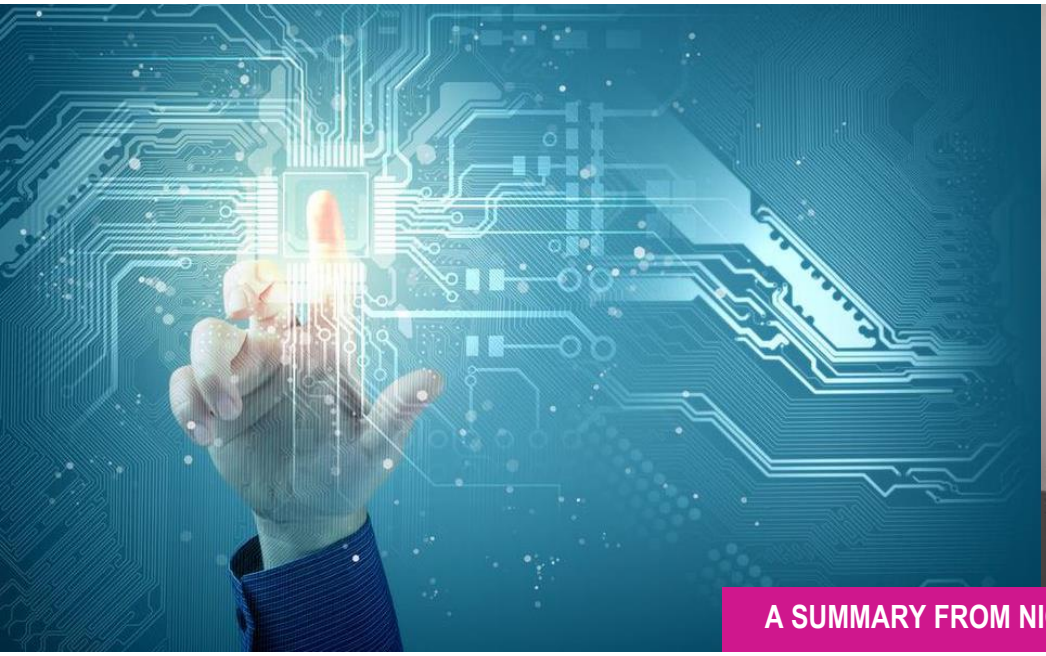
ASSEMBLED ELECTRONIC SOLUTIONS

YEAR-END ROUND-UP



A SUMMARY FROM NIGEL MARIS, MANAGING DIRECTOR

A YEAR FOR COLLABORATIVE OPPORTUNITIES, INVESTMENT AND GROWTH

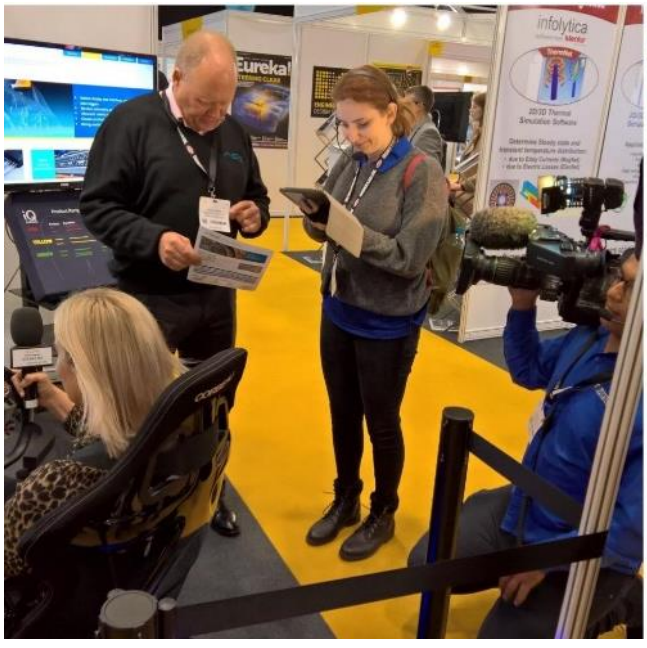
As 2018 draws to a close with the remaining production days running down and delivery dates switching to 2019, it's a good time to briefly reflect on the key elements from the year. Despite some difficult periods with Brexit worries having an impact on component availability and pricing volatility, we were pleased to secure Midven, MEIF funding to spur on new product development and increase capacity in production. We also invested in a third SMT machine and over-moulding equipment to expand our production capability and capacity. At the front end, the electronics and mechanical design team has also expanded enabling us to take on additional new innovative projects.

The emphasis for AES is very much on collaboration with clients and this has grown in range and pace this year. The successful re-accreditation to ISO13485:2016 and ISO9001:2015 during the transition to new standards, was also a significant achievement.

2019 will see a number of collaborative products coming to market, which the AES team are very eager to pick up again in the New Year. I would like to thank our clients, supporters, investors and suppliers and wish all a prosperous 2019 from all of the AES team. - **Nigel Maris, Managing Director**

Our Highlights

- Awarded £250,000 investment by Midven (part of the Midlands Engine Investment Fund in the West Midlands). **LINK TO FULL PRESS RELEASE**
- Completed successful **LEAP2 (Low weight Electrical Architecture Project)** in collaboration with Ariel Motor Co and Potenza, taking the original NVN LEAP R&D project outputs of a modular electrical body system using power line carrier technology to a production readiness state for application on Ariel's vehicles. The technology was proven to reduce weight by 80%, and significantly reduce both complexity and vehicle assembly time. **CLICK FOR VIDEO**
- Joined Advisory panel for **Chatty Factories of the Future**. This major 3 year government £1.5m project will create a system in which products can "talk" to the factory floor in order to transform the modern manufacturing process. **LINK TO FULL ARICLE**
- One of the "top exhibitors" for the **2018 Engineering Design Show**, showcasing our collaborative projects (as pictured). **CLICK FOR VIDEO**
- Re-accredited to **ISO9001:2015** and **ISO13485:2016** (Medical Devices).
- Electronics design for our local town, Stratford-Upon-Avon, **LED poppy display** and **Christmas lights switch-on**. **LINK TO FULL ARTICLE**
- Expanded production capability with new **over-mould** and **SMT Placement** machine.



Our people

This year saw the expansion of our creative team with the recruitment of a new Electronics Design Engineer, Project Engineer, Commercial Manager, PCB Assembler and Finance Assistant. The company growth and investment demonstrates the increased demand for innovative electronics design and production within the Midlands.

What our people think

"I joined as one of the new starters at AES in the position of Commercial Manager, as I recognised their strong and clear strategy of investment and growth. The company's philosophies and demand-creation approach resonated with my background and experience. I have enjoyed the widely-varied customer applications, and the innovative technologies behind them. It has been great to be able to combine our industry contacts, to strengthen our approach to new opportunities. I am looking forward