



**MARTIN
JETPACK**

INDUSTRY: Aviation

**MARTIN AIRCRAFT
COMPANY LIMITED**

A company registered in
New Zealand with company
number 901393
(ARBN 601 582 638)

39 Ballarat Way, Wigram
Christchurch 8042
New Zealand
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www.martinjetpack.com

COMPANY CONTACT

Peter Coker
CEO & Managing Director
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Peter.coker@martinaircraft.co.nz

ASX Code: MJP

BOARD OF DIRECTORS

Jon Mayson
Non-Executive Chairman

Peter Coker
CEO & Managing Director

Jenny Morel
Non-Executive Director

John Diddams
Non-Executive Director

Steve Bayliss
Non-Executive Director

Dr Liu Ruopeng
Non-Executive Director

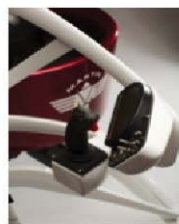
Dr Zhang YangYang
Non-Executive Director

Dr Luan Lin
Non-Executive Director

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Company Secretary
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ASX ANNOUNCEMENT



2015 Annual General Meeting

29 October 2015

Martin Aircraft Company Limited (MJP) is today holding its 2015 Annual General Meeting.

Attached are:

1. The Chairman's Introduction
2. The Managing Director's presentation
3. The Annual General Meeting Presentation Slides

James West
Company Secretary

2015 Annual General Meeting

Chairman's Introduction

29 October 2015

Good afternoon Ladies and Gentlemen.

My name is Jon Mayson and I am your Chairman.

Welcome to Martin Aircraft Company Limited Annual General Meeting of Shareholders. MJP's Board and Managing Director, will report to you today on the state of your company, it's performance and accomplishments in the past year and the opportunities and challenges in the future.

It is now my pleasure to invite Peter Coker, our Managing Director and CEO, to present the Annual Report and Business Update.

Martin Aircraft Company Annual Report and Business Update

This has been a very special year for Martin Aircraft Company. The successful listing, following a round of pre-IPO capital raising, along with a commitment from our cornerstone investor KuangChi Science, has paved the way for the Company to move forward to providing a commercial Jetpack in the latter half of 2016.

Our focus has always been the development and commercialisation of the Martin Jetpack and associated products, and now with our financial backing we can really make progress on that journey.

During the year a number of directors moved on as we positioned the governance structure of the Company to support the next phase of growth. From a management perspective we would like to thank those directors who provided support and guidance during the time leading up to their departure. Such guidance is always valued highly.

In particular, we would like to acknowledge the tremendous dedication, enthusiasm and drive that Glenn Martin provided to the Company before his resignation in June. The Company is very clear that without Glenn we would not be here today. His vision for a Jetpack that he then dedicated his life to deliver, was a great example of his tenacity over many years. His recent award as Most Inspiring New Zealander at the New Zealand Innovators Awards is a true testament to an individual who has that endearing Kiwi

entrepreneurial spirit.

We also welcome our new directors from KuangChi Science who bring with them a wealth of innovation, technical and business skills, particularly in the environment of disruptive innovation.

On the financial side: at the balance date the Company had net assets of NZ\$25.8M with cash and bank deposits of NZ\$23.6M. As mentioned, the first part of the year consisted of an active pre-IPO capital raising, targeted mainly within Australia, and which raised approximately NZ\$6M and therefore allowed us to slowly commence the next stage of growth.

NZ\$4.8M of research and development investment took place, and this year NZ\$2.9M development expenditure has been capitalised as an intangible asset to reflect the development phase. Our total loss for the year ending 30 June 2015 was \$5.2M.

Following the successful Pre-IPO capital raising, the Company concentrated on setting itself up for a listing on the ASX. A\$27M was raised at the listing, consisting of A\$21M from our cornerstone investor KuangChi Science Ltd and \$6M from the general public and existing shareholders. The offer was oversubscribed and closed on 13 February 2015 with 67,500,00 shares being allotted.

In addition, 1,515,000 ordinary shares were allotted in relation to Axstra Capital, who were our lead advisors for the listing, as payment for success fees. All the Convertible Preference Shares previously in existence converted to fully paid ordinary shares on the date of offer closure. The Company now only has one class of shares.

The Company also agreed, as part of the Investment Agreement, to issue KuangChi Science a convertible note with a face value of A\$23,020,000 which provides further liquidity. No dividends or bonus issues were declared during the period.

Our organisation grew considerably last year and with it has come a number of restructures to align the Company with our growth strategy. At the end of the financial year we had a workforce of 43, which has grown to 53 as of today.

