INVEST IN **ALLOCORTECH**

Hardware and Software Building Blocks for Next-Gen Vehicle Designs

allocor.tech Waynesboro VA

Hardware | Software | Technology | Design | Engineering

LEAD INVESTOR

Mark Callender

In recent years, the number of innovative ideas for the use of unmanned and/or electric aircraft has grown exponentially. Design expertise and subcomponent availability that would truly make these innovative ideas reality are in very short supply. This is where allocortech shines, and the word is getting out! Pushing past the Hobby and Pro-Consumer grade products that are common in this market space, allocortech has the expertise to quickly design, test and build products that can meet strict reliability and qualification standards. allocortech products can take a newly conceived aerial platform through the design, test and production phase without having to "upgrade" the flight hardware between phases....you can start the development program with production grade hardware greatly reducing the time to market! I've personally worked with several of the allocortech team members over my 25 years of designing and producing avionics equipment. There is no doubt that the allocortech team is seeded with some of the industry's most talented, and they will help steer the unmanned and electric aircraft industry for years to come. So yeah ...I'm in! -Mark Callender

Invested $25,000 this round

Highlights

1. 💸 $1.64MM revenue 2021, 21% overall YoY growth, 55% growth in product sales
2. 💸 $5.3MM revenue since 2018, 200+ product units sold
3. 💫 10+ Vehicles Successfully Tested
4. 💪 Seasoned team formerly from Boeing, Google, Rockwell Collins, Lockheed Martin, & more
5. 💥 We combine innovative products, powerful libraries and tools & design services
6. 📈 Commercial drone market $15B alone, CAGR 20.5%, other markets have interest
7. 💸Eligible for Qualified Equity and Subordinated Debt tax credit for investors with VA income tax.

Our Team

Our Team

Brian Viele Founder + President

20 years in electronics, particularly embedded systems and avionics with a very targeted scope. BS in Electrical Engineering from Cornell.

> Aviation is evolving; the future will be greener, electric, and autonomous. We have the products, knowledge and experience to help accelerate this shift.

Matt Walker Founder + Vice President

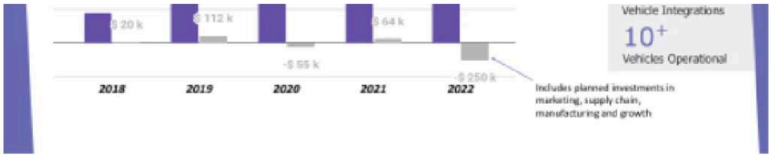
Experienced Software Engineer with a demonstrated history of working in the aviation and aerospace industry. Skilled in writing embedded, real time, and safety critical software in C and C++.

Building Blocks for Next-Gen Vehicle Designs

Our Story:
Matt and I have been working on airplanes and airplane technology for the better part of 2 decades, and have found that most aircraft companies have the same problem...they have a great idea for a new aircraft product, but the process of getting from not making airplanes to making airplanes is an immense undertaking! This is true across the board, but in our experience is especially true for the avionics. To get to minimum viable product, startups are forced to either work with existing industry players or to vertically integrate and create everything from scratch, of which both options means extremely long schedules and high initial and recurring price tags. We founded allocortech to help startups solve this aspect of the aircraft problem by allowing them all to utilize a common provider, and thus get most of the benefits of vertical integration with far smaller team sizes, and lower costs to them. We are finding this is not limited to just airplanes, but many other vehicle platforms as well!

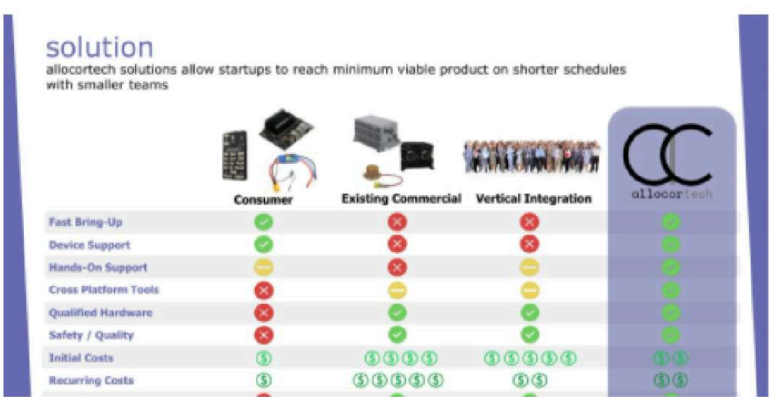
allocortech's goal is to enable and accelerate as many vehicle startups as possible to advance innovation in their industries.

