



F L Y O N E

FlyOnE Pty Ltd

E.S.I.C Eligibility statement

As of 26/08/2024

To meet the Early Stage Innovation Company test, the company must meet 4 requirements.

These requirements are tested at the point in time immediately after the company issues the shares to the investor. A company must meet all requirements at that point in time to qualify as an ESIC. If they do not qualify, the investor won't qualify for the tax incentives for those shares.

The 4 requirements are:

1) both of the following requirements must be met:

- the company was incorporated in Australia within the last 6 income years (the latest being the current income year at the test time)
- **FlyOnE Was incorporated on July 10, 2020**
- the company and its wholly-owned subsidiaries had expenses of \$1 million or less across the last 3 income years before the current income year.
- **Income for the years 2023/24, 2022/23 and 2021/22 Totalled \$155,394 (See Appendix A)**

2)

- The company (plus any wholly-owned subsidiaries of the company) must have total expenses of \$1 million or less in the previous income year
- **FlyOnE Pty Ltd and wholly-owned subsidiaries have total expenses for 2023/24 financial year of \$229,299 (See Appendix A)**

3)

- The company (plus any wholly-owned subsidiaries of the company) must have assessable income of \$200,000 or less in the previous income year
- **FlyOnE Pty Ltd has a total assessable income of \$88,462 for the 2023/24 Financial year (See Appendix A)**

4)

- The company's equity interests are not listed on any stock exchange.
- **FlyOnE Pty Ltd remains a Privately owned entity not listed on any stock exchange.**

To qualify under the 100-point innovation test, the company must obtain at least 100 points by meeting certain objective innovation criteria. This is tested immediately after the relevant shares are issued to the investor (the test time).

If a company doesn't meet either the 100-point innovation test or principles-based innovation test at the test time, the investor won't qualify for any early stage investor tax incentives in relation to those shares.

Table: 100-point innovation test

Points	Criteria
50 points 	At least 15% but less than 50% of the company's total expenses for the previous income year are eligible notional deductions for the research and development tax incentive.
50 points 	One or more third parties have previously paid a total of at least \$50,000 for the issue of new shares in the company. These points are only available if: the third party was not an associate of the company immediately before it was issued with the shares; the company issued the third party with the shares at least one day before the test time; the third party did not purchase those shares primarily to assist another entity to become entitled to early stage investor tax incentives. Examples of entities that would be an associate of a company include: a partner of the company or a partnership in which the company is a partner; a trustee of a trust estate under which the company or associate benefits; another entity (including a person) that, acting alone or with another entity or entities, sufficiently influences the company; an entity (including a person) that, either alone or together with associates, holds a majority voting interest in the company; a second company that is sufficiently influenced by the company or the company's associates; a second company in which a majority voting interest is held by the company or the company's associates.

There are 5 requirements of the principles-based innovation test:

The company must be genuinely focused on developing one or more new or significantly improved innovations for commercialisation

- FlyOnE has proven the significantly improved innovation of integrating electric propulsion systems to Pilot Training Operations in Australia

The business relating to that innovation must have a high growth potential

- Market data suggests the Commercial aviation sector globally has a growth potential of over 100% in the next 20 years, with demand on Pilot Training increasing inline with, or beyond that growth rate.

The company must demonstrate that it has the potential to be able to successfully scale up that business

- FlyOnE has demonstrated scalability with integration to 3 separate training locations in Australia, following a repeatable, scalable pattern of Electric Pilot Training activation.

The company must demonstrate that it has the potential to be able to address a broader than local market, including global markets, through that business

- FlyOnE has attracted Electric Pilot Training Candidates from around the world, including Korea and Singapore, and is working on streamlining this process for large volume international pilot training capabilities.

The company must demonstrate that it has the potential to be able to have competitive advantages for that business.

- As the only Electric Aircraft operator in Australia, FlyOnE has the first-mover competitive advantage allowing the company to develop industrial relationships and supply chain priority with various market providers ahead of any other competitor in the space.

Appendix A - Consolidated Profit & Loss statement for FlyOne Pty Ltd

Profit and Loss

FlyOne Pty Ltd

For the year ended 30 June 2024

	2024	2023	2022
Trading Income			
Interest Income	2,250.00	-	-
Pilot Training	85,780.94	54,224.96	12,624.04
Reimbursements	430.91	84.72	-
Total Trading Income	88,461.85	54,309.68	12,624.04
Gross Profit	88,461.85	54,309.68	12,624.04
Operating Expenses			
Advertising	6,805.81	4,685.01	3,963.63
Airport Parking & Landing Fees	2,440.74	4,593.64	-
Bank Fees	55.00	34.68	6.42
Bookkeeping Expenses	-	360.00	750.00
Cleaning	193.82	236.33	-
Consulting Fees	1,969.77	16,305.33	7,722.72
Depreciation	84,282.97	39,795.85	641.18
Filing Fees	310.00	290.00	276.00
Freight & Courier	1,227.27	23,438.44	343.91
Hire of Plant & Equipment	9,600.00	12,178.18	10,090.91
Insurance	24,918.18	25,164.55	11,156.63
Interest Expense	15,968.06	4,049.79	-
Legal expenses	1,800.00	-	-
Membership Fees	12,228.30	318.18	-
Motor Vehicle Expenses	1,658.40	3,148.84	29.55
Office Expenses	1,219.61	636.69	2,150.64
Permits, Licenses & Fees	1,131.18	494.32	-
Pilot Training Fees	21,676.92	11,084.00	3,248.73
Printing & Stationery	77.25	-	-
Rent & Outgoings	7,187.38	4,978.88	-
Repairs and Maintenance	26,873.55	27,089.68	5,415.04
Stripe Fees	254.21	88.11	-
Subscriptions	6,110.74	1,673.61	1,162.37
Telephone & Internet	205.04	-	-
Travelling Expenses	1,105.04	15,328.00	-
Total Operating Expenses	229,299.24	195,972.11	46,957.73
Net Profit	(140,837.39)	(141,662.43)	(34,333.69)