



Becoming a Franchisee

**NATIONAL
DRONES**
The Sky's the Limit

1300 SKY VIEW

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WELCOME

Dear Prospective Franchisee,

Thank you for your interest in becoming a National Drones franchisee and congratulations for having taken the first step in the process towards potentially being selected to join our elite and exclusive group of business service professionals with a passion for piloting UAV's.

To be successful in this industry you need more than simply an ability to fly a drone. By joining the National Drones team you gain access to an enormous range of support services designed to help you exceed your potential and discover that for those that are prepared to put in the effort, The Sky's the Limit.

Our best in class training programs, advanced technology, sophisticated business processes and targeted, effective marketing systems give franchisees the skills, tools and support they need to thrive in this exciting growth-phase industry.

Want to ditch your boring desk job but can't bear the thought of being tied to a retail outlet? Looking for variety in your workday and enjoy being outdoors, but don't want to get your hands dirty?

Look at things from a different perspective and get your career flying today! Apply now for your opportunity to join National Drones.

Sincerely,

Brad Aylett

Brad Aylett
Director
& Maintenance Controller

Kevin Scrimshaw

Kevin Scrimshaw
Director/CEO
& Chief Controller



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SUMMARY

National Drones is Australia's first franchised provider of aerial photography and videography, aerial spotting and aerial surveillance services utilizing unmanned aerial vehicles (UAV's), commonly referred to as 'drones'.

Commercial UAV operations fall under the provisions of the Civil Aviation Safety Regulations (Part 101) made under the Civil Aviation Act 1988, the most recent revision of which was registered on 24 March, 2016.

Under those provisions it is strictly forbidden for an unmanned aerial vehicle (UAV) greater than 2kg to be operated for commercial gain, unless the operating business has a valid UAV Operator Certificate (UOC) issued by the Civil Aviation Safety Authority (CASA), and that the controller (pilot) of that aircraft holds a UAV Controller Certificate, and in most cases, an Aeronautical Radio Operator Certificate (AROC).

One of the many benefits of becoming a National Drones franchisee is that we already hold the UOC under which franchisees will operate, meaning that franchisees can start earning money within a month of completing their training rather than spending time developing their own Operations Manual and Document Library, and waiting as long as 9-months to be assessed by CASA for suitability to hold a UAV Operator Certificate (UOC).

Having the requisite certification alone does not ensure success. Business operating systems, processes and procedures need to be developed to ensure that when work does come in, the operator is capable of managing the workflow associated with commercial UAV operations.

Again, National Drones has developed these systems, processes and procedures (in collaboration with some of the franchise industry's most respected and experienced professionals) to give our owner-operators a better than average chance of success.

Of course, what point is there, having all of the relevant certificates, business operating systems, processes and procedures if customers don't know that you exist? Targeted and effective marketing campaigns, a strong web presence, professionally presented advertising collateral and experienced and skilled field sales and public relations consultants represent just a few of the available resources, designed to assist franchisees to get work; all at a fraction of the cost that a non-franchised business would normally incur.

Please, continue reading to learn more about this exciting, (some would say "once in a lifetime") opportunity to become one of Australia's first franchised commercial UAV operators, experiencing the excitement of working in one of the most dynamic and exhilarating industries the world has ever seen.

The Sky's the Limit.

BACKGROUND & INDUSTRY TRENDS

Recent advances in battery technology, coupled with the emergence of reliable and affordable “RTF” (ready-to-fly) systems, has seen a number of industries embrace the technology commonly known as ‘drones’, as a way to cut costs, deliver efficiencies and save time when compared to using helicopters to capture aerial photography and videography, or conducting aerial spotting and aerial surveillance works.

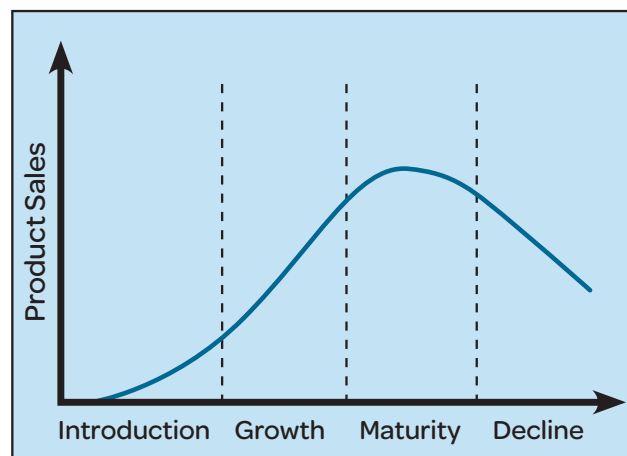
Furthermore, services that simply wouldn’t have been feasible to perform using a helicopter, such as residential and commercial building rooftop inspections, that would otherwise be inspected using scaffolding or elevated work platforms, can now be performed using an unmanned aerial vehicle (UAV), or remotely piloted aircraft system (RPAS) as they are becoming more widely known, to conduct low-noise, low-altitude, low-risk flight operations at an increasingly affordable rate.