The numbers:
The company has been self-funded to date, and we have done our best to grow the company organically, to prove that our products and services had value. We have had pretty steady growth over the first few years while going through development, but have started to see a significant ramp-up in revenue numbers over year as product demand has increased by over 50% in the last year.

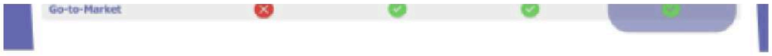


Growth Profile:

Our primary revenue our first few years came from development and design services, which both kept the company operating and funded numerous research and development efforts to create our product catalog. We were blessed to have early customers who appreciated our vision, going through the aircraft development process themselves, who served as our sounding board and really, beta testers for our platforms in the first few years. Now that our products and software solutions have reached a level of maturity that allows integration of our products in very fast timescales, the number of customers jumping onboard has increased tremendously! This momentum has carried forward to 2022, and we already have numerous companies we're starting to discuss product integrations with. We're hopeful this WeFunder campaign, along with some intentional marketing campaigns will continue to accelerate this growth as more people learn what we're up to!



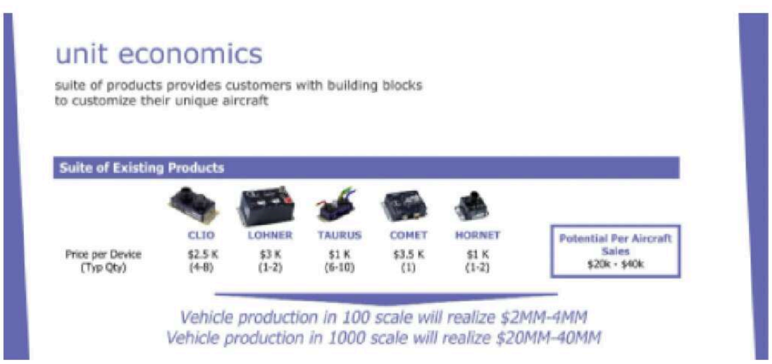
	Consumer	Existing Commercial	Vertical Integration	allocortech
Fast Bring-Up	✓	✗	✗	✓
Device Support	✓	✗	✗	✓
Hands-On Support	–	✗	–	✓
Cross Platform Tools	✗	–	–	✓
Qualified Hardware	✗	✓	✓	✓
Safety / Quality	✗	✓	✓	✓
Initial Costs	$	$$$$	$$$$$	$$
Recurring Costs	$	$$$$$	$$	$$



Our Market(s):
While our initial target market has always been aircraft, recently we've found other industries who have similar needs for robust control system components with similar technical needs, and customizable software. These are all growing markets we hope to penetrate as our name gets out there and our capabilities are demonstrated by our existing customers.

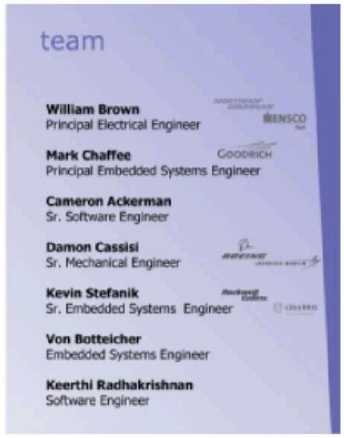
Our Product Suite:
We have created a diverse set of products, that can work together, or on their own, that attempt to meet the needs we know about today. We will continue to develop new products as needs arise.

Sales in Scale:
Our products are fairly economical compared to the competition, but that doesn't mean the economics aren't still attractive. If we get a full solution set integrated into a vehicle, we can see revenue on the $20k-$40k per vehicle range, meaning even on small scales, revenues well into the $MM per customer. Given a few large scale customers, the company could soar!



