



MAG
AEROSPACE

ANNUAL
REPORT
2016



A LETTER FROM THE CEO

This past year, like nearly every year before, has brought tremendous growth to MAG.

Once again we nearly doubled the size of our company in just twelve months. We owe this growth to every one of our dedicated professionals worldwide. Like any growth, it came with pain. MAG professionals have deployed to every continent in 2016, working existing contracts while standing up new programs in some of the most challenging places in the world. Meanwhile, our corporate staff has worked tirelessly to ensure that the company runs smoothly and our forward deployed professionals get the support they need. I am humbled by the professionalism and commitment of our team members every day.

The accomplishments of 2016 are staggering. We flew over 68,000 hours with 140+ platforms on 5 continents. We strengthened existing customer relationships and expanded the scope of current contracts. We won new contracts in the Pacific and launched our Australia office. We integrated our most recent acquisition and consolidated our brand to MAG Aerospace. We nearly doubled in revenue and number of employees. Everywhere I traveled, MAG was the company everyone talked about. And the message was clear: we perform, no matter how difficult the task.

2016 saw MAG truly make the world smaller and safer. We continue to punch well above our weight, making contributions to the world that would be the envy of much larger companies. 2017 holds even more promise, with new contracts, new customers, and new members to the MAG family. This report looks back, but at MAG we always focus on the task ahead as we serve, win, and perform all over the world.

Sincerely,



Joseph E. Fluet

With 900+ employees serving the needs of military, international, civilian, and commercial customers around the world, the sun never sets on MAG.

Company Snapshot	4
Summary	4
Key Facts	5
2016 Initiatives and Accomplishments	5
2016 Significant Wins	5
Locations and Services	6
ISR Operations	7
ISR Training	7
ISR Technical Services	7
Other	7
Employee Breakdown	8
2016 Awards and Recognitions	9
Our Leadership Team	10
Executives	11
Board of Directors	12
Board of Advisors	14
Corporate Overview & Background	16
Services	17
Customer Diversification	18
Contract Diversification	19
Worldwide Footprint	20
Corporate Overview & Background	20
Operational Key Performance Indicators	20
MAG Employees Making an Impact	21
Our Growth	22
Worldwide Business Development Network/Footprint	23
Forward Revenue Strategy	23
Financial Statements & Supplementary Data	23

SUMMARY

MAG Aerospace is an industry leader in providing and enabling global situational awareness to help our customers make the world smaller and safer.

In 2016, MAG's team of 900+ professionals operated 140+ manned and unmanned special mission aircraft during more than 68,000 flight hours on 5 continents in support of our customers' missions. MAG's world class tactical-technical-intelligence experts flawlessly executed manned and unmanned Intelligence, Surveillance, and Reconnaissance (ISR) operations, aviation training, and technical services to military, international, civilian, and commercial customers worldwide. Because of this, MAG has developed outstanding relationships with a diverse set of highly sought after customers and gained a proven record of past performance around the globe. Now entering our 7th year, MAG is one of the fastest growing companies in the aerospace and defense industry, with three years of consecutive near 100% growth and significant forward revenue visibility. Led by an executive team with demonstrated prowess in achieving and managing explosive organic and inorganic growth, MAG looks forward to continued success in 2017 and beyond.

KEY FACTS

Began Operations:: 2010

Headquarters: Woodbridge, VA

Employees: Over 900+ experts providing full spectrum ISR capabilities (operations, training, and technical services) and other specialty aviation services worldwide.

Strong Revenue Growth: \$153M in 2016
(110% Increase in Revenue from 2015)

