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Independent ADI valuation report

ipCapital Group Inc (“ipCG”), the leading intellectual property strategy adviser, has completed a detailed valuation report on Armor Designs Inc., (“ADI”, or the “Company”), a knowledge-based company focused on the development of next-generation composite armor. The independent report puts a current discounted cash flow (“DCF”) value on ADI of \$775m or \$26 a share.

The independent report, which was commissioned by ADI, bases its DCF valuation on a combination of the technology milestone achievements in the body, vehicle, energy, and construction armor sectors achieved by the Company and on a detailed analysis of the Net Present Values of potential future revenues. The report assesses the current status of each research and development effort at ADI and determines its relative contribution to the present day DCF value of the company. The analysis is a formal valuation report and should not be taken as a revenue projection.

ipCG concludes that ADI’s real value lies in its ability to generate revenues from its manufacturing, licensing, and through joint ventures utilizing its proprietary IP, known as Volumetrically Controlled Manufacturing (“VCM”), its ability to secure additional IP covering new armor markets and its ability to convert that IP into revenue by developing new applications.

The report’s key findings are that:

- The addressable market for ADI armor applications stands at an estimated \$45bn
- ADI’s core patents provide significant competitive advantage and are well protected
- There is a low risk of competitors reverse engineering ADI’s IP and a high ability to detect any IP infringement

- ADI's end markets are established, mature and experiencing significant growth, enabling the group to penetrate them rapidly
- ADI is able to begin near-term commercialization of its products and generate a strong pipeline of forward revenues for the next 10-20 years

According to ipCG's report, the annual market for body armor is currently \$4.75bn and for vehicle armor it is \$4.3bn. The report estimates the longer term demand for armor applications in the energy markets at \$10bn and the building and infrastructure markets at \$25bn.

IpCG's valuation is based not only on the operational business as it stands today but on a heavily discounted calculation of ADI's potential future revenue streams, given its current IP and ability to develop additional IP for new applications of its VCM technology.

ADI was valued at £5-a-share in its IPO on the London market one year ago, equivalent to \$10 at the exchange rate on IPO, and is currently trading at £5.50, equivalent to \$8.25 at the current exchange rate.

Rachael Schwartz, a senior manager with ipCapital and lead consultant on the valuation, said: "ADI's commitment to maintain a strong innovation pipeline and support the resulting VCM technologies with a well thought out IP strategy should enable the company to become an established competitor in a relatively short timeframe."

The full text of the report is available on the ipCapital Group website www.ipcg.com

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Notes to editors

Armor Designs, Inc. (“ADI”) is a knowledge-based company specializing in next-generation composite material design, manufacture, prototyping and testing. ADI uses a proprietary design and manufacturing process called VCM to rapidly develop new composite armor products of superior ballistic, weight and flexibility. The VCM process is protected by patents and trade secrets licensed to ADI in perpetuity for use in field of armor.

ipCapital Group, Inc. (“ipCG”) is a premier Intellectual Property Strategy consulting firm. Since 1998, ipCG has delivered over 450 successful IP engagements to companies in a wide range of industries. Its professional services maximize financial results for clients that seek to develop and execute intellectual property (IP) strategies, strengthen and monetize IP portfolios, and establish and implement Intellectual Asset Management (IAM) practices. ipCG has an interdisciplinary team trained in business, law, marketing, and product development that provides a systematic and comprehensive view of the full lifecycle of IP, from creation to monetization to retirement.

This valuation was based on a thorough analysis of the industry sectors applicable to ADI’s current and future product offerings, ipCapital’s own in depth analysis and representations from ADI management all of which include an element of forward looking statements, which may not actually occur.

For more information on Armor Designs, Inc., please go to www.armordesigns.com

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To view a copy of the Armor Designs Analyst Report please go to www.ipcg.com/thoughtleadership/Armor_Designs_Analyst_Report.pdf