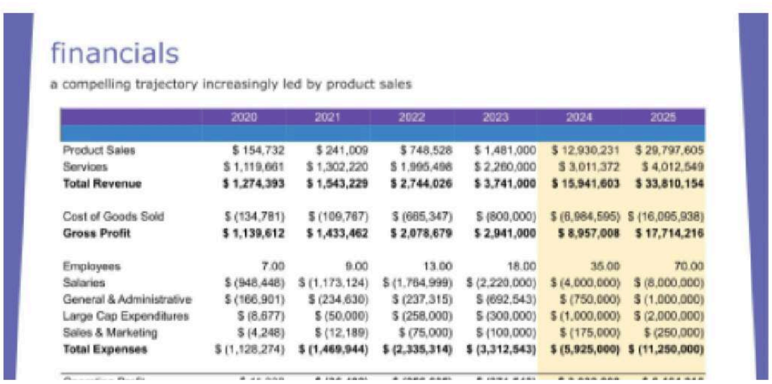
Our Team:

Most of our senior employees come from larger companies with mature development models, which has allowed us to bring these qualities into the culture of allocortech.



Our Projections:

We anticipate our revenue growth, particularly in product sales to increase fairly rapidly in the next two years, as we bring new customers in developing prototypes in small scale. As these prototypes reach low-rate-initial-production, and then move to full rate production in the hundreds to thousands of vehicles , we expect to see explosive increase in product sales. We expect to see transition to production for some of our customers with smaller UAS products in the 2023-2024 time frame, while customers with larger craft will have longer schedules and start to come to this point 2025 and onward.



financials

a compelling trajectory increasingly led by product sales

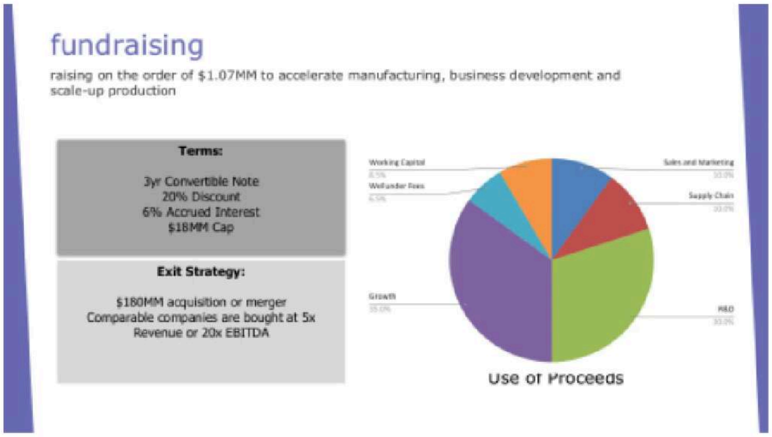
	2020	2021	2022	2023	2024	2025
Product Sales	$ 154,732	$ 241,009	$ 748,528	$ 1,481,000	$ 12,930,231	$ 29,797,605
Services	$ 1,119,661	$ 1,302,220	$ 1,995,498	$ 2,260,000	$ 3,011,372	$ 4,012,549
Total Revenue	**$ 1,274,393**	**$ 1,543,229**	**$ 2,744,026**	**$ 3,741,000**	**$ 15,941,603**	**$ 33,810,154**
Cost of Goods Sold	$ (134,781)	$ (109,767)	$ (665,347)	$ (800,000)	$ (6,984,595)	$ (16,095,938)
Gross Profit	**$ 1,139,612**	**$ 1,433,462**	**$ 2,078,679**	**$ 2,941,000**	**$ 8,957,008**	**$ 17,714,216**
Employees	7.00	9.00	13.00	18.00	35.00	70.00
Salaries	$ (948,448)	$ (1,173,124)	$ (1,764,999)	$ (2,220,000)	$ (4,000,000)	$ (8,000,000)
General & Administrative	$ (166,901)	$ (234,630)	$ (237,315)	$ (692,543)	$ (750,000)	$ (1,000,000)
Large Cap Expenditures	$ (8,677)	$ (50,000)	$ (258,000)	$ (300,000)	$ (1,000,000)	$ (2,000,000)
Sales & Marketing	$ (4,248)	$ (12,189)	$ (75,000)	$ (100,000)	$ (175,000)	$ (250,000)
Total Expenses	$ (1,128,274)	**$ (1,469,944)**	**$ (2,335,314)**	**$ (3,312,543)**	**$ (5,925,000)**	**$ (11,250,000)**

