DRAGONFLY

Business Plan

May 25, 2015

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Executive Summary

Dragonfly specializes in providing precision drone services to emerging market farmers to increase their productivity and decrease costs. Our analysts utilize aerial imaging drones for professional applications that are safe, ultra-light and easy to use. These highly automated data collection tools are used to assess crop health indexes, crop development, plant counting, 3D terrain mapping, and water valuation to increase crop productivity up to 20%.

Our expertise in market and financial analyses concludes that Brazil is the most viable and profitable market for penetration amongst emerging markets and there is an exceptional amount of opportunity for growth. As the 3rd largest exporter in the world of agricultural goods, Brazil's farming competition is intensive and agricultural farmers need to leverage themselves in order to gain competitive advantage. Dragonfly's potential market consists of 70,000 farms with an average of 7,000 acres. With the target of 600 farms (0.8% of the market) with 10 AgDrones and an investment of 1 million US dollars, we projected a payback of only 1 year by reaching 40% of our target and expect approximately 1.7 million US dollars for the next 2 years.

Dragonfly prides itself on providing opportunity for our customers. Our free-trial based business model gives our agrarian customers a glimpse of their crop deficiencies and our highly trained bilingual analysts provide them with a descriptive results and recommendation report. By providing our customers with a sample of our service, we hope to gain their loyalty for our paid service. Our paid service is more than 50% less than our main Brazilian competitor and our US manufactured drones are superior in precision and durability.

Dragonfly is an innovative and profitable venture that delights the 2 birds, 1 stone model. Our mission is to improve the productivity of Brazilian farmers while decreasing environmental impact with precision drone strategy. Therefore, our value proposition is providing more precise agricultural services to emerging market farmers for a lower price with our highly skilled bilingual US-trained analysts.

We believe that by helping farmers to be more productive, we also help the world.

Business Model

The recent growth in technology has caused the UAV (Unmanned Aerial Vehicle) market to surge, specifically in the agricultural sphere where it is forecasted to retain 80% of the commercial drone market. Emerging markets have recently begun to apply drones to assist in agriculture development, but their business models are insufficient and lack international investment.

Dragonfly specializes in the following services:

- 3D Terrain Mapping- Develop 3D dense surface reconstructions.
- Plant Height Assessment- Assess crop height and density through uniformity and yield potential.
- Weed Detection- Detecting anomalies in field due to weeds.
- Plant Counting- High-resolution plant count maps are developed using a machine learning technology that gives users early information on plant size by individual plant, row, plot or field. Identify planter skips and assess yield potential in early growth stages.
- Canopy Cover- Assess crop coverage in later growth stages reported as a coverage percentage. Canopy cover can be segmented by any management unit and is the base product for crop productivity measurements such as stay-green and brown-green ratio.
- Crop Health Indexes- Identify crop stress, track rogue plants and detect early infestations with our wide selection of agricultural vegetation indices.
- Season Monitoring- Multiple flights throughout the growing season and at key decision points will reveal changes, trends, patterns, and anomalies.
- Water Assessment- Assess temperature, quality, and misusage of water.
- Custom Solutions- Our team of geospatial experts is continually creating custom Geographic Information Systems (GIS) solutions to fit the needs of our growing user-base.

Dragonfly has selected Brazil as a target market because of the competitive advantages it provides. Brazil has an extremely large and untapped agricultural market with limited competitors in precision UAVs. As the 3rd largest agricultural exporter, Brazil creates an exceptional opportunity and Dragonfly intends to capitalize by providing excellent services with less than half the price of the current market leader.

We understand that Brazilian farmers remain conservative with the notion of traditional agriculture. By offering free trials to Brazilian agrarians, Dragonfly will give them a sense of quality and precision to increase productivity by reducing their costs. According to the United Nations Fund for Food and Agriculture (FAO), agriculture uses 70% of overall water in the country and nearly 50% of the water used in agriculture is wasted. This represents 3 trillion liters wasted in the country, which is equivalent to 176 years of drinking water in Sweden. Additionally, 10% of agricultural grains are wasted due to external factors that can easily be adjusted through the use of UAVs.

Dragonfly utilizes award-winning precision AgDrones manufactured by Honeycomb Corporation. Honeycomb Corporation has annual revenue of $500,000 and is established in Oregon, US. Their AgDrones feature a full-body aramid fiber exoskeleton (Kevlar) and integrated dual cameras configured for a variety of multispectral scanning for maximum data acquisition. The AgDrone flies 800 acres in 1 hour at 400 feet; faster than any drone available on the market (refer to AgDrone specifications). Configured with a detailed mission planning software and native tablet application, the AgDrone provides Dragonfly with the competitive advantage needed to succeed in a demanding marketplace.

As a new company with a lacking client base and minimal partnerships, Dragonfly intends to leverage its strengths in providing low cost and high quality services in its marketing campaigns and free-trail model to gain market share. To gain financial support, we intend to reach out to venture capitalists and angels for investment. Our financials report a fast and feasible return, even in scenario 1 (refer to financials).

