small short range multi-rotor commercial UAV
Surveillance, law enforcement, surveying and technical inspection



Sandshark

Medium "intelligent" fixed wing training UAV
Low cost training solution for large UAVs using computer emulation



Predator/ Reaper

Large long-range fixed-wing military UAV
Long range military surveillance and tactical weapons delivery

UAS Pilot Training & Services

UAV Military Training – Uniquely positioned to capitalise on projected US Air Force demand



- Co-operation agreement signed with a major US defence contractor to provide facilities and manpower to train military pilots (in the first instance) who are transitioning from basic pilot training to flying fixed wing Unmanned Aerial Vehicles (UAS)
- UAV use is expanding for military tactical missions – acute need for training due to, among other factors, annual losses of Predator and Reaper aircraft from crashes in the take off and landing phase currently amount to several million dollars
- Initial estimates are that one branch of the military will require 750 pilots to be trained each year – the prime contractor will be providing the equipment including up to three fixed wing training UAVs
- Directors expect revenue \$12,750 per student
- Training to commence by the end of 2014 at UAS Training Centre in Roswell, New Mexico – personnel and full facilities including new UAV runways, accommodation, training vehicles and software ready to commence operations

UAS Pilot Training & Services

UAV Law Enforcement and Commercial Training & Services



- Opportunities in training due to existing agreements and capacity scalability at the UAS Training Centre in Roswell, New Mexico-State sponsored/locally supported
- Targeting law enforcement agencies – Federal, State and Local for opportunities with fixed wing and in particular multi-rotor UAVs – driven by inherent flexibility, cost savings, safety and minimal disruption to the public compared with current helicopter based operations
- First turnkey demonstration/rental multi-rotor UAV already operational
- Research lab at Los Alamos, New Mexico demonstration proved technical feasibility for Law Enforcement Agency requirements
- Objective to sell nationally as a part of its commercialisation plan for law enforcement
- Strong sales pipeline with several potential clients

UAS Pilot Training & Services

UAV Services – development & testing with ARL laboratory



- The US Army at the end of April 2012 had 5,866 UASs – the Army Research Laboratory is seeking to spin out a number of its UAS technologies and develop commercial applications from military hardware
- Strat Aero intends to manage a programme, bringing in outside expertise if required, to undertake the UAS technology evaluation work
- A proposal has been submitted by Strat Aero, the work programme has been defined, and submitted to the ARL contracts office
- Expectation of a multi-year contract with both fee and profit share revenue components – the contract will be on a cost plus basis with the group also having access to the developed UAS platforms post research phase

UAS Pilot Training & Services

UAV Services – specialist UAV commercial development



- Technical Services Agreement (TSA) in June 2014 with the National Renewable Energy Laboratory (NREL), a division of the U.S. Department of Energy, to conduct research and development programmes to inspect and analyse wind turbine performance and reliability
- Includes the development of effective tools in preventing shut-downs and disasters for wind-farm operators – working with New Amsterdam Global Solutions in Sweetwater, Texas to partner with the region's major wind farm operators
- Combination of current sUAS (small Unmanned Aerial Systems) technology and the most recent developments in HD video, metadata collection and thermal imaging provides a unique offering to wind-farm operators
- Directors believe new system will drastically reduce the cost of critical turbine and blade inspection work, whilst also increasing efficiency and accuracy
- Other commercial uses include monitoring including oil fields, refineries and remotely located sites

Aviation Software Products & Services

Aerospace Information Manager Software ('AIMS')



- Proprietary advanced aerospace management system providing cloud-based enterprise wide management solutions for a diverse range of aerospace requirements delivered on a range of platforms including smart phone and tablets
- All-in-one low cost intuitive cloud-based programme designed to assist companies that manage multiple assets such as aircraft, personnel, scheduling etc. – targeting fixed base operators, member associations and service providers
- Functionality includes:
 - Cloud-based delivery
 - Learning Management System
 - Customisation for FBO Business Management
 - Deliver and Track eLearning
 - Safety Management System (SMS) mandated by many countries
 - Deliver and track specific safety and workplace training
 - Construct ad hoc workgroups and track effectiveness
- Revenue generated with an aircraft cleaning company with in excess of 800 employees – this established software will be offered to similar service companies across the industry
- All AIMS' IPR owned by the Company

Full Service Consultancy

Strat Aero can provide training services for aviation personnel in the following subjects and skill-sets:

Regulatory Compliance

Strat Aero technical experts have the capability to guide and assist regulatory agencies, state authorities, airlines, airports, business aircraft operators and independent air charter operators in meeting global compliance standards. Our experienced staff have served on ICAO and other agency panels, leading certification design processes and in setting global standards.