A number of technical milestones have been achieved during this year. It should be noted that as we move through the technical milestones, we are actively engaged with the New Zealand Civil Aviation Authority. Our first major technical progress is that of the ballistic parachute. We sought a requirement for a parachute opening in such a way as to successfully support a major technical failure at 12 metres as a maximum height. Working with our innovative parachute providers, the results are showing that the chute can support the Jetpack with a failure from around 6 metres, and that even below that the drag caused by the innovative opening system slows the equivalent mass of Jetpack to within a survivable envelope. Our next stage is to test this on the pre-production

aircraft next year and start to integrate the opening detection system within the new flight control system.

We have continued to develop the originally designed 2 litre, 2 stroke, 4 cylinder engine into an improved version referred to as the Mk1X. Our aim has been to create greater reliability and sustainability for testing and marketing events. As we always recognised this engine would not be suitable for a production engine we commenced work on a Mk2 engine. However, it became clear early that this path was also not a sound one for a commercial product, so after the listing we initiated an engine programme, through an innovative engine company from the United Kingdom, that utilises the latest in engine technology. This programme is going well and the first of the pre-production engines are due to arrive in the first part of next year, in time to be tested on both the unmanned test vehicle and our first pre-production commercial Jetpack. Recognising that the powerplant is one of most important elements of the aircraft, we also commissioned a study into other options, including both a two stroke and four stroke 6 cylinder concept. That study is going through independent peer review at the moment and a decision on whether to take one or both to a design stage will be decided in the coming months. Our philosophy is that over time we will potentially have a range of engines available for customer choice depending upon their requirement.

Our next technical progress has been with our flight control system. At the heart of our aircraft performance the flight control system is an integral element. The system used on the P12 family of aircraft (and before that on P11) is now obsolete, and with the limitations of its use being a US controlled piece of equipment, we have moved towards an off-the-shelf capability that is being adapted for the Jetpack. We have almost completed the unmanned test vehicle which has been specifically designed to act as the airborne test platform for this project which will later be converted into the medium and heavy lift unmanned air vehicle. The system has growth potential beyond our first product and we will introduce the first software drop in the coming months. We already have a test rig that allows us to test the integrated system prior to fitting to the aircraft.

As a global company working in the aviation business, we have started the identification and qualification of our future supply chain. In the past we have used the Kiwi approach of adapting off-the-shelf, and often motor vehicle related items for our use. As we move towards the commercial product, we need to ensure we have part approval and traceability. We firstly qualify our suppliers; this has already resulted in some of our previous suppliers not meeting the requisite standards for our future product, making it necessary for us to spread the net wider. Our supplier base will be constantly monitored, and to de-risk the potential of parts not being available, we are identifying a minimum of two qualified suppliers for as many parts as possible. In addition, we are introducing an Aircraft Maintenance System software package, roll out and training for which commences for the team on Monday 2nd November.

Our production processes are well advanced, with the facility gearing up for an eventual capacity of 500 Jetpacks per annum being assembled within our Christchurch factory. We will shortly have two members of the KuangChi Martin Jetpack Joint Venture team join us to learn about our processes as it is our intention to roll out similar processes, including quality systems, to each place that we set up an assembly plant in the future.

In discussing quality, our Safety Management System has been launched. The SMS is a future requirement of the New Zealand Civil Aviation Authority, so we have introduced this now as it also covers the new requirements laid out in the Health and Safety Reform Bill that becomes effective 4 April 2016. Our new Business Excellence Manager leads the business process development in this area, along with many other business processes which are being rolled out. In order to ensure we have access to a greater customer set in the future, the Company is focussing on developing processes to achieve Part 146 (Aircraft Design Organisations) and Part 148 (Aircraft Manufacturing Organisations) throughout 2016. Interestingly this allows us to work with the New Zealand Civil Aviation Authority to develop a design certification for a Jetpack – something that does not exist at the moment as presently our closest fit is within the microlite class of aircraft.

Marketing activity has started to ramp up since the listing. We successfully participated with static aircraft and simulators in both Paris and Czech Republic. We are about to participate in Airetc 2015 in Germany and the Dubai Airshow. We also intend to have a China flight demonstration in the near future. We are investigating the opportunity to participate in the Singapore Airshow and a show in the USA early next year. Each of these shows generates substantial interest which allows us to commence more formal discussions with potential customers who, until the show, were unaware of our capability.

From a China market perspective, the KuangChi Martin Jetpack Joint Venture has been registered in Hong Kong and our first member of the team is involved in educating the China market on the capabilities of the Jetpack and establishing the regulatory pathway. An additional two members of the team will be seconded to Martin Aircraft Company for 6-9 months to learn our assembly set up processes.