2016 Flight Hours

Fixed Wing:	30,625
Rotary Wing:	13,930
UAV:	24,370
Total Flight Hours:	68,925

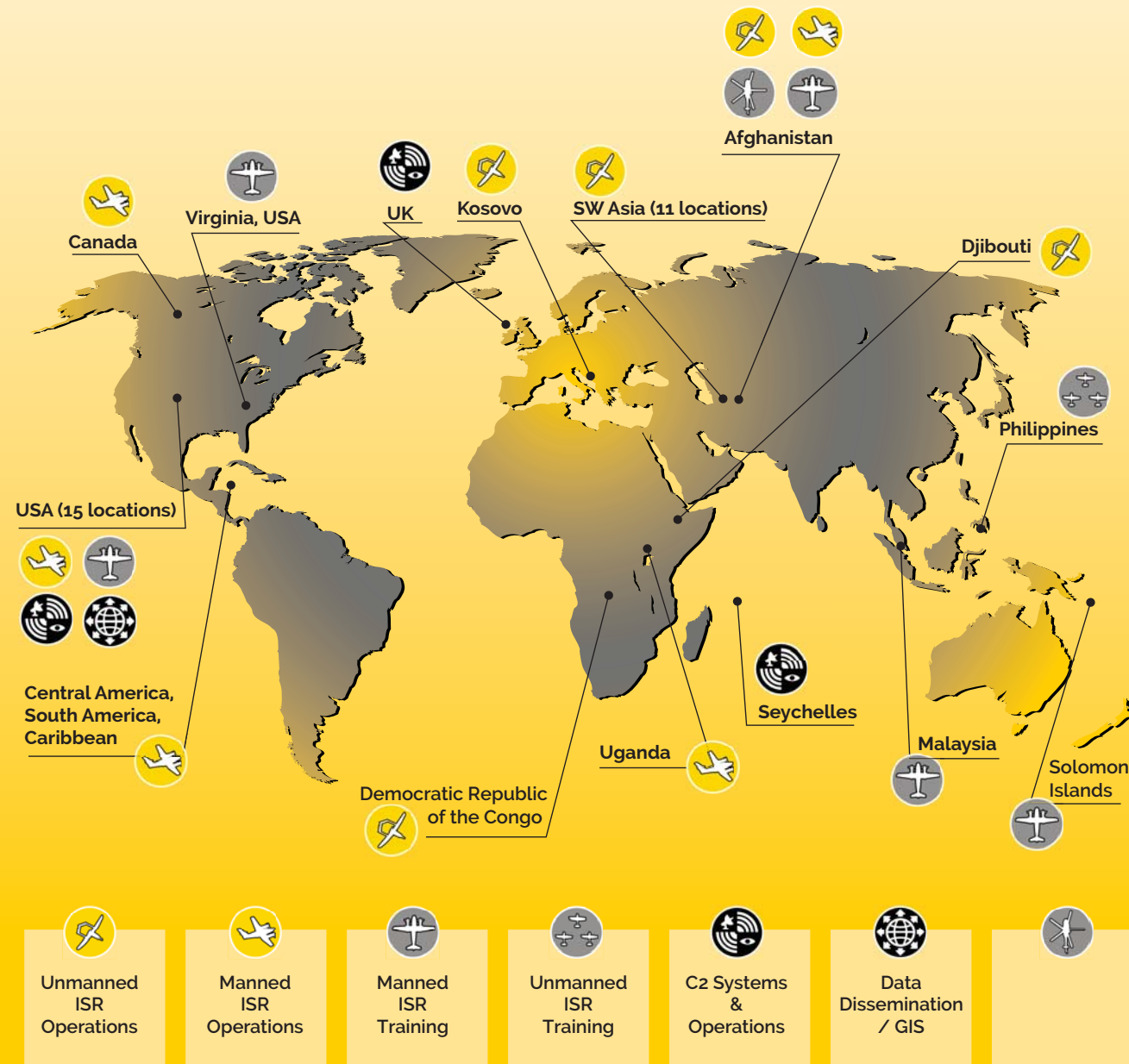
2016 INITIATIVES AND ACCOMPLISHMENTS

- Established Safety Management System (SMS) to provide risk mitigation oversight of our worldwide flight operations.
- Successfully captured the prime position on the SOUTHCOM C4ISR contract
- MARSS Pilot Contract: achieved program steady state, increased flight hour operational tempo by 25% resulting in an average of over 3,000 flight hours per month, seamlessly integrated SS-AISR contract into existing flight operations (MAG combined aircrews)
- Increased footprint in Pacific market: Philippines Super Swiper SUAS sale, launched MAG Australia, Malaysia Royal Police Maritime Patrol mission training, Foreign Fisheries Agency (FFA) study completed, Seychelles awarded & executed
- Established a Corporate Compliance Department that manages all international trade procedures across the MAG enterprise to include MAG's subsidiary entities, and manages all Defense Security Service (DSS) compliance requirements
- Company Re-Org: Agile business units structured for high contract performance organic growth, and competitive rates.

2016 SIGNIFICANT WINS

SS-AISR	MAG is providing operations management for aerial ISR aircraft and sensor platforms and logistics support.
RQ-170 Mission Planning	MAG is providing ISR operational support, mission planning, training and test and evaluation support to Air Force bases within the continental United States.
INSCOM B300	MAG is providing Aerial ISR flight operations, pilot support, and Airborne Sensor Operators for aircraft operating overseas and within the continental United States.
25th AF IDIQ	MAG is providing actionable, multi-discipline intelligence derived from multiple ISR platforms to Combatant Commands (COCOMs), Component Numbered Air Forces (C-NAF) and national command authorities across the globe, 24/7.
FBI	MAG is building a web collaboration tool for the FBI.
TUAS Shadow	MAG is providing RQ-7 Shadow Unmanned Aerial Systems (UAS) operators and maintainers to the US Army.
JTAC CAS	MAG is providing pre-deployment reconnaissance and close-air support training and services to different special teams.

LOCATIONS AND SERVICES



ISR Operations



Manned ISR Operations

Operate and maintain multi-mission manned airborne ISR platforms with complex mission systems



Unmanned ISR Operations

Operate, maintain, and evaluate all sizes of Unmanned Aircraft Systems

ISR Training



Manned ISR Training

Provide training for fixed wing aircraft ISR operations



Unmanned ISR Training

Provide training for Unmanned Aircraft Systems ISR operations

ISR Technical Services



C2 Systems & Operations

Operate, maintain, manage, and evaluate Command & Control and ISR network systems



Data Dissemination / GIS

Provide video, network, geospatial, and software engineering solutions, simulation, and assessments