With every start-up company, a plethora of threats arise to hinder a company's success. To avoid market boundaries, we strategically decided to target educated farmers for the sake of understanding our service. Our short-term target strategy aims at servicing 18.5% of the serviceable available market (SAP), and 60.9% of the long term SAP after gaining market share (refer to marketing analysis). A second concern is the swiftness of US based companies penetrating the Brazilian market. Currently the US is concerned more about domestic agriculture rather than international plantations. Dragonfly can beat the US by being first mover and by providing a lower-cost service. Finally, government legislation has caused the stagnation in some drone markets due to legality in aerospace, specifically in the US. Future legislation in Brazil is inevitable, but our AgDrone analyses plants at a lower altitude than other drone products. This allows us to fly legally and within safe boundaries to carry out analyses.

This brief overview shows the importance of the Brazilian market and the significance our services are for cutting farmer's costs and aiding environment. Overall, farmers who operate precision technology increase their productivity by 20% and the quality of their products. By providing an innovative and disruptive outlook towards agriculture, Dragonfly will become the UAV market leader within Brazil.

SWOT

Strengths

- Price
- Quality
- US Brand Name
- HQ webpage
- Dragonfly Brazilian President
- No Brazil drone laws

Weaknesses

- New in Market
- Lack client base
- Minimal Partnerships in Brazil
- Need Investor

Opportunities

- Leveraging Brazilian contacts
- Increasing drone market
- Need for governmental and environmental responsibility
- One major competitor

Threats

- Farmers lack education
- US based companies overtaking Brazilian market
- Future government UAE drone legislation

Key Success Factors

1. Free trials- Dragonfly intends on offering free trials to customers to test our service. Our analysts will examine 500-1000 acres and provide an in-depth analysis of inconsistencies we discover. By providing precision data and recommendations to our customers to better their farms, we intend on solidifying healthy relationships and profitable prospects.

2. Marketing- Dragonfly will participate in fairs and expositions that occur around the country. We will also partake in news interviews as well as publishing and online articling.

3. Training- Our analysts will be provided with complex drone training classes and will have previous experience in agriculture in US and Brazil. They will be bi-lingual Portuguese and English.

4. Precision- The data we collect using our high-tech precision drones will be driver for the farming revolution, monitoring crops from the sky. With our drones farmers can capture highly accurate images of their fields, covering hundreds of hectares/acres in a single flight. By using image-processing software we can then transform these shots into one large 'orthomosaic' image. Apply algorithms like Normalized Difference Vegetation Index (NDVI) to this and create a reflectance map of the crop. This map is the key to boosting yields, cutting costs, and driving farmers business forwards.

5. Partnerships- Dragonfly will purchase drones from HoneyComb at a reduced rate as we are purchasing them in bulk. We also intend to establish relationship with farmers associations to offer them our services, assistance in agricultural development, and reduction in waste. A prominent partnership will consist of establishing relationships with the government officials to reduce taxes in exchange for farmers to enable our service to reduce the waste of water.

Impacts on Agriculture

Due to the recent nature of precision agriculture, only a small amount of case studies have been reported. The following case completed by Allan Acil in 2008 represents precision technology applied to Australian agriculture:

Productivity

Acil Allan (2008) provided a set of estimates of assumed direct impacts of precision farming on agriculture. Based on the information derived from the case studies undertaken from this report, the grain impact has increased considerably due to increased uptake by the industry.

The estimates are based on two scenarios – low levels of adoption, and current potential future benefits if adoption rates are higher and in future become more widespread. The estimates are provided for 2012 and 2020 according to the following table:

Productivity impacts of precision farming 2020

Enterprise	Assumptions	Direct impact (low)	Direct impact (high)
Grains (wheat, barley, etc.)	Low case as above plus adoption of inter row sowing and other yield improvement methods. High case assumes most grain growers adopting full range of precision agriculture techniques. Assumes 40 per cent adoption for the low case and 100 per cent adoption for the high case. Savings in costs of between 12% and 20%.	12.5%	20.0%
Dairy, beef	Adoption of most promising practices overseas. On an assumption that low cost livestock tags can be developed	1.0%	15.0%
Other cropping including sugar cane	Some adoption as lessons from grains spread more widely. High case as for grains – noting that not all cropping will have the same opportunities for adoption of the full suite of applications.	0.2%	15.0%

Note: Based on case studies and literature review. Precision farming is dependent on precise positioning
Data source: ACIL Allen

Economic

The productivity improvements described above allow the agricultural industries to grow through greater efficiency and lower costs. The ultimate outcome for the sector, as for the economy as a whole, depends on resource shifts in the economy.