Operating Profit	$ 11,338	$ (36,482)	$ (256,635)	$ (371,543)	$ 3,032,008	$ 6,464,216
% Margin	1%	-2%	-9%	-10%	19%	19%

Historical data is cash basis, GAAP reports are accrual basis. Forward looking projections cannot be guaranteed

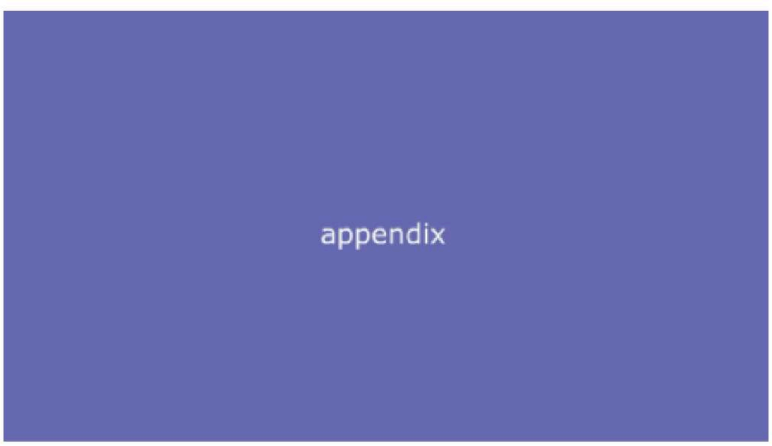
Why are we raising:

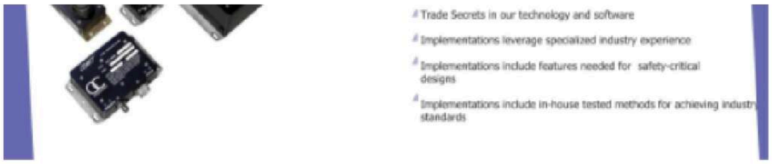
We have shown demand, let's keep the growth going and scale our company to support it! This means we need to invest capital in supporting our supply chain efforts to ensure we can keep product on-the-shelf, and to support increasing demand from our new customers that we'll bring in both through word of mouth and the marketing campaign that we fund through this raise. Further, we expect to continue development of products, and to support qualification of our components for the next phase of customer production.



How do we succeed for our investors:

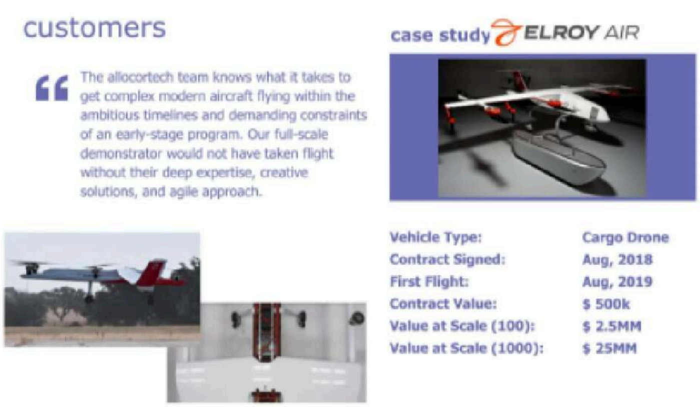
We expect to continue to grow our customer base, capabilities, product catalog, and sales of products in the coming years. While internal growth is golden, we also realize that there will likely be long term strategic benefits to us merging with another company who can help us to both scale and reach new markets. Given our intended growth, a 10x increase in company valuation, or even more, over the next 3-years is a possible exit.





What do our customers say?

We pride ourselves not only on our technology, but also in how we support our customers success.



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Downloads

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