Other



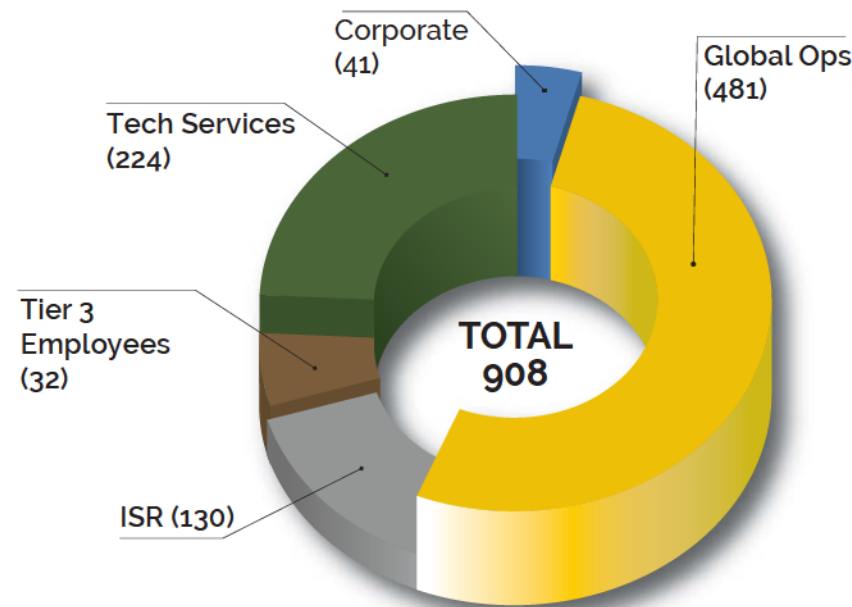
Other Specialty Aviation

Provide training and logistics support for non-standard aviation operations

EMPLOYEE BREAKDOWN

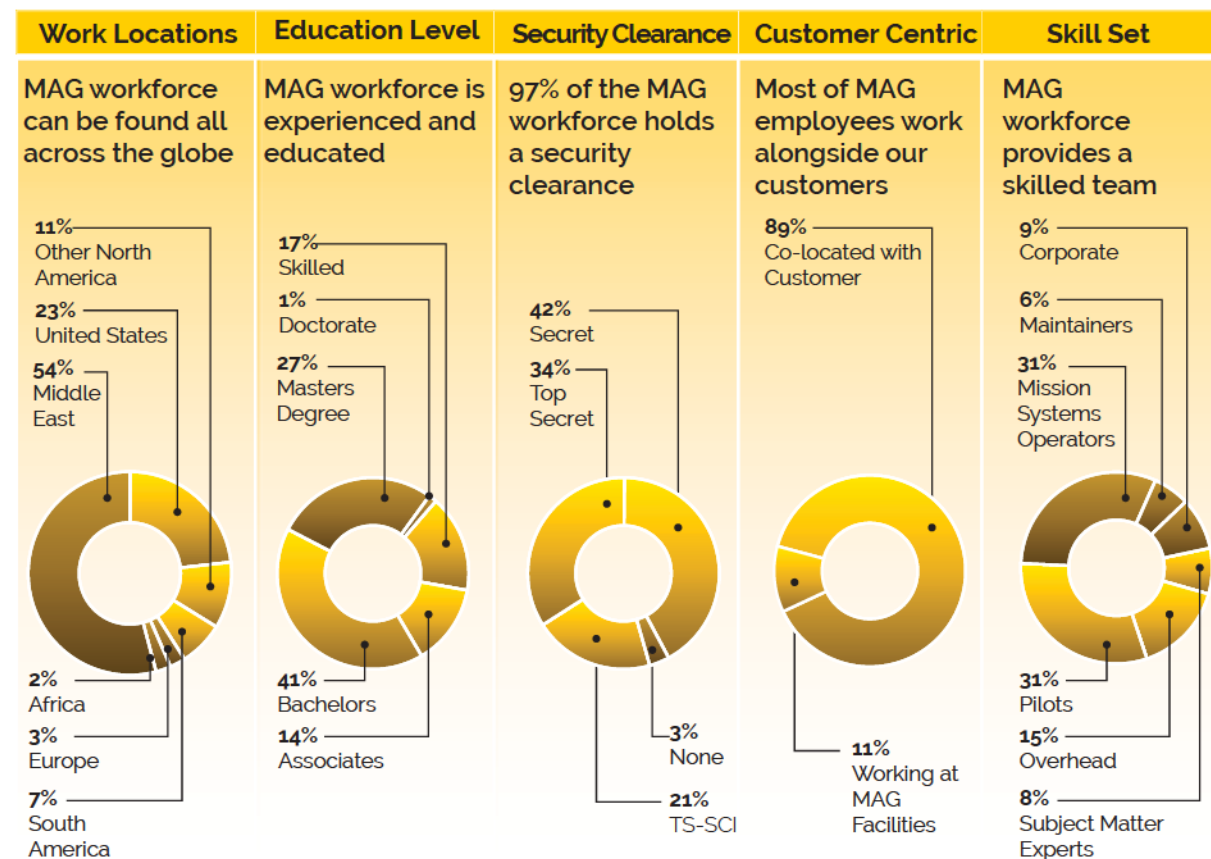
2016 Employee Breakdown

Corporate Staff:	41
Technical Services:	224
ISR:	130
Global Operations:	481
Tier 3 Employees	32
Total Employees:	908



2016 AWARDS AND RECOGNITIONS

MAG Named Washington SmartCEO Future 50 2016 Winner	MAG received recognition as one of the region's 50 fastest growing companies who have experienced rapid growth based on a combined three-year average of revenue and employee growth. (95% growth in MAG workforce from 2015 to 2016)
MAG Graduates from Virginia Economic Development Program	MAG showed dedication to international expansion and took advantage of the resources provided by the Virginia Economic Development Partnership program and officially graduated from the program in January 2016.
MAG Receives Supplier Excellence Award from Northrop Grumman (Feb)	The MAG team on the Afghanistan National Security Force and Counter Narcotics Aviation Fleet Management Support Contract was recognized for meeting and exceeding all performance requirements during a critical time in the program.
MAG voted among best places to work in Virginia (March)	MAG considered among one the best places to work in Virginia based on reviews of the company's policies, practices, philosophy, systems and demographics, as well as an employee survey that measures employee experience.
MAG Announced recipient of 2016 Governor's Award for excellence in International Trade by Governor McAuliffe	MAG received the Governor's Award for Excellence for showing tremendous growth and perseverance during the time of sequestration that presented numerous challenges for companies.
MAG Aerospace recognized at Top 50 Fastest Growing Company in DC Area	MAG was recognized by the Washington Business Journal as being among the top 50 fastest growing companies in the Washington, DC region due to three back-to-back years of nearly 100% growth.
MAG Recognized at Contractor of the Year at GOVCON Awards	MAG recognized at as Contractor of the Year in the \$25M to \$75M category for distinguished operational and financial accomplishments and outstanding contributions during 2016 to employees, the government contracting industry, and the US Government.



MAG's experienced team has proven performance in using technology to deliver situational awareness to solve the nation's and world's toughest challenges.



Joseph E. Fluet Matt Bartlett Mike Taylor
Joseph Paull John Krobath France Hoang Sam Sblendorio

EXECUTIVES



Joseph E. Fluet
Chief Executive Officer
Chairman of the Board
As CEO and founder of MAG, Joe Fluet provides corporate leadership and strategic vision for MAG. He has founded and led multiple highly

successful companies, in a wide variety of industries. Earlier in his career, he served as a Washington, D.C. Attorney specializing in government contracts and international law. He also has had a distinguished career in the military and national security spanning over 20 years in both active and reserve forces in a variety of aviation units. A veteran of conflicts in Iraq, Afghanistan, and other overseas locations, he is an experienced combat commander with expertise in security, combat aviation, special operations, and counter-narcotics.



Sam Sblendorio
President
Board Director

Sam Sblendorio is the President of MAG and serves on its Board of Directors. He joined MAG in 2010 bringing with him 18 years of experience in all aspects of aerial ISR operations around the world in both the government and private sectors. Prior to becoming President, he served as MAG's Chief Operating Officer and Executive Vice President for MAG's ISR Operations Business Unit. Prior to joining MAG, he worked at Sierra Nevada Corporation's Integrated Missions System (IMS) Division from 2005-2010 where he served in several positions within the Special Projects division before moving into Business Development. Before working in private industry, he served in the US Army as an officer in the Aviation Branch. He is both a fixed wing and rotary wing qualified pilot as well as a mission systems operator.