Increase in output from the agricultural sector

	2012 low case		2012 high case		2020 low case		2020 high case	
	$million	Change	$million	Change	$million	Change	$million	Change
Grains	279	1.9%	434	2.9%	773	7.6%	1,377	13.8%
Dairy, beef	18	0.1%	29	0.2%	105	0.4%	791	3.3%
Other cropping (inc sugar cane)	1	0.1%	2	0.2%	6	0.4%	17	1.1%
Total	298	0.9%	466	1.5%	885	2.6%	2,185	6.5%

Note: All amounts in $2013

Data source: ACIL Allen modelling

The results show that industries in the agricultural sector grow as a result of improvements in productivity from the use of augmented UAV in precision agriculture:

- Output in the sector was between $298 million and $466 million higher in 2012 as a result of the use and application of augmented UAV in the grains industry and elsewhere. This represents between 0.9 and 1.5 per cent of the grains and cropping output.
- Output is projected to be between $885 million and $2,185 million higher by 2020 with further adoption in the grains and livestock industries. This represents around 2.6 per cent and 6.5 per cent of the grains, crops and livestock sector output.

The grains industry accounts for over 90 per cent of the higher output from the agricultural sector in 2012. This reflects the relatively high levels of adoption of precision farming techniques by the grains sector and the high efficiency gains the industry can achieve as a result.

Macro analysis

With the world population expected to grow from 7bn to 9bn by 2050, the FAO estimates that meat production will need to double and grain output should increase by 50% in order to meet changing diets and higher food demand. This is both a challenge and an opportunity for Brazil's agribusiness industry.

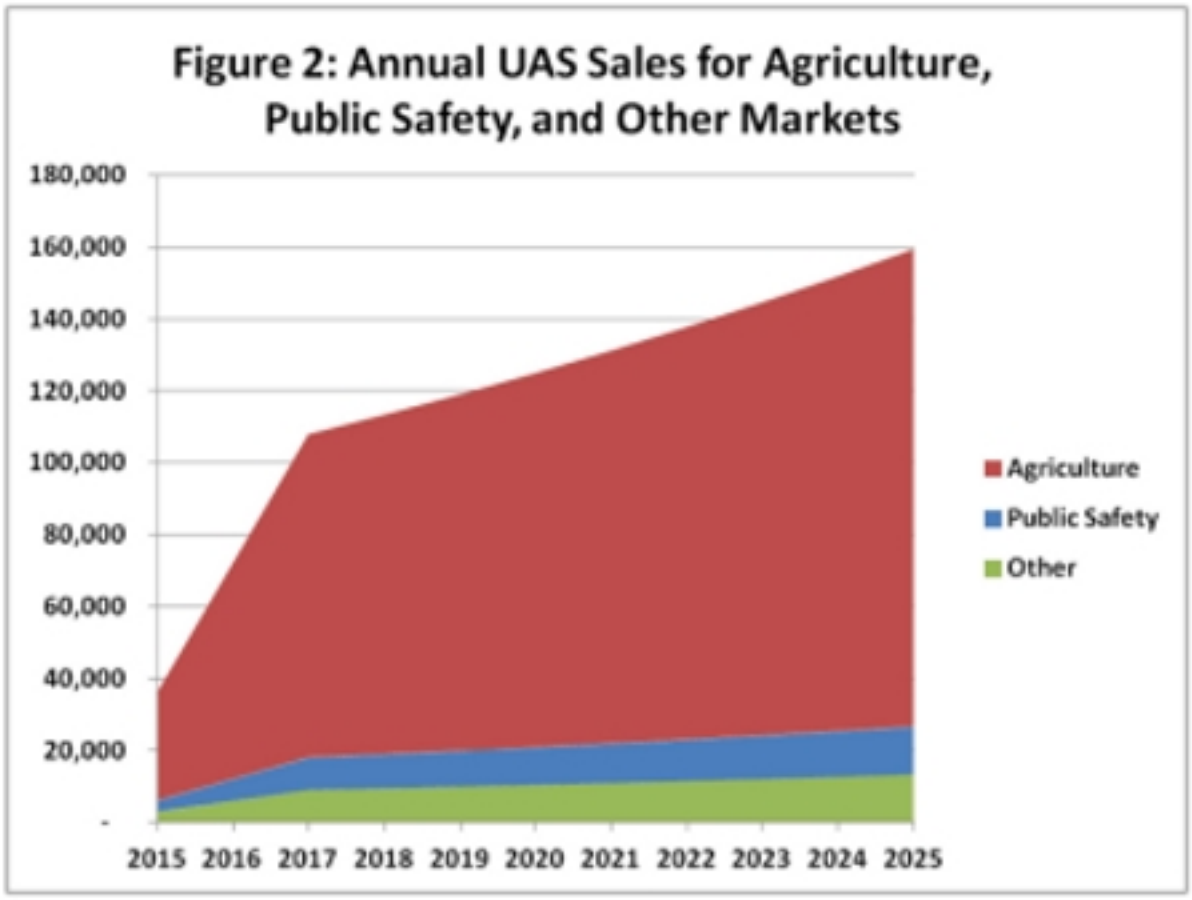
Even with a modest expansion of cultivated land, ABAG forecasts steady growth in agricultural production over the next decade. By 2020, grain output will increase by 37%, to 180m tonnes, and meat production will grow by 38%, to 30.5m tonnes. The biggest growth will occur in the sugarcane sector: ABAG estimates that ethanol production will expand by 127%, to 63bn liters, and sugar output will grow by 48%, to 46.7m tonnes.