Full Service Consultancy

Consultancy initiatives – the right team to deliver



- Established consultancy services for the aerospace industry with a primary emphasis on procuring engagement with fixed base operators and other service providers
- Awarded contract for the project management for the establishment of a new low cost airline in the Middle East – initial processes underway and completion expected in 2015 – services provided by Strat Aero range from leasing aircraft to staff training
- Contract with the Civil Aviation Authority of a European country for the supply of Flight Operations Inspectors for the purpose of approving and recommending Air Operator Certificate (AOC) applications in respect of helicopter operations related to the oil industry
- Authoring of EASA (European Aviation Safety Agency) compliant Technical Publications for Regulatory Authorities – currently contracted by EU nation
- MOU pending with a European Airline for the provision of consulting services designed to identify growth opportunities and increase operational and financial efficiencies
- Initial talks underway for the provision of a range of consulting services to a Government agency on the African Continent

Capital Structure

Building a strong register of shareholders to support future growth

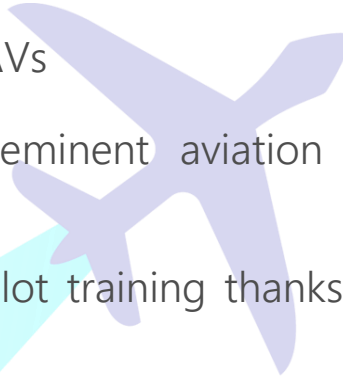


Major Shareholders (and connected parties)	No. of shares	% Pre-IPO
Russell Peck	26,607,675	39
Graham Peck	6,369,596	9
Bob Sulluzzo	5,069,596	7
Bud Oaster	6,000,000	9
Jon Adams	6,419,596	9

- 12 month lock-in followed by 12 month orderly market
- EIS/VCT cleared
- SP Angel acting as NOMAD and joint broker
- Beaufort acting as joint broker

The Investment Opportunity

- Established business targeting the aerospace industry
- Provides exposure to the projected growth in UAVs
- Uniquely qualified board encompassing pre-eminent aviation experts and highly qualified corporate/financial specialists
- Positioned to leverage its advantage in UAV pilot training thanks to Roswell facilities, personnel and existing military contracts
- Strong reputation – committed to being a leading technology and consultancy services group and one of the industry's foremost providers of UAS pilot training, e-learning based aviation products and consulting/management services
- Pipeline of news flow including new contract wins/JVs with civil and military bodies and new product launches to further bolster financial performance
- International footprint – well positioned to execute rapid growth across numerous jurisdictions



Presenting Team

Capt. Graham Peck
Executive Chairman



- Experienced professional pilot with a wealth of experience in airline operations and management.
- Former 737 fleet manager of BA Euro Gatwick Division, UK CAA authorised examiner
- Former chief pilot of GB Airways
- Former Director of Operations and full board member of GB Airways
- Former Head of Training for Alteon Training in the UK, responsible for structuring the department as well as managing the approvals of six training centres covering UK, Europe, North Africa and Singapore
- Based in the UK

Capt. Russell Peck
Chief Executive Officer



- A wealth of experience in aviation management, training, and active flight operations for both corporate aviation and major international airlines
- Experienced captain, check pilot and FAA examiner on DC9, MD80, 727/757 and 767 aircraft
- Former manager of Continental Airlines training department, as well as director of Human Factors and Corporate Training for all divisions of Continental Airlines
- Member of the Air Transport Association Training Committee
- Based in Houston, Texas, US
- *Russell Peck and Graham Peck are not related*

Robert (Bob) Salluzzo
Chief Financial Officer



- Certified Public Accountant who began his career with Price Waterhouse Coopers in Rochester, Y
- Established practice which was later merged into Marvin & Co. a major regional accounting firm in Albany, New York in which he was a partner
- Specialist in aviation financing, advising airport owners and sponsors in entrepreneurial methods to mitigate airport costs
- Lectured at the New York State Airport Managers Association on the topics of business development and financing alternatives for airports and businesses on airports
- Based in New York, US

Additional Key Personnel

Greg Kuenzel Non-Executive Director

- Holds a Bachelor of Business Degree and is an associate of the Institute of Chartered Accountants in England and Wales
- Over 18 years experience in providing accounting and corporate advice in a diverse range of industry sectors in the UK, USA and Australia
- Worked with mostly AIM listed companies providing corporate and financial consulting services over the past nine years
- Currently Chief Executive Officer of AIM quoted Noricum Gold Limited and Non-executive Director of FinnAust Mining plc
- Greg is based in the United Kingdom

Capt. Jon Adams Consultant

- Chief of Stan/Eval, Squadron/Group /Wing Commander retiring as a Colonel with over 7,000 hours in a variety of transport aircraft
- 26 year airline career with US Airways serving as line Captain, Check Airman, Designated Examiner, Chief Pilot and Manager of AQP & Programme Development
- Retired from active flying with over 20,000 hours
- Instrumental in implementing flight school training standardisation, instructor training, both quality and safety management systems, pilot selections, Aviation English language training and flight operations data analysis



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