France Hoang
Chief Strategy Officer
France Hoang currently serves as Chief Strategy Officer for MAG. Mr. Hoang joined MAG in 2010 as part of the Founding Team.

He's previously served in every branch of Government and was appointed by President George W. Bush as an Associate White House Counsel and Special Assistant to the President. He served as the Executive Officer on a US Army Special Forces Company combat deployment during Operation ENDURING FREEDOM. He graduated in the academic top 1% of his West Point class, received a Master's in Criminal Justice from Washburn University, and graduated magna cum laude from Georgetown University Law Center.



Matt Bartlett
Chief Growth Officer
Matt Bartlett serves as the Chief Growth Officer of MAG and is responsible for generating over \$200M in new business. He also served as the Executive Vice President

for the Aviation/ISR business at MAG. Prior to MAG, he held management positions with Northrop Grumman managing specialty aviation programs in the Middle East and Southwest Asia. He served in the US Army as an Infantry officer with several overseas assignments including leading soldiers in combat in Iraq as a company commander with the 101st Airborne Division and as an Instructor at the US Army Ranger School. In the military, he earned the Jumpmaster, Airborne, Combat Infantryman, Expert Infantryman, Ranger, Pathfinder, and Air Assault badges and was awarded a Bronze Star for his service in combat. Mr. Bartlett is a graduate of The Citadel, holds a PMP certification, and is Shipley trained.



Joseph Paull
Chief Operating Officer
Board Director

Joe Paull is the Chief Operating Officer (COO) of MAG and serves as a member of the MAG Board of Directors.

Mr. Paull is the co-founder of MAG and has been with the company since its inception in 2009. Prior to serving as the COO at MAG, he served as the COO during the initial startup years of MAG. Prior to the founding of MAG, he held senior management positions in Triple Canopy and TASC/Northrop Grumman. At Triple Canopy he worked as the Deputy Director of Operations and Director of Field Support and at TASC/Northrop Grumman became a Global Operations Specialist providing training expertise and program management to multiple overseas intelligence community programs. He served eight years in the US Army as an officer in the Infantry Branch. He is a graduate of Pacific Lutheran University, PMP certified and has completed both the Shipley Capture and Proposal Programs.



John Krobath
Chief Financial Officer
Board Director

John Krobath is the Chief Financial Officer of MAG. He has been the CFO of several high-growth government contracting intelligence companies with extensive experience

in ISR operations. His ISR experience has been focused on airborne sensor collection and remote flight operations. He has spent over 15 years leading financial operations of defense related government contractors including KEYW, ITT Industries, OGSys and Horne International. He has an extensive mergers and acquisitions background completing over 25 acquisitions within the government contracting industry. Mr. Krobath earned his undergraduate degree from James Madison University and a Master's degree from George Mason University.



Mike Taylor
VP and General Counsel

Mike Taylor serves as the Vice President and General Counsel of MAG. In this role, he manages the Legal and Human Resources

departments, and has responsibilities for corporate compliance, risk management, M&A and corporate secretarial duties. Mr. Taylor has over 20 years of legal experience, with the past 17 in the aerospace and communications industries. Prior to joining MAG, Mr. Taylor held numerous senior business and legal roles within the aerospace industry, including Senior Vice President and General Counsel of Inmarsat Government, General Counsel of SES Government Solutions, and Senior Counsel of GE Spacenet. He began his in-house legal career as General Counsel of Moran Industries, the Chicago-based franchise holding company. Mr. Taylor also litigated at Chicago based law firms and spent time in the Cook County State's Attorney's office.

BOARD OF DIRECTORS

Joe Fluet

Sam Sblendorio

Joseph Paull



Ken Rotman
Board Director
Co-CEO and Managing Director, Clairvest Group Inc.

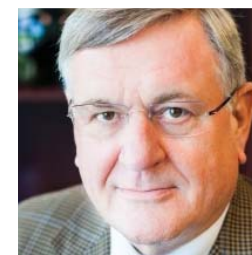
Ken Rotman is Co-CEO and a Managing Director of Clairvest Group Inc. He has more than 25 years of experience as a private equity investor. Mr. Rotman is the Chairman and a co-founder of Wellington Financial and is currently a Director of the following corporations: Clairvest Group, MAG Aerospace and Discovery Air. Ken earned a B.A. from Tufts University, an M.Sc. from the London School of Economics and an M.B.A. from New York University. In the not-for-profit sector, he is a board member of HonestReporting Canada.



Tim Crosby
Major General (ret.),
Board Director – MG(R)

Tim Crosby retired after an almost 35-year career culminating in his last assignment as the Program Executive Officer

for Aviation. He attended the Air War College at Maxwell Air Force Base and earned a Master's Degree in International and Strategic Studies. He was promoted to the rank of major general in 2011 and officially retired in March 2014. Since retirement he has started his own company, Crosby Aerospace, LLC. He has joined three companies as a Board Director.



John Barnett
Board Director

John R. Barnett, CA has been a Director of Clairvest Group Inc. since 2009. He has previously served as President and Chief Executive Officer of Rothmans Inc., of Molson

Breweries, and of Molson Breweries USA Inc. He has been a Director of Rothmans Inc., of Mobilicity and Mosaic Group Inc. He previously served as Lead Director and Director of Granite Real Estate Inc. (formerly MI Developments Inc.) and of Magna Entertainment Corp. He serves on the boards of Canadian Special Olympics Foundation and Sports Celebrities Festival.



Ed Ackerman
Board Director
President and COO,
Solution Tree

Ed Ackerman joined Solution Tree in 2005. He has served as Director of Institutes, Vice President,

Chief Operating Officer, and President, among other roles. During his time at Solution Tree the company has expanded its domestic and international efforts by nearly 200%. Ed came to Solution Tree after a 23-year Army career including officer service as an Aviator. His military background includes time as an instructor and Assistant Professor at the United States Military Academy at West Point, NY. Ed is a graduate of the University of Akron and University of Wisconsin-Madison. Currently he serves on local Bloomington community boards and is active in entrepreneurial development.