Forecasts of selected exports by Brazil's agribusiness sector

Product	Units	2009/10	2019/20	Variation (%)	Compound annual growth rate (%)
Corn	mmt	7.6	12.6	65.2	5.2
Soybeans	mmt	28.5	37.9	32.7	2.9
Soybean meal	mmt	12.4	13.6	9.8	0.9
Soybean oil	mmt	2.1	2.3	7.5	4.4
Cotton	mmt	0.5	0.8	76.6	5.9
Orange Juice	mmt	2.1	2.7	27.4	3.5
Poultry	mmt carcass weight equivalent	4.0	6.1	52.3	4.3
Beef	mmt carcass weight equivalent	2.1	3.1	46.4	3.9
Pork	mmt carcass weight equivalent	0.6	0.8	31.7	2.9
Milk	m liters	1.1	1.9	76.4	5.8
Sugar	mmt	22.2	31.2	40.3	3.4
Ethanol	bn liters	5.4	13.7	155.1	9.8
Cellulose	mmt	7.4	11.1	49.9	4.1
Paper	mmt	2.2	2.8	31.2	2.8

In terms of the drone market, the commercial use of drones is expected to surge to $1.09 billion by 2023 and the total market is expected to grow 80% to $11.5 billion and overall agriculture is potentially the largest commercial market," according to Bloomberg Business. The Association for Unmanned Vehicle Systems International, the trade group that represents producers and users of drones and other robotic equipment, predicts that 80% of the commercial market for drones will eventually be for agricultural uses. Once the Federal Aviation Administration establishes guidelines for commercial use, the drone industry said it expects more than 100,000

jobs to be created and nearly half a billion in tax revenue to be generated collectively by 2025, much of it from agriculture. Iowa, the country's largest corn and second-biggest soybean grower, could see 1,200 more jobs and an economic impact topping $950 million in the next decade. Located below is a graph that represents the forecasted growth in revenue for agricultural drones.

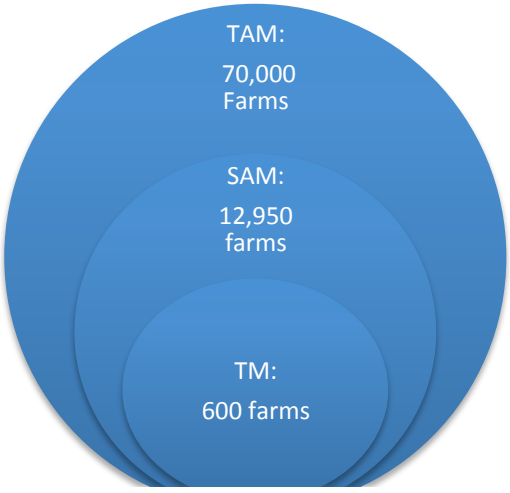


Marketing Analysis

Target Market

According to the National Institute of Colonization and Agrarian Reform (INCRA), farms have more than 7000 acres on average and 70,000 farms exclusively in the Brazilian market. Farmers should have at least high school in order to understand the benefits of Dragonfly services.

Total Available Market (TAM)
70,000 farms with average of 7,000 acres. **Global Revenue Opportunity: if Dragonfly services all farms, it is equivalent to $245 million USD.**
Serviceable Available Market (SAM)
10 Drones: 600/70,000 farms= 0.8% of market with 250 working days.
Target Market (TM)
Short term- Targeting Secondary School to College/University educated farmers (18.5% of serviceable available market). **Long term- Target all markets excluding illiterate farmers (60.9% of market).**
Market Share
Short Term- 70000 x .185= 600/12950= 0.46% **Long Term- 70000 x .609= 600/42630= 1.4%**



Competitors Analysis

Before reviewing Dragonfly's competitors, it is worth noting that only 8% of the farmers in emerging markets like Brazil have a Bachelor degree. We deduce from this evidence that it can possibly be complicated for these farmers to comprehend complex and detailed data, usage of drone and software, and recommend productive results for their crops.

	Strengths	Weaknesses
Dragonfly	1. Dragonfly's US manufactured award-winning AgDrone satisfy all the requirements and has a competitive price 2. US brand with the US image 3. Dragonfly intends on covering all aspects of the market such as coffee beans, tobacco, wheat	1. New in the market 2. Minimum partnerships 3. Lack of client base
AGX (Brazil)	1. Produces its own drones in Sao Paulo with University and government partnerships 2. Brings to bear complex technological solutions, promoting development and operation of intelligent UAVs for environmental, agricultural and space applications.	1. Spends $15,000 more than Dragonfly spends per drone 2. Charges 0.80 USD more than Dragonfly per acre 3. Has inferior product 4. Do not cover major agricultural areas such as coffee beans, tobacco, wheat
Multirotor (Germany)	1. Drones manufacturer. 2. High quality 3. Offer rented drones with the operator who will proceed the flight and the collection of the data	1. Do not offer services of analyzing data and recommendations 2. Price of the rent reaches 8K dollars 3. Rent is relevant in Europe but not in emerging countries
PrecisionHawk (Canada)	1. Drones manufacturer 2. In 2016 they are planning to work with the Agri-trend, the company that provides farm coaching in the range of other services.	1. Do not offer services of analyzing data and recommendations

Dragonfly has one major competitor AGX. AGX brings to bear complex technological solutions, promoting development and operation of intelligent UAVs for environmental, agricultural and space applications. AGX produces its own drones in Sao Paulo with University and government partnerships. Their clients consist of medium-large farms. Their main cultures analyzed are sugar-cane, soybean, corn, wood $ forest, citrus, and cotton.