UAS International Technical Director Mr. Jim Coyne, who previously represented CASA on the Unmanned Aircraft Systems ICAO advisory panel, is quoted as saying “In just ten years’ time this AU\$13bn industry is tipped to grow tenfold.”¹

His comments are echoed in the September 8, 2015 report “Drones: A Rising Market” co-authored by Sean Peasgood (President & CEO) and Marcel Valentin (Vice President) of Sophic Capital.² Their abstract reads;

“The unmanned aerial vehicle (drone) market is expected to be cumulatively worth US\$91 billion over the next decade. Although military spending dominates the industry, the industrial and consumer markets are quickly adopting drones and have decades of growth ahead.”

As such, the industry could reasonably be described as being in the “growth” phase.



¹<http://www.uasinternational.com/worlds-first-unmanned-aircraft-drone-safety-and-risk-management-standard-launched-during-the-australian-international-airshow/>

²DRONES: A RISING MARKET - An Industry to Lift your Returns. September 8, 2015 Sean Peasgood, President & CEO, Marcel Valentin, Vice President. www.SophicCapital.com



REGULATION

As previously mentioned, Commercial UAV operations fall under the provisions of the Civil Aviation Safety Regulations (Part 101) made under the Civil Aviation Act 1988, the most recent revision of which was registered on 24 March, 2016.

Australia was the first country in the world to regulate drones, with the first operational regulation for unmanned aircraft being introduced in 2002.

Under the provisions, it is strictly forbidden for an unmanned aerial vehicle (UAV) greater than 2kg to be operated for commercial gain, unless the operating company has a valid UAV Operator Certificate (UOC), issued by the Civil Aviation Safety Authority (CASA), and that the controller (pilot) of that aircraft holds a UAV Controller Certificate (and in most cases, an Aeronautical Radio Operator Certificate).

During the course of our comprehensive, three-week training and induction program, National Drones franchisees receive CASA approved training to attain both an Unmanned Aerial Vehicle (UAV) Controller Certificate and an Aeronautical Radio Operator Certificate (AROC) issued by CASA, enabling them to gain insurance and operate legally when conducting flights under our UOC.

National Drones (the franchisor) is the holder of the UOC and authorizes each flight conducted by its franchisees. Furthermore, National Drones have been granted a number of exemptions, allowing the Chief Controller under certain conditions, to approve non-normal operations that wouldn't normally be permissible, including:

- Flights within 3nm of a non-towered aerodrome, authorized landing area or helicopter landing site
- Flights within 3nm of an ATC towered aerodrome
- Flights within 30m of people not directly connected with the operations
- Flights at night (after dark)

Avoid excessive fines by joining Australia's first CASA certified, UAV franchise.

NB: A sub-2kg drone or "micro-drone" as they are better known will quickly exceed 2kg once additional payload is added. For many of our applications, we use a combination of cameras and sensors that would cause a micro-drone to exceed its maximum takeoff weight (MTOW) or significantly diminish the flight times and performance of a sub-2kg micro-drone. Furthermore, licensing and certification is, for most insurers a mandatory requirement for attaining the range of insurances necessary for conducting commercial operations.



OPPORTUNITY

Opportunities to join National Drones are strictly limited, with territories having been scientifically designed around “units of demand”.

Working closely with our third party geo-demographic modelling and analysis partner, National Drones has identified a number of industry classifications (defined by the Australian and New Zealand Standard Industrial Classification) most likely to have a need for our services.

Then, using data from the Australian Bureau of Statistics, each territory is modelled to equitably distribute potential opportunities between franchisees.

Your opportunity, should you choose to proceed, is to become the proud owner of a National Drones franchised outlet, operating a professional, service based business within an exclusively designed territory, backed by the support of the National Drones Corporate & Support Office and designated Field Support Consultant, both committed to your success.