Courtney B. Spaeth
Board Director
Chief Executive Officer,
growth[period]

Courtney B. Spaeth is a recognized expert in business development and corporate growth. She founded

growth[period] in 2007 and currently serves as CEO. Prior to founding growth[period], she served in senior positions at Raytheon and Lockheed Martin. She has extensive experience as a corporate board member, and serves on the Board of Directors for a number of private companies, non-profits, and professional associations. She holds a Master's Degree in National Security Studies from Georgetown University and a Bachelor of Art Degree, with honors, in Military History from the University of Pennsylvania, and recently completed her Governance Fellowship through the National Association of Corporate Directors (NACD).

BOARD OF ADVISORS



M. Bradford Foley
Advisor
Chairman and CEO, Foley & Associates

Bradford Foley is the Chairman and CEO of Foley & Associates, and the President of Foley Strategies, a consulting, government relations, and communications firm specializing in policy and appropriations solutions for the advancement of military and national security capabilities. Also for Gennet International, an unmanned aerial systems (UAS), sensor, and data transfer technologies management company.



Tom Cole
Advisor
Brigadier General (ret.)

Brigadier General (retired) Thomas Cole has over 31 years of active Army service as the Program Executive Officer for Intelligence, Electronic Warfare and Sensors (PEO-IEW&S). He was the senior official responsible for overall direction and programs performance for intelligence, electronic and cyber warfare, and sensor targeting capabilities.



David Urban
Advisor
President, American Continental Group

David Urban serves as President of American Continental Group. He served for five years as the Chief of Staff for United States Senator Arlen Specter (R-PA). Mr. Urban was awarded the Bronze Star Medal for meritorious achievement while engaged in combat operations against Iraq during Operation Desert Storm.



Pack Fancher
Advisor
Director, HighTower Advisors

Pack Fancher serves as Director, Exit Planning Strategy, with HighTower's Pagnato-Karp Group, after spending five years at investment bank KippsDeSanto & Co. in Tysons Corner, Va. Prior to KippsDesanto, Pack spent thirteen years with Merrill Lynch, where he specialized in providing M&A as well as commercial lending services to middle market companies.



Jay Kupietzky
Advisor
Founder, Cresta Strategies Ltd

Jay Kupietzky is founder of Cresta Strategies Ltd., a Tel Aviv-based consulting firm, focused on helping defense, homeland security, and cyber security companies identify, define, and achieve their marketing and business objectives in global markets. Over the last two decades Jay has closed multi-billion dollar commercial and corporate transactions on behalf of his clients, in various markets around the world.



The Hon. Mary Beth Long
Advisor
Founder and CEO, Metis Solutions

Mary Beth Long is the first-ever Senate confirmed female Assistant Secretary of Defense. She represented the Secretary of Defense with his foreign counterparts, and at the National Security Council and the White House and was one of the Secretary's key advisors. In the last year, Ms. Long served as a Senior Advisor to NATO on irregular warfare and hybrid threats.



Mark Fallon
Advisor
Director at ClubFed, LLC

Mark Fallon is the Director of ClubFed LLC, where he provides consulting services on national security matters to clients ranging from US law enforcement and intelligence community agencies, international NGOs, and research institutions.



Barbara Faulkenberry
Advisor
Major General (ret.)

Barbara Faulkenberry is an independent consultant, retired in 2014 as a Major General in the United States Air Force. Barbara brings over 30 years of senior leadership in global air and ground logistics, operations, and strategic planning.



Suzanne Mencer
Advisor

Sue Mencer is the founder and former Executive Director of the Colorado Emergency Preparedness Partnership. She has served as the Director of the Office for Domestic Preparedness in the Department of Homeland Security. She is a 20-year veteran of the FBI, having worked and supervised investigations in Foreign Counterintelligence and Counterterrorism.



Dawn Scalici,
Advisor
Government Global Business Director, Thomson Reuters

Prior to Thomson Reuters, Dawn Scalici served 33 years with the Central Intelligence Agency (CIA). She served as the National Intelligence Manager for the Western Hemisphere within the Office of the Director of National Intelligence (ODNI).



Gordon Heddell
Advisor
Founder and Corporate Director – The Gordon Heddell Group, Inc.

Gordon Heddell is the Founder and Corporate Director of his own consulting firm. Mr. Heddell served as the seventh Inspector General of the Department of Defense. He was responsible for oversight of all programs and operations of the Department to include inspector General oversight of the Army, Navy, Marine Corps, and Air Force.



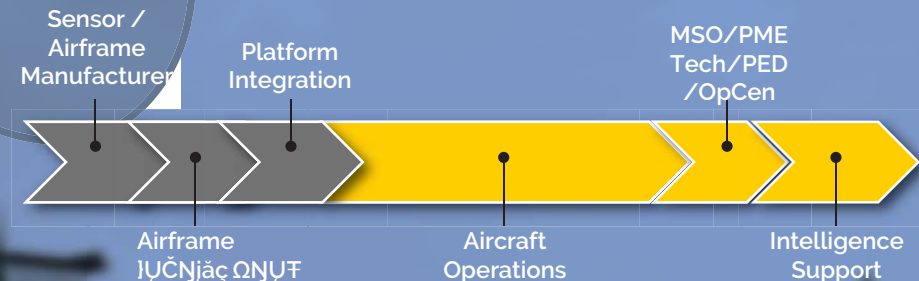
Scott R. Seaman
Advisor
Founder and Principle of Scott Seaman Consulting – Chief (ret.)

Scott R. Seaman is Principal of Scott Seaman Consulting. He had a 39-year law enforcement career, serving as the Chief of the Los Gatos/Monte Sereno (CA) police dept. for 12 years and previously served 27 years at the San Jose (CA) police department.

MAG provides full spectrum ISR Capabilities (ISR Operations, ISR Training, and ISR Technical Services) and other Specialty Aviation Services.

MAG is one of the few tip-to-tail, manned and unmanned, fixed and rotary-wing ISR solutions providers that can operate worldwide.

MAG pilots, sensor operators, trainers, and maintainers operate and support 146+ fixed wing, rotary wing, and unmanned aircraft around the world across a broad range of missions.



The MAG team provides the full spectrum of services from selection of the aircraft and sensors needed to meet mission requirements, the engineering for aircraft modifications and platform integrations, the expertise for aerial ISR aircraft operations, and the post mission analysis to deliver actionable intelligence.

SERVICES

ISR Operations

The MAG team operates, deploys, and maintains manned aircraft and unmanned aircraft systems that provide ISR capabilities for customers all across the globe. We provide our customers the full spectrum of ISR operations: pilots and mission systems operators; maintenance for the aircrafts, sensors and ground control stations; logistics and support; and site and program management.