As stated before, AGX spends $15,000 more than Dragonfly spends per drone, charges .80 USD more than Dragonfly per acre, and has a less superior product compared to Dragonfly's US manufactured award-winning AgDrone. AGX also does not cover major agricultural areas such as coffee beans, tobacco, wheat, and rice where Dragonfly intends on covering all aspects of the market.

Key Findings

Overall Dragonfly's competitive advantage includes:

- A superior US manufactured product.
- US brand image.
- Lower service charges.
- Lower drone costs.
- High quality webpage.

Porter's Five Forces

This new market has recently emerged in 2013 with the increase in technological innovation and farmers need to increase productivity within the US market. Companies have sprouted across the Silicon Valley region attempting to cater to the ever-increasing agricultural niche through the sale of high-tech drones ranging from $10,000 to $30,000 per drone. Companies such as Sensefly and Precision Hawk are leaders in the industry who provide the sale of drone units to farmers in need of further developing agricultural efficiency.

Through completing market research, we conclude that these companies are our largest competitors. Dragonfly's largest competitors, Sensefly and Precision Hawk, are primarily in the industry to sell their drone products to farmers, ranging in costs between $10,000 and $30,000 per drone.

Threat of New Entrants

Our threat of new entrants is relatively high due to the sharp increase in drone technology and use for agricultural land, specifically in the US. US based companies

Bargaining Power of Buyers

Our bargaining power of buyers is low, but our risk remains upon farmers negotiating prices and farmers unions. We are open to negotiating prices with our customers, but through utilizing our free trial model, we intend on solidifying customer relationships.

Threat of Substitute Products

Our threat of substitute products is low due to low use of precision agriculture in emerging markets, yet we do risk farmers rejecting our offer and operating under their conservative analysis

Bargaining Power of Suppliers

Our bargaining power of suppliers is low due to our company only purchasing products directly from manufacturers. Prices of precision agricultural drones may vary with time, but are likely to decrease with the increasing amount of competitors who are manufacturing drones.

Rivalry

Our rivalry is considered low with one company operating precision agriculture, AGX. It operates 6 drones that are manufactured in Brazil and has revenues about 1 million US dollars per years. Each AGX drone is considerably more expensive ($35,000 USD), compared to our AGDrone (20,000 USD) manufactured in US.

Therefore AGX charges more per acre ($1.30 USD), where we charge ($.50 USD) per acre to increase productivity at the same level as Dragonfly (20%). The specifications of drones are similar, but our AGDrone can fly at faster speeds and is made from durable Kevlar providing our company with a significant competitive advantage.

Conclusion

According to this analysis, our barriers to enter into the Brazilian market are low (not to say insignificant), with our ability to negotiate with farmers and provide better and cheaper service than our unique competitor. We have a huge potential to grow swiftly and establish our market share before the entrance of potential new competitors from saturated markets like US.

Company Management Team

The management team consists of the two partners of the business; WDX (William, Dane, Xenia) and WAYN (Where Are You Now?). The management team makes up the entire staff for the company. Due to the nature of the company, hiring additional staff will not be necessary.

During the initial start-up period of the company, the owners will not receive salaries or benefits. Salaries will be determined based on cash profitability and at no time will salaries exceed 50% of the company's profit. The remainder of the profit will be reinvested into the company and used to pay off any outstanding debt. Salaries will be equal for all officers of the company. Benefits will be evaluated after the company becomes profitable, this will likely be outsourced to a Human Resource company.

Ownership

The corporation is owned equally by two partners; WDX and WAYN (Where Are You Now?). Upon initial incorporation each person will be granted 5,000 shares of company stock at a par value of $0.01 each. Transfer of ownership can be made as either a sale or gift. All costs associated with transferring ownership will be incurred by the person from the ownership is being transferred. First choice to purchase ownership will be given to existing principals.

Management

The management team consists of the two principals of the company. William is the President and Director of Finance, Xenia Director of Marketing and Dane is Director of Information Technology; WAYN is responsible for the Operations.

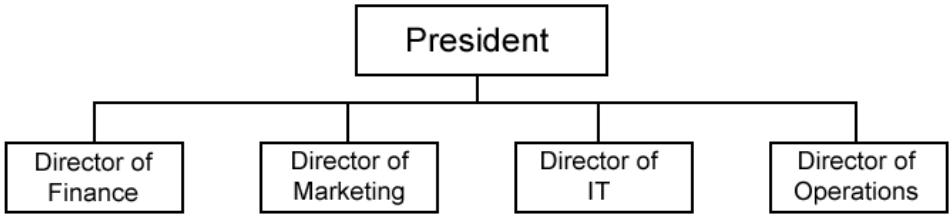
The President is responsible for overseeing the overall operation of the company. The President ensures that the company's vision is pursued, that goals are set and followed and the company's strategy is followed. The President reviews the Business Plan periodically to confirm that the plan is current, still applies to the company's needs, and that the company is following the plan.