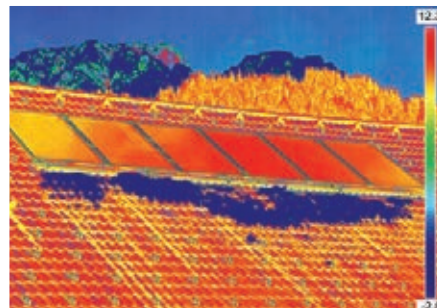
Sadly, with so few franchise territories available, not every application we receive will be successful. Whilst no specific experience is necessary as full training will be provided, we are looking for people that can demonstrate an entrepreneurial spirit, have the necessary enthusiasm for this opportunity and have sufficient funding to afford the high quality of equipment we use, training we provide and support systems we offer. We apologise in advance if we are unable to accept your application to become part of National Drones.

OUR SERVICES

The services offered by National Drones franchisees can be neatly summarised into three categories; aerial photography and videography, aerial spotting and aerial surveillance.

Out of these categories, applications spanning commercial/professional photography and videography, cinematography, television and media, agricultural land surveying, mining, mapping and survey, asset inspection, building and solar panel inspections, commercial property heat loss sensing, contaminated area gas detection services, civil engineering and construction, emergency services, and insurance assessment all barely scratch the surface of how drones can be used to cut costs, deliver efficiencies and save time across a wide range of industries.

Together with our franchisees, National Drones will work to explore the seemingly endless opportunities that abound, to utilise our skills, knowledge and experience to make drone use accessible and affordable to a range of users that might never before have considered using an unmanned aerial vehicle to enhance or improve the visibility of their operations.



BENEFITS OF JOINING NATIONAL DRONES

Though some have already been mentioned, the main benefits of joining National Drones can be summarised as:

- No previous experience necessary – we train you in every aspect of the business and provide ongoing professional development
- Comprehensive flight operations training, resulting in CASA issued certification. Gain new formally recognised qualifications!
- Operate under National Drones' Unmanned Aerial Vehicle Operator Certificate (UOC), saving you significant time, effort and money
- The ability to leverage our multiple accreditations including ISO9001, OHSAS18001 and ISO14000.
- Your business can be run as a sole operator at the outset, with scope to build your business to employ others and delegate work.
- The comfort, convenience and choice of using a 'family' style vehicle – no bulky TRAILERS or VANS required
- Rights to use the National Drones name, image and trademarks
- Access to National Drones business systems, processes and procedures
- Access to pre-negotiated insurance rates and policy wording
- Extensive ongoing support
- Relatively low establishment investment compared to a "bricks and mortar" outlet with expensive fit-out requirements
- Comparatively low ongoing costs with a minimum of fees and payments
- Ongoing support from the National Drones Corporate & Support Office and your designated Field Support Consultant, equally committed to your success

By joining National Drones, you will be in business for yourself, but not by yourself. You can be assured that the management and operational team at National Drones will never be distracted from growing your business. You will benefit significantly from our business focus and experience at all levels.

BENEFITS TO YOU PERSONALLY

A National Drones franchise offers the perfect opportunity to gain a better work-life balance whilst offering the potential to earn an exceptional income.

Did we mention, flying a drone can be heaps of fun; just don't tell anyone!

You don't want everyone knowing that you go to work each day with a huge smile on your face do you?

Imagine, more family or free time, plus the prestige of owning and running your own cutting edge service based business. You'll be the envy of your family and friends.

YOUR INVESTMENT

In addition to owning and maintaining a reliable, presentable motor vehicle (we don't dictate the make model or size, but we do have minimum presentation standards), you will need to purchase plant and equipment valued at approximately \$25,000

Our extremely comprehensive training program runs for three weeks (including weekends) incorporating all of the aforementioned modules and more. The cost of this training is \$10,000 (does not include accommodation and meals).

Exclusive territories are priced at \$45,000

You should also allow enough working capital to allow for the costs of:

- Accountant/Solicitor fees
- Business establishment costs
- Accommodation, personal and travel expenses to attend our training course
- Uniforms, stationery and marketing products
- Vehicle signage
- Insurances
- Operating capital³

Our business therefor appeals to prospective franchisees with between \$80,000 and \$100,000 to invest.

FINANCE

Low-doc finance may be available to cover the some of costs, subject to individual financial circumstances and lender terms and conditions. If you wish to speak to our preferred finance partner, please request further details.

³As with any new business, there will be a period early in the establishment phase where outgoings exceed turnover. You should therefore have sufficient operating capital to cover this shortfall in the early days of your franchise business.



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