Multi-intelligence data collection and PED services includes LiDAR, full motion video (FMV), synthetic aperture radar (SAR), hyperspectral imagery (HSI), signals intelligence (SIGINT), and maritime patrol surface search radar.

Examples:

- Deployed multiple manned and unmanned ISR platforms (aircraft and crew) to support several diverse mission profiles in South America, Africa, and the Middle East including support to the United Nations
- Provided turnkey ISR services to NATO using proprietary UAS platform
- Worked with Massachusetts Institute of Technology (MIT Lincoln Laboratories) and Sandia National Laboratories for the integration, fielding, and operation of highly specialized sensing technologies
- Provided Inventory Control Point for entire U.S. Army Fleet of Raven/Puma UAS
- Provided more pilots and sensor operators than any other company in Afghanistan.

ISR Training

The MAG team provides training to conduct manned and unmanned ISR operations worldwide. Training curriculums are customized and tailored to each customer's mission and aviation infrastructure

Examples:

- Deployed 500+ aviation professionals supporting U.S. DOD ISR and training efforts in Afghanistan
- Trained the Royal Malaysia Police to perform Maritime Patrol Operations using their King Air B200 ISR Platform.

ISR Technical Services

MAG engineers provide operations and maintenance for command and control operations centers and ISR network systems. The MAG technical team designs, installs and operates advanced ISR systems, unmanned operation centers, air operations centers', and intelligence support centers. These centers provide real-time dissemination of video, voice, intelligence, command and control, metadata and geospatial information. We also provide software engineering and training solutions that include simulations and assessments and C4ISR instruction.

Examples:

- Built and operated seventeen (17) MQ-1/MQ-9 Unmanned Operations Centers for US and U.K. squadrons
- Inserted technology into Air Operations Centers (AOCs) for US Central Command (CENTCOM), Northern Command (NORTHCOM), and Southern Command (SOUTHCOM)
- Tested and integrated advanced, airborne ISR technologies for Special Operations Force (SOF) units
- Provided Air Force Distributed Common Ground System (DCGS) Technical Support
- Provided USMC tactical sole instructors for GCCS-J; USMC tactical radio management (EPLRS/TRM) and mobile user objective system (MUOS) courseware development; US Air National Guard RPASOC systems training..

Other Specialty Aviation

The MAG team consists of some of the best operators in the field and have operated in remote, difficult and non-permissive environments supporting specialized mission operations. They operate and provide training on nonstandard aircraft around the world

Examples:

- Deployed 500+ aviation professionals supporting U.S. DOD ISR and training efforts in Afghanistan
- Trained the Afghan Special Mission Wing MI-17V-5 and PC-12 aircrew in combined ISR/Air Assault Operation.

CUSTOMER DIVERSIFICATION



MAG has a diverse set of customers that include many US government agencies, friendly foreign governments and organizations, and commercial businesses. In 2016 we maintained and strengthened our partnerships with our customers and they continue to praise the added value that MAG provides.

CONTRACT DIVERSIFICATION

Key Contract	Customer	Scope
SOUTHCOM C4ISR	SOUTHCOM J2	Turnkey ISR services on MAG platforms with various sensor types
FALCON I	SOUTHCOM J2	Turnkey ISR services on a MAG provided platforms
SS-AISR	PEO IEW&S	Provide sensor operators, training, and analytical support for all the US Army sensors and technology
MARSS Pilots	US Army PEO Aviation	Provide pilot and flight operations support on the US Army aerial surveillance platforms
US Army SUAS	US Army PEO Aviation	Technical, Management, Training and Logistics to support the full spectrum of SUAS systems for the US Army
SES6	SOCOM	C4ISR sensor integration, engineering, fabrication, and infrastructure architecture design at fixed sites and on various mobile platforms
RAF Waddington	USAF PEO ISR and Special Operations Forces Directorate	Ongoing sustainment, management, and network administration for the MQ-9 Reaper Operations Center located at RAF Waddington, UK and Creech AFB, NV
25th Air Force IDIQ	Air Combat Command	Full spectrum support and analysis on all the USAF weapon systems and C4I technology
NATO UAS	NATO	Turnkey SUAS operational support on MAG provided platforms
NAVY ISR	Navy SPAWAR	Deployed operations support for Aerosonde 4.7 Unmanned Aircraft Systems
TBMCS/GCC	Air Force Materiel Command	Training and engineering support on the Global Command & Control Systems Maritime and Joint (GCCS/MJ) and Theater Battle Management Control System (TBMCS)
JTAC	SOCOM	Provide turnkey ISR and simulated close air support training
Afghan Special Mission Wing	US Army PEO Aviation	Provide all training and operations throughout Afghanistan with Afghan-US mixed crews to create a self-sustaining Afghan Special Mission unit utilizing the Mi-17 V1/V5

CORPORATE OVERVIEW & BACKGROUND

OPERATIONAL KEY PERFORMANCE INDICATORS

In 2016 the MAG aviation and ISR teams operated 140+ manned and unmanned platforms across 5 continents providing aviation training and performing ISR missions. They flew a total of 68,925 hours.