The Director of Finance is responsible for maintaining all financial records, ensuring that the company complies with all tax laws and provides financial reports to management. William Lemes will play the role as he has vast experience in finance working for 9 years at Credit Suisse.

The Director of Marketing, Xenia Dolovova is responsible for the marketing of the company and its products / services. With experience of 7 years in sales, marketing and international relations, she will be responsible to analyse the market's potential and develop our distribution strategy according to the company's capacity and strengths. Marketing also includes product development with director of IT, creating and distributing newsletters, link building and any other marketing needs that increase firm awareness.

The Director of Information Technology (IT) is responsible for developing and maintaining the fleet of drones and all IT systems including: website, desktop/laptop computers, and improvement of services. Dane Hoy will hold this position due to his experience in IT. Dane also has 2 years of experience working in agriculture in Canada, specifically within the tobacco industry. Dane has acquired expertise to better understand specific farmer's necessities and inefficiencies. He has also established a relationship with the best drone suppliers in US by utilizing his networks; and with director of operations, will improve and customise the data collected by our UAVs for future case studies.

The Director of Operations is responsible for the day to day operations of the business. This includes ensuring that inquiries are answered, content is maintained on the software and the overall operations of the business continue in an organized and proficient manner. Dragonfly will contract a qualified and experienced professional to manage its staff in order give farmers the most simplified reports and personally assist them to achieve better and faster results in only day (or more if required). Operations Director will also be responsible for providing ideas for improving the systems as well work with marketing and IT to find ways to better serve market needs.



Financial Plan

This financial plan conservatively projects the overall finances of the corporation. Although many of the projections are based off pilot programs and statistical averages, the projections are merely approximations. The success of this business is determined by its ability to attract customers to our innovative services such that generating substantial revenues.

Funding for the start-up and first year of operations will be provided by the principals of the corporation. Initially WDX will provide the $50,000 and WAYN more $250,000 for the initial start-up and buy the drones, subsequently Angel funds will invest more $300,000 in the company's structure and no additional funding will be required.

The projected cash flow is based on the assumption that there are no sales in the first 6 months of business as this is the period for developing, testing and free trials for our prospective customers interested in our services.

We considered the Brazilian potential market after conducting a research that showed the country has 70,000 farms with more than 7,000 acres on average. Our company aims to reach only 0.8% of the market – 600 farms – per year using 10 drones along the year (250 working days).

We have made three scenarios taking into account the probability of low, medium and high success of the company. We considered a net gain of only 0.50 USD per acre and 7,000 acres per farm:

Scenario 1: Dragonfly will only reach 2% of our potential market -about 200 farms- in the first year and growth of 50% for the next two years.

Scenario 2: Dragonfly will reach 3,5% of our potential market -about 250 farms- in the first year and growth of 50% for the next two years.

Scenario 3: Dragonfly will reach 4,5% of our potential market -about 300 farms- in the first year and growth of 50% for the next two years.

Scenario 1 showed that the company would have a loss of $ 250.000 at the end of year 1 as a result of the high investments in drones, cars and wages. However; return on investment comes

in the two following years when the company has profit of about $435,370 in 2017 and $ 761,300 in 2018.

In scenario 2 the company has pretty much breakeven in the first year; i.e.; pay-back in the same year. This represents what should be the target of the marketing department in the first months of the company's life. The next two years have approximately $ 663,000 of profits and $ 1,100,000 respectively; therefore considered very satisfactory for a start-up company.

In scenario 3 Dragonfly has a return of approximately 100% of capital invested in the first year of life. The growth of 50% of revenues would generate around 1 million dollars of profits within the next two years, which would put us in the top ranking of agriculture business.

It is important to keep in mind that the incomes of only $0,50 per acre is insignificant in relation to the gain that farmers will have with our services and the prices charged by our competitors, what allows us to consider increasing this rate and; consequently; increase our revenue without affecting the decision of our clients to close deals with Dragonfly.

We did not consider converting the viable market share our competitors own in this conservative analysis. Our competitors revenue is $1 million with use of 6 drones. Our lower prices, superior US product, US brand image, and high quality webpage will surely penetrate our competitors client base. As a result, we can acquire our clients faster and expect a higher financial return.