So, on our commercialisation path, our sales and marketing is progressing very well. In addition, we have moved Letters of Intent to Memorandums of Understanding in a number of areas, and we are in discussions to move these forward to a contract. Other letters of intent are in draft with potential customers prior to signing. We have also signed two formal alliancing agreements with companies in Czech Republic and India, and both these alliances are completing their respective business plan, in consultation with us, for the coming calendar year. All these agreements are being worked to the next step of orders and subsequently sales.

From a corporate, head office perspective we still remain lean in the back office. The key appointments during the financial year have been the VP Sales & Marketing, and the Director of Flight Operations. We have also recently appointed a Business Excellence

Manager. The former Research & Development team has been restructured into a design team to align with the requirements of certification in the future. Our production team is growing, with assembly engineers now taking the lead in assembling the prototype P12s, and early next year the pre-production commercial Jetpacks. Finally, the flight operations team is responsible for the P12 family of aircraft, along with the soon to be completed unmanned test vehicle for both testing and marketing purposes.

On the manufacturing side, the design team is on the path to the final design and is currently checking off specific areas that need to be included in our first commercial product as part of our certification roadmap. As mentioned earlier, we are progressing the supplier qualification and the assembly team has taken over the role of building each of the Jetpacks that we are now designing and producing, be it the P12 family, the pre-production commercial Jetpacks, or even static aircraft for marketing.

So in summary, Martin Aircraft Company has had an excellent year in terms of progress. Now funded to allow us to travel the path to commercialisation, we have hired and continue to hire the right people, we are making major technical progress, and we are on track for delivering commercial Jetpacks in the second half of 2016.

END

ABOUT THE MARTIN AIRCRAFT COMPANY LIMITED

Martin Aircraft Company Limited (**Martin Aircraft**) is currently developing the Martin Jetpack, the world's first practical jetpack, with potential search and rescue, military, recreational and commercial applications, both manned and unmanned. The Martin Jetpack was initially conceived and developed by Glenn Martin in Dunedin in 1981. This led to the founding of Martin Aircraft Company in 1998 and the development of a Jetpack that, based on current testing, is expected to have over 30 minutes flight capability at a speed of up to 74 km/h and an altitude up to 1,000 m (3000ft).

The Martin Jetpack is a disruptive technology, much like the helicopter was when first developed, with significant capabilities and is able to be flown either by a pilot or via remote control. The Jetpack can take off and land vertically (VTOL) and because of its small dimensions, it can operate in confined spaces (such as close to or in between buildings), near trees or in confined areas that other VTOL aircraft such as helicopters cannot access.

More detailed information about Martin Aircraft and the Martin Jetpack is available at www.martinjetpack.com



Annual General Meeting Presentation Slides

29 OCTOBER 2015



AGENDA

- Chairman's Introduction
- Presentation of the Annual Report and Business Update
- Ordinary Business
- Special Business
- Questions
- Chairman's closing remarks
- Refreshments



Chairman's Introduction

Jon Mayson





Presentation of the Annual Report and Business Update



This has been a defining year for Martin Aircraft Company Limited. Following a successful pre-IPO and ASX listing along with a major cornerstone shareholder KuangChi Science Limited (KCS), the Company is financially equipped to deliver the first commercial Jetpack in the latter half of 2016.

ASX:MJP

The principal activity of Martin Aircraft Company limited is the continuing development and commercialisation of the Martin Jetpack products.



DIRECTOR MOVEMENT



Jon Mayson

Joined the Board
as Chairman with
effect 1 April 2014.



Dennis Chapman

Resigned from the
Board with effect
22 July 2014.



John Diddams

Joined the Board
with effect
22 July 2014



David Hunter

Resigned from the
Board with effect
14 August 2014



Richard Lauder

Resigned from the
Board with effect
9 October 2014

DIRECTOR MOVEMENT(CONTINUED)



Peter Coker

joined the Board as
Managing Director
with effect
17 October 2014



Dr Liu Ruopeng

Joined the Board
with effect
24 February 2015



**Dr Zhang
YangYang**

Joined the Board
with effect
24 February 2015



Glenn Martin

Resigned from the
Board with effect
3 June 2015



Dr Luan Lin

Joined the Board
with effect
11 August 2015

FINANCE

At balance date, the Company had net assets of:

NZ\$25.8 million

Cash and Bank Deposits of:

NZ\$23.6 million

The first part of the financial year consisted of continuing the pre-IPO fund raising which allowed us to start the growth needed to deliver the path to a commercial Jetpack.

NZ\$6 million

FINANCE (CONTINUED)

NZ\$4.8 million

Investment in ongoing research and development.