Fixed Wing: 30,625

Rotary Wing: 13,930

UAV: 24,370

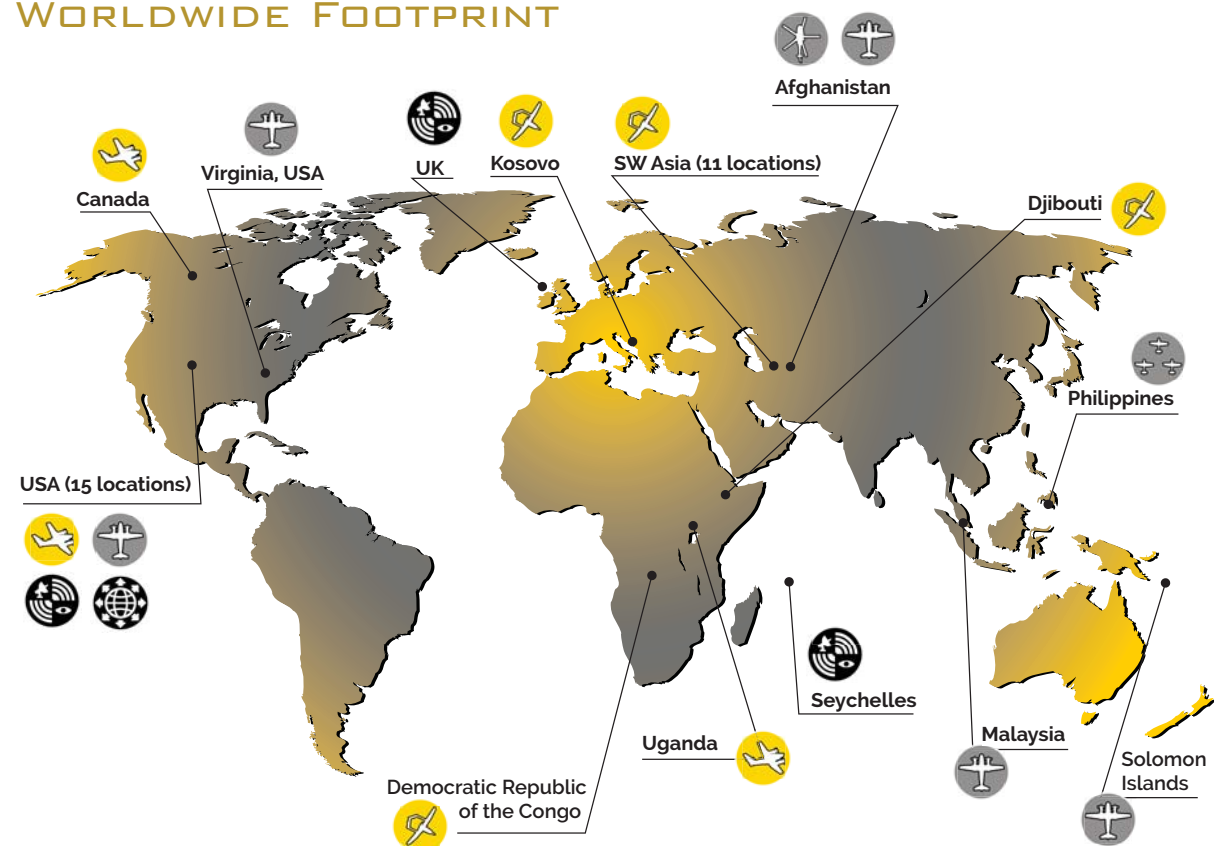
Total: 68,925

The MAG technical services and operational support teams operated 16 operations centers and provided operational support on 5 different customer programs.

The technical services team maintained 100% system availability throughout the entire year. Each center completing an average 2,751 maintenance actions and supported on average over 450 missions.

The operational support team completed a required 72 maintenance inspections, completed 40 training courses and master plans, and tested and evaluated 17 software systems and 9 hardware systems. They developed, reviewed and finalized 1,261 program documents, work-flies and technical manuals.

WORLDWIDE FOOTPRINT



MAG EMPLOYEES MAKING AN IMPACT



MAG saving lives one flight at a time

Thanks to the efforts of MAG employees through coordination and surveys with the Afghan Military Hospital Commander, the US Coalition and the Afghan Ministry of Defense, the MAG Afghan Airlift team is now providing critical support by directly transporting casualties to a 400 bed Hospital in Kabul, Afghanistan that can provide a higher level of medical treatment.



MAG ISR capabilities aids in rescue

A MAG team on an ISR mission witnessed a boat capsize, leaving over 20 people stranded in open water. The MAG team quickly jumped into action and was able to aid the local authorities with rescue.