Appendix

Investment Table

Business Startup Costs

FUNDING	Estimated	Actual	Under/(Over)
Investor Funding			
WDX	50,000	-	50,000
WAYN	250,000	-	250,000
Other			
Total Investment	**300,000**	-	**300,000**
Angels			
Angel Loan 1	300,000		
Angel Loan 2			
Total Loans	**300,000**	-	-
Total FUNDING	**600,000**	-	**300,000**

COSTS	Estimated	Actual	Under/(Over)
Fixed Costs			
Advertising for Opening	10,000		
Basic Website	2,000		
Brand Development	2,000		
Business Entity	1,000		
Drones (10)	250,000		
Cars (10)	300,000		
Administration office	10,000		
Trainning	10,000		
Initial expenses	5,000		
Machines & Equipment	5,000		
Servers	5,000		
Total Startup Costs	**600,000**	-	-

Scenario 1

3-Year Profit and Loss Projection

INCOME	2016	% of OI	2017	% of OI	2018	% of OI
Operating Income						
Revenues	700,000	100.0%	1,050,000	100.0%	1,575,000	100.0%
	-	-	-	-	-	-
	-	-	-	-	-	-
Total Operating Income (OI)	**$ 700,000**	100.0%	**$ 1,050,000**	100.0%	**$ 1,575,000**	100.0%
Total INCOME	**$ 700,000**	100.0%	**$ 1,050,000**	100.0%	**$ 1,575,000**	100.0%
EXPENSES						
Operating Expenses						
Advertising for Opening	15,000	2.1%	-	-	-	-
Basic Website	2,000	0.3%	2,000	0.2%	2,000	0.1%
Brand Development	2,000	0.3%	-	-	-	-
Business Entity	1,000	0.1%	-	-	-	-
Drones (10)	250,000	35.7%	-	-	-	-
Cars (10)	300,000	42.9%	-	-	-	-
Administration office	20,000	2.9%	15,000	1.4%	15,000	1.0%
Trainning	20,000	2.9%	-	-	-	-
Initial expenses	5,000	0.7%	-	-	-	-
Machines & Equipment	5,000	0.7%	5,000	0.5%	5,000	0.3%
Servers	5,000	0.7%	5,000	0.5%	5,000	0.3%
Salaries and Wages (7% growth year)	260,000	37.1%	278,200	26.5%	297,674	18.9%
Fuel (5% inflation / year)	40,000	5.7%	42,000	4.0%	44,100	2.8%
Telephone	5,000	0.7%	7,000	0.7%	9,000	0.6%
Utilities	5,000	0.7%	5,000	0.5%	5,000	0.3%
Web Hosting and Domains		-	1,000	0.1%	1,000	0.1%
Updates	-	-	5,000	0.5%	5,000	0.3%
Marketing	15,000	2.1%	15,000	1.4%	15,000	1.0%
Total Operating Expenses	**$ 950,000**	135.7%	**$ 380,200**	36.2%	**$ 403,774**	25.6%
Total EXPENSES	**$ 950,000**	135.7%	**$ 380,200**	36.2%	**$ 403,774**	25.6%
Net Income Before Taxes	$ (250,000)		$ 669,800		$ 1,171,226	
Income Tax Expense (35%)			234,430		409,929	
NET INCOME	**$ (250,000)**		**$ 435,370**		**$ 761,297**	
Owner Distributions / Dividends			217,685		380,648	
Adjustment to Retained Earnings	$ (250,000)		$ 217,685		$ 380,648	

Scenario 2

3-Year Profit and Loss Projection

INCOME	2016	% of OI	2017	% of OI	2018	% of OI
Operating Income						
Revenues	875,000	100.0%	1,400,000	100.0%	2,100,000	100.0%
	-	-	-	-	-	-
	-	-	-	-	-	-
Total Operating Income (OI)	**$ 875,000**	100.0%	**$ 1,400,000**	100.0%	**$ 2,100,000**	100.0%
Total INCOME	**$ 875,000**	100.0%	**$ 1,400,000**	100.0%	**$ 2,100,000**	100.0%
EXPENSES						
Operating Expenses						
Advertising for Opening	15,000	1.7%	-	-	-	-
Basic Website	2,000	0.2%	2,000	0.1%	2,000	0.1%
Brand Development	2,000	0.2%	-	-	-	-
Business Entity	1,000	0.1%	-	-	-	-
Drones (10)	250,000	28.6%	-	-	-	-
Cars (10)	300,000	34.3%	-	-	-	-
Administration office	20,000	2.3%	15,000	1.1%	15,000	0.7%
Trainning	20,000	2.3%	-	-	-	-
Initial expenses	5,000	0.6%	-	-	-	-
Machines & Equipment	5,000	0.6%	5,000	0.4%	5,000	0.2%
Servers	5,000	0.6%	5,000	0.4%	5,000	0.2%
Salaries and Wages (7% growth year)	260,000	29.7%	278,200	19.9%	297,674	14.2%
Fuel (5% inflation / year)	40,000	4.6%	42,000	3.0%	44,100	2.1%
Telephone	5,000	0.6%	7,000	0.5%	9,000	0.4%
Utilities	5,000	0.6%	5,000	0.4%	5,000	0.2%
Web Hosting and Domains		-	1,000	0.1%	1,000	0.0%
Updates	-	-	5,000	0.4%	5,000	0.2%
Marketing	15,000	1.7%	15,000	1.1%	15,000	0.7%
Total Operating Expenses	**$ 950,000**	108.6%	**$ 380,200**	27.2%	**$ 403,774**	19.2%
Total EXPENSES	**$ 950,000**	108.6%	**$ 380,200**	27.2%	**$ 403,774**	19.2%
Net Income Before Taxes	$ (75,000)		$ 1,019,800		$ 1,696,226	
Income Tax Expense (35%)			356,930		593,679	
NET INCOME	**$ (75,000)**		**$ 662,870**		**$ 1,102,547**	
Owner Distributions / Dividends			331,435		551,273	
Adjustment to Retained Earnings	$ (75,000)		$ 331,435		$ 551,273	