The directors report that the group's loss after tax for the year ended 30 June 2015.

NZ\$2.9 million

Development expenditure has been capitalised as an intangible asset in the period to reflect that the Jetpack is in the development phase.

NZ\$5.2 million

This was followed by a five month period focusing on capital raising by listing on the ASX.
The Company sought to raise a maximum of :

A\$27 million
equity at an offer of A\$0.40

Comprising

A\$21 million

KuangChi Science Limited (KCS)

A\$6 million

**The General public
and existing share holders**

**The offer was oversubscribed and closed on 13 February 2015.
Comprising 67,500,000 allotted shares.**

FINANCE (CONTINUED)

In addition 1,515,000 ordinary shares were allotted in relation to Axstra capital in payment for success fees.

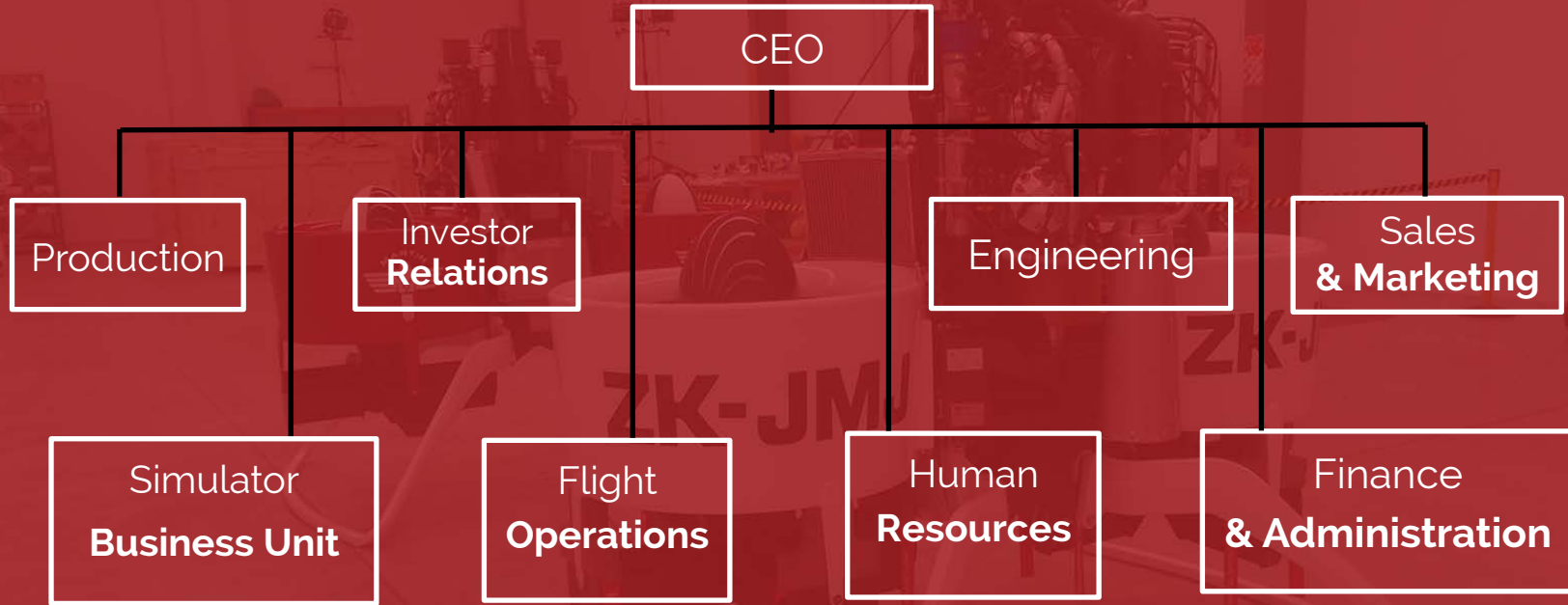
In accordance with the Constitution, the Convertible Preference Shares (CPS) automatically converted to fully paid ordinary shares with effect from the date of the offer close 13 February 2015. The Company now only has one class of shares being fully paid ordinary shares.

FINANCE (CONTINUED)

24 February 2015

- The Company has agreed to issue KuangChi Science Limited with convertible notes with a face value of A\$23,020,000. This provides the Company with further liquidity.
- No dividends or bonus issues were declared during the period.

ORGANISATION



The Company had a workforce of 43 at 30 June 2015 which has now increased to 53 as of today.

TECHNICAL ACHIEVEMENTS

Parachute system



NZCAA is actively involved in our certification work.

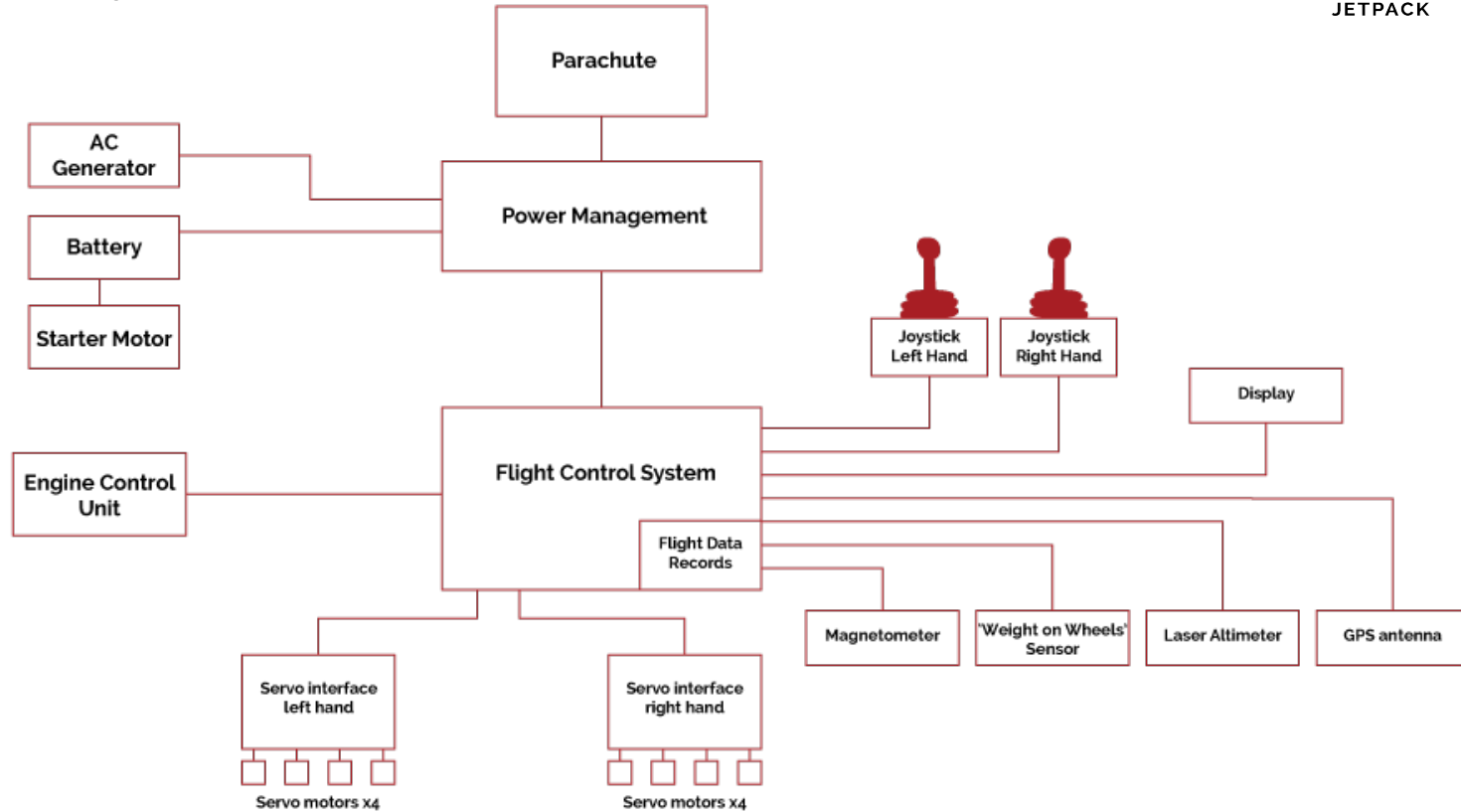
Engine

Future Engine study incorporating latest engine thinking is also looking at 6 cylinder-2 stroke & 4 stroke engines.



NZCAA is actively involved in our certification work.

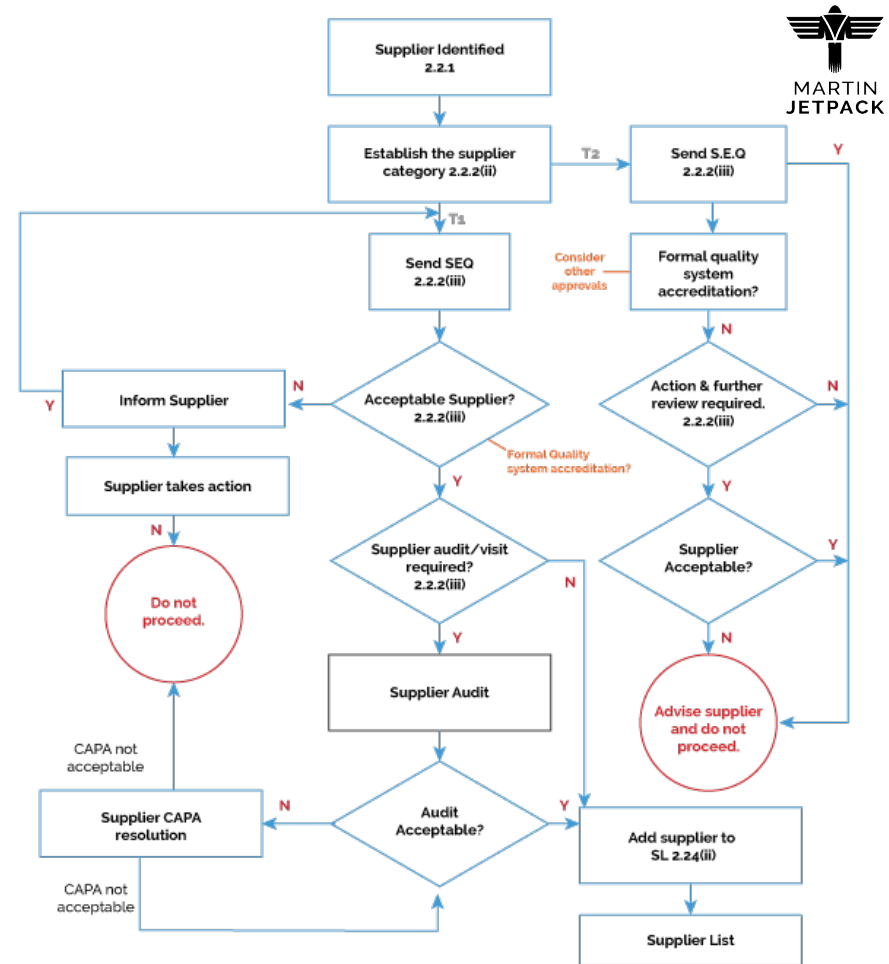
The flight control system



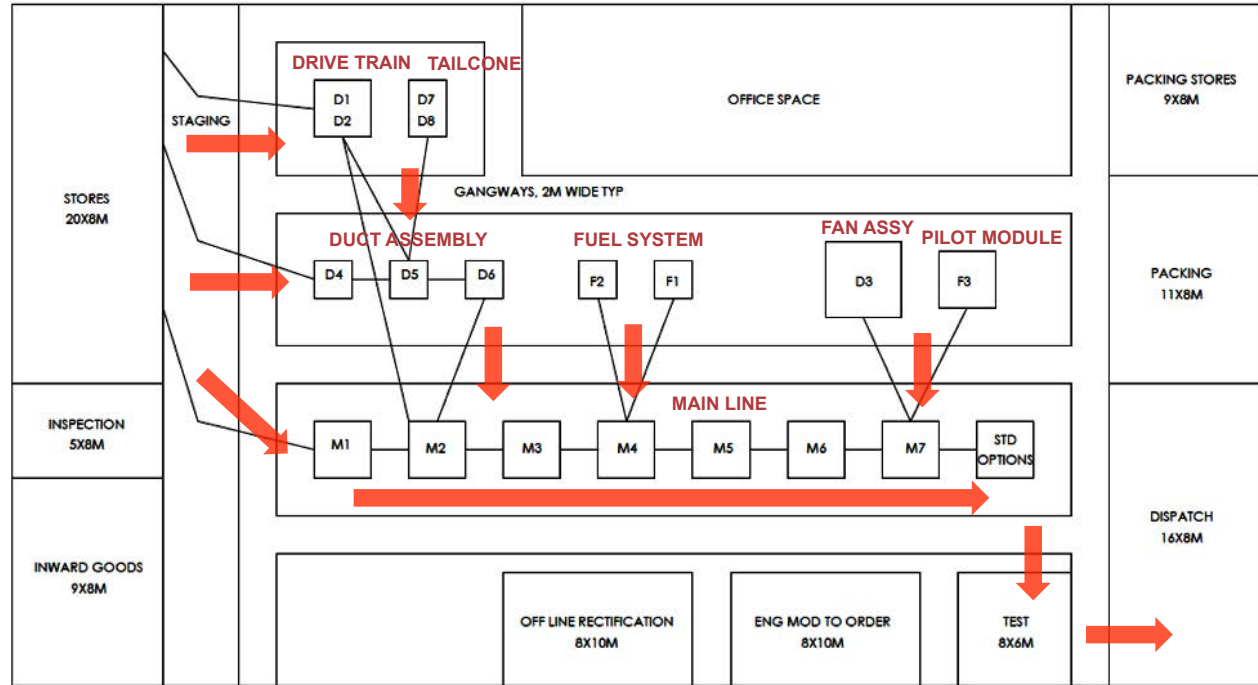
NZCAA is actively involved in our certification work.

The supply chain

- All key suppliers will be audited prior to approval.
- On-going supplier performance will be closely monitored.
- Inventory, part approval and traceability will be controlled using Aircraft Maintenance System (AMS) software package.
 - Training and Rollout commences 1st week November.



Factory Layout



Quality and Safety Management System

- Safety Management System manual written and launched
 - Covers new requirements for Health and Safety Reform Bill (Effective 4 April 2016)
 - Health and Safety Committee established with a broad range of staff representation and good engagement
 - Safety review board established to ensure effective risk management
- Business Excellence Manager recruited to lead Health and Safety and Business Process development.
- A large number of business processes are currently drafted and are in the process of being reviewed prior to launch.
- Focus on developing processes to achieve Part 146 – Aircraft Design Organisations and 148 – Aircraft Manufacturing Organisations certification by mid-2016.

NZCAA is actively involved in our certification work.

MARKETING

AIRSHOW 2015-2016



SIAE - France

CIAF - Czech

Airtec 2015 - Germany

China Flight Show

Dubai Airshow

USA & Singapore. To be confirmed.



The KuangChi Martin Jetpack (KCMJP) Joint Venture has been registered in Hong Kong and the first member of the team, based presently in Shenzhen, is in place and working to educate the China market on the capabilities of the Jetpack, along with establishing the regulatory path necessary for its use in China.

COMMERCIALISATION PATH

Sales & Marketing



COMMERCIALISATION PATH

Corporate

Management team:

VP Sales
& Marketing,
Director Flight Ops

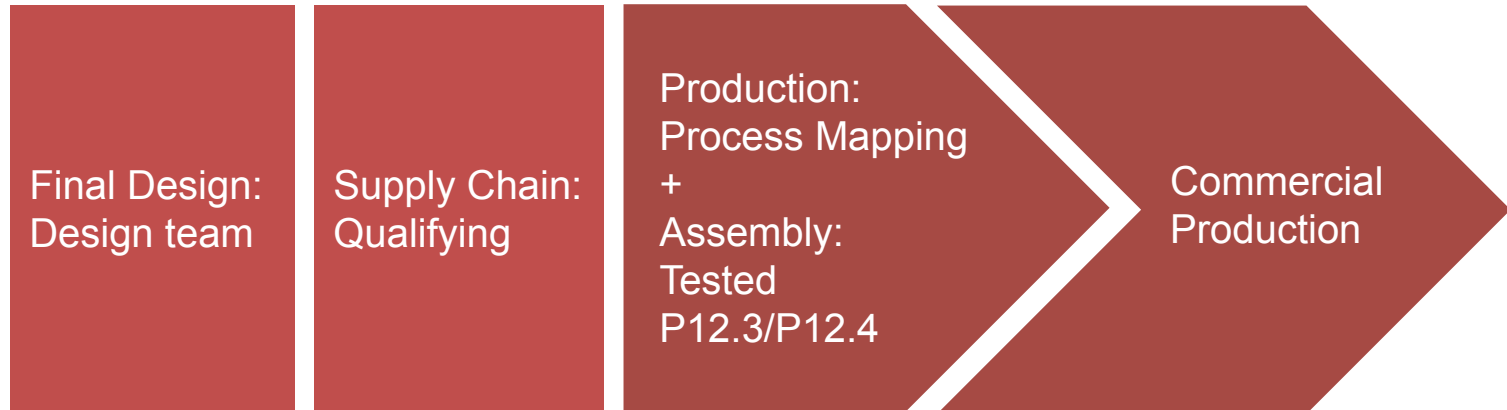
R&D team
– Design team

Production
team

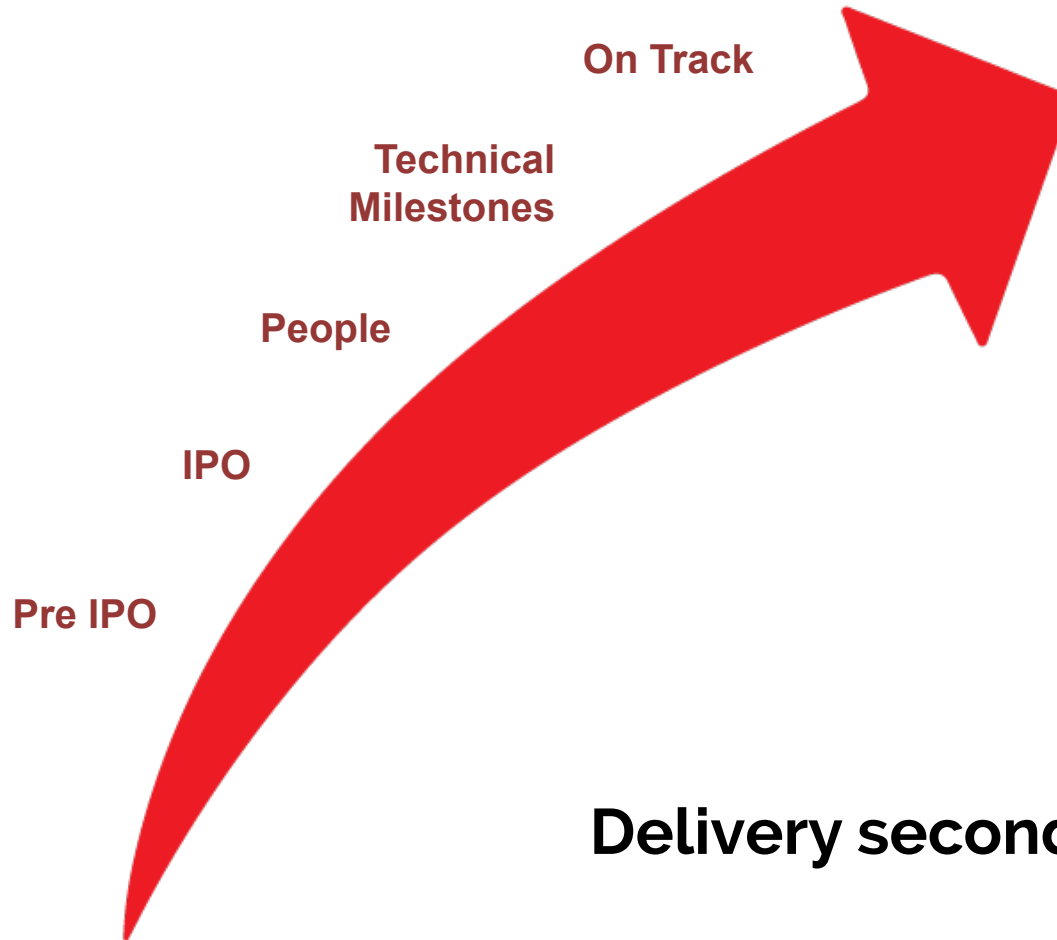
Flight Ops
team:
P12 Family
Testing +

COMMERCIALISATION PATH

Manufacturing



SUMMARY



Delivery second half 2016.

ORDINARY BUSINESS

Business Item 2. To consider and, if thought fit, to pass the following resolution as an ordinary resolution: That Jon Mayson, retiring from office as a Director of the Company by rotation in accordance with clause 20.5 of the Constitution, be re-appointed in accordance with clause 20.3 of the Constitution.

ORDINARY BUSINESS (CONTINUED)

Business Item 3. To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

That Steve Bayliss, retiring from office as a Director of the Company by rotation in accordance with clause 20.5 of the Constitution, be re-appointed in accordance with clause 20.3 of the Constitution.

ORDINARY BUSINESS (CONTINUED)

Business Item 4. To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

That Dr Liu Ruopeng be re-appointed as a Director of the Company in accordance with clauses 20.3 and 20.4 of the Constitution.

ORDINARY BUSINESS (CONTINUED)

Business Item 5. To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

That Dr Zhang YangYang be re-appointed as a Director of the Company in accordance with clauses 20.3 and 20.4 of the Constitution.

ORDINARY BUSINESS (CONTINUED)

Business Item 6. To consider and, if thought fit, to pass the following resolution as an ordinary resolution: That Dr Luan Lin be re-appointed as a Director of the Company in accordance with clauses 20.3 and 20.4 of the Constitution.

ORDINARY BUSINESS (CONTINUED)

Business Item 7. To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

Deloitte are appointed as auditors of the Company and that the Board be authorised to fix the fees and expenses of the auditor for the ensuing year.

SPECIAL BUSINESS

Business Item 8. To consider and, if thought fit, to pass the following resolution as a special resolution: That clause 20.1 of the Constitution be deleted and replaced with the following with effect on and from the date of this special resolution:

“The number of Directors must not at any time be less than three or more than eight (plus the managing Director, if any, appointed in accordance with clause 22).

- Chairman's Closing Remarks
- Refreshments

Thank You