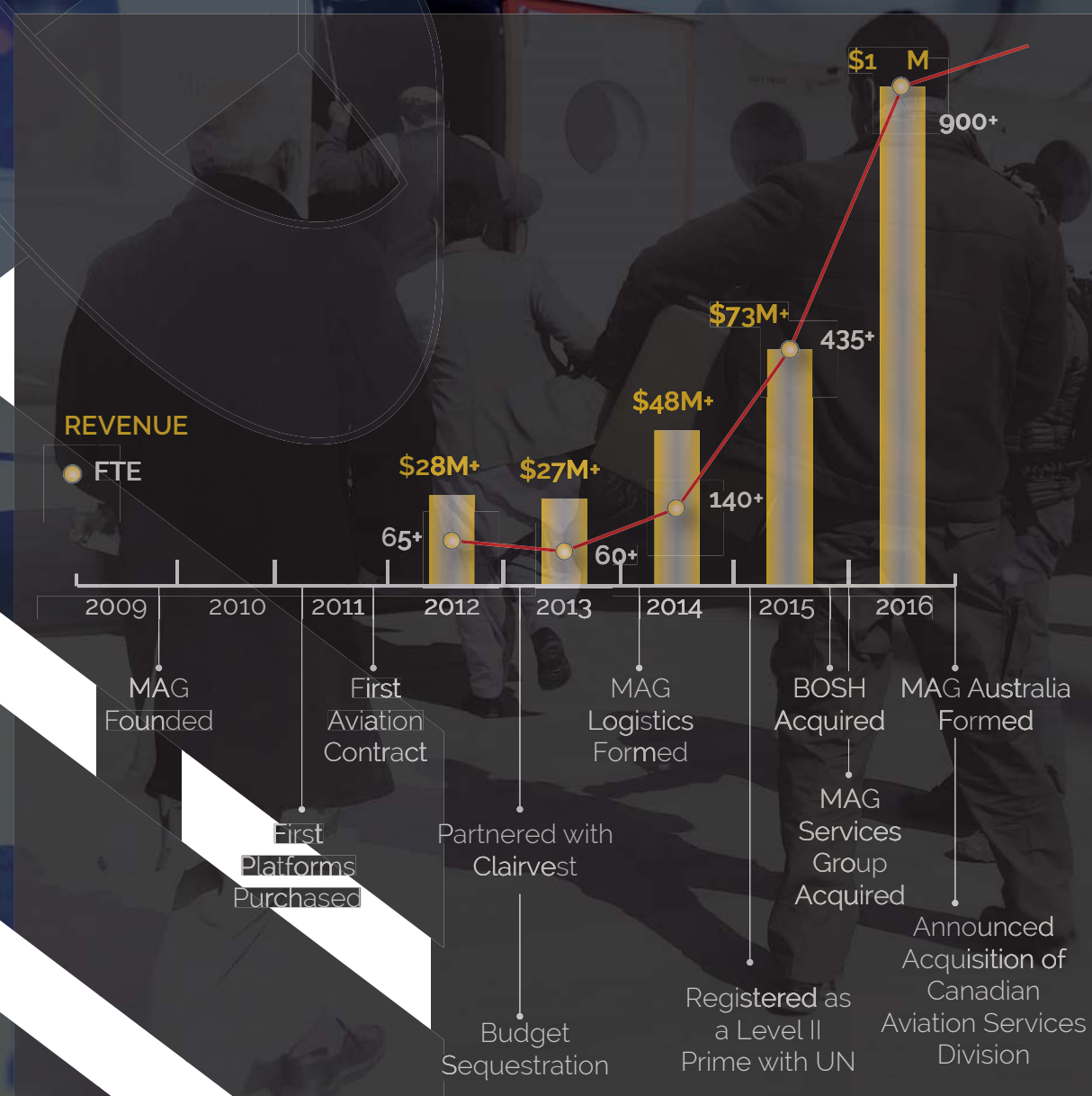


MAG helps to make Afghan history

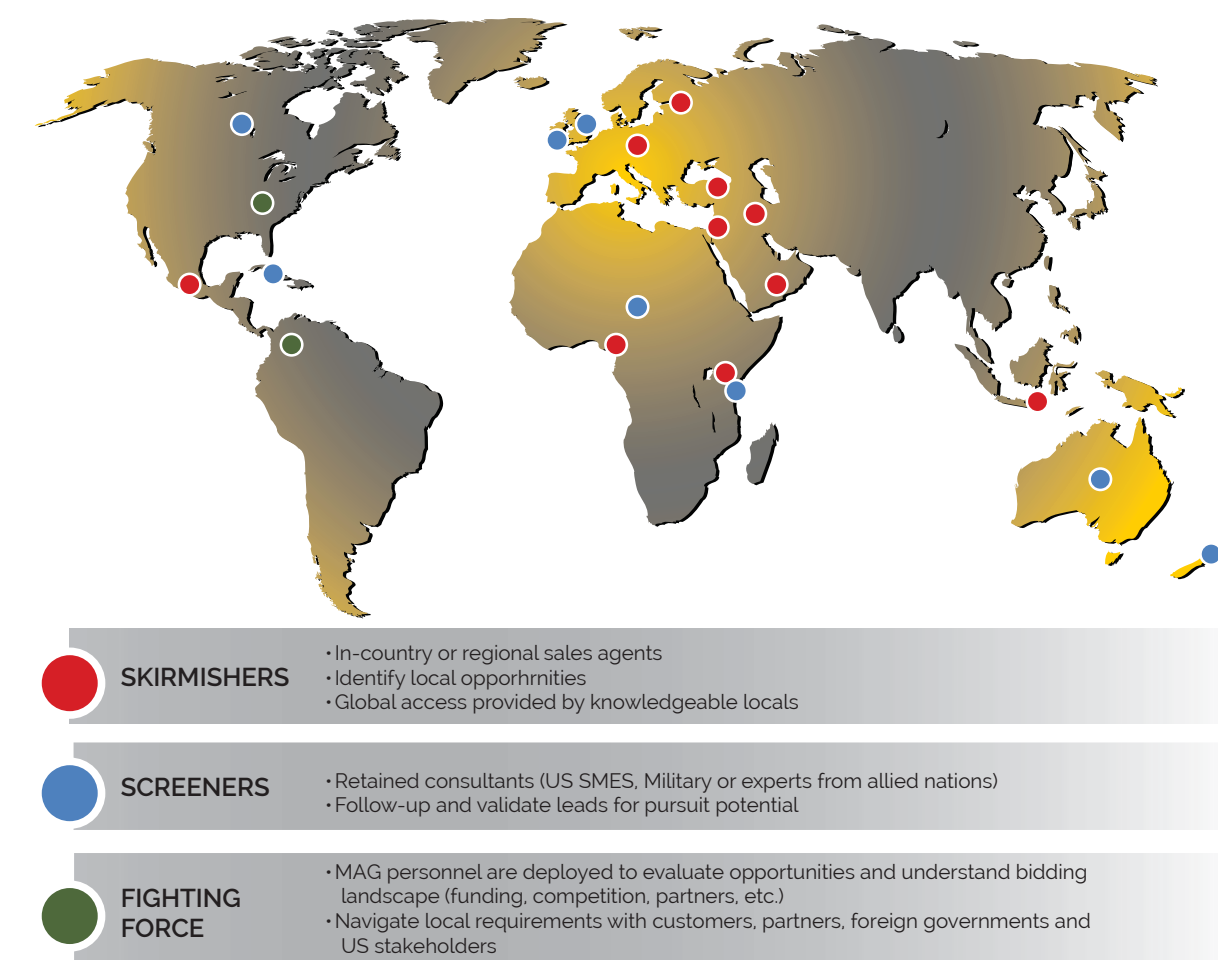
The MAG F2AST team is training what will be the first female MSO in the history of the Afghan military. Zainb Mahmoodi will be the first fixed-wing aviator in Afghan history. She has faced death threats from the Taliban and members of her extended family in efforts to deter her from working in military aviation.

OUR GROWTH

MAG began operations in 2010 with the mission of making the world smaller and safer. By providing consistent flawless execution, building strong customer relationships, creating strategic partnerships and completing smart acquisitions, MAG has experienced strong and steady growth. In 2016 MAG announced it will acquire a Canadian based ISR services company.



WORLDWIDE BUSINESS DEVELOPMENT NETWORK/ FOOTPRINT




FORWARD REVENUE STRATEGY

The growth strategy for 2017 includes targeted engagements with the harder to reach DOD directorates to increase workshare on existing contracts. We also plan to expand the depth and breadth of customers and partners to support organic contract growth, while continuing inorganic growth through mergers and acquisitions. The International customer growth strategy efforts will focus on shaping requirements for opportunities with known funding and engaging customers with solid funding. Our international growth strategy will also leverage our technical services contracts with the Five Eyes community as a means of possibly securing larger procurements.

FINANCIAL STATEMENTS & SUPPLEMENTARY DATA

See Supplement



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