Scenario 3

3-Year Profit and Loss Projection

INCOME	2016	% of OI	2017	% of OI	2018	% of OI
Operating Income						
Revenues	1,050,000	100.0%	1,750,000	100.0%	2,100,000	100.0%
	-	-	-	-	-	-
	-	-	-	-	-	-
Total Operating Income (OI)	**$ 1,050,000**	100.0%	**$ 1,750,000**	100.0%	**$ 2,100,000**	100.0%
Total INCOME	**$ 1,050,000**	100.0%	**$ 1,750,000**	100.0%	**$ 2,100,000**	100.0%
EXPENSES						
Operating Expenses						
Advertising for Opening	15,000	1.4%	-	-	-	-
Basic Website	2,000	0.2%	2,000	0.1%	2,000	0.1%
Brand Development	2,000	0.2%	-	-	-	-
Business Entity	1,000	0.1%	-	-	-	-
Drones (10)	250,000	23.8%	-	-	-	-
Cars (10)	300,000	28.6%	-	-	-	-
Administration office	20,000	1.9%	15,000	0.9%	15,000	0.7%
Trainning	20,000	1.9%	-	-	-	-
Initial expenses	5,000	0.5%	-	-	-	-
Machines & Equipment	5,000	0.5%	5,000	0.3%	5,000	0.2%
Servers	5,000	0.5%	5,000	0.3%	5,000	0.2%
Salaries and Wages (7% growth year)	260,000	24.8%	278,200	15.9%	297,674	14.2%
Fuel (5% inflation / year)	40,000	3.8%	42,000	2.4%	44,100	2.1%
Telephone	5,000	0.5%	7,000	0.4%	9,000	0.4%
Utilities	5,000	0.5%	5,000	0.3%	5,000	0.2%
Web Hosting and Domains		-	1,000	0.1%	1,000	0.0%
Updates	-	-	5,000	0.3%	5,000	0.2%
Marketing	15,000	1.4%	15,000	0.9%	15,000	0.7%
Total Operating Expenses	**$ 950,000**	90.5%	**$ 380,200**	21.7%	**$ 403,774**	19.2%
Total EXPENSES	**$ 950,000**	90.5%	**$ 380,200**	21.7%	**$ 403,774**	19.2%
Net Income Before Taxes	$ 100,000		$ 1,369,800		$ 1,696,226	
Income Tax Expense (35%)	35,000		479,430		593,679	
NET INCOME	**$ 65,000**		**$ 890,370**		**$ 1,102,547**	
Owner Distributions / Dividends			445,185		551,273	
Adjustment to Retained Earnings	$ 65,000		$ 445,185		$ 551,273	

DRAGONFLY

AgDrone Specifications

Category	Object	AgDrone™ System
Platform	Aircraft	Fixed-Wing
	Takeoff Weight	4.75lb (2.15kg)
	Material	Kevlar® Exoskeleton
	Wingspan	49in (124.5cm)
	Powerplant	575W Electric Motor
	Battery	8000mAh LiPo
Software	Mission Planning	✔
	Autonomous Flight	✔
	Autonomous Landing	✔
	Fail-Safe Routines	✔
	Automatic Camera Triggering	✔
	Automatic Data Processing	✔
Visible	Model	16.1 MP
	Coverage	Up to 850 acres/hr (344 ha/hr) @ 400 ft
	Ground Resolution	1.26 in (3.2 cm) @ 400 ft
	Trigger Method	Automatic Dual Camera Electrical Signal
Multispectral	Model	16.1 MP
	Coverage	Up to 850 acres/hr (344 ha/hr) @ 400 ft
	Ground Resolution	1.26 in (3.2 cm) @ 400 ft
	Trigger Method	Automatic Dual Camera Electrical Signal
Performance	Cruise Speed	29 mph (46.7 km/hr)
	Max Speed	51 mph (82 km/hr)
	Linear Travel	26 mi + 5.2 mi safety factor
	Communication/Control Range	2.8 mi (4.5 km)
	Estimated Flight Time	Wind 0-5 mph: 55 min + 11 min safety factor Wind 5-10 mph: 44 min + 9 min safety factor Wind 10-20 mph: 33 min + 7 min safety factor
Operations	Launch Method	Hand Launch
	Takeoff Angle	20 deg
	Landing Method	Custom Belly Skids
	Landing Surface	Grass, Graded Dirt, Packed Gravel, Pavement
	Recommended Landing Space	100 x 400 ft (30 m x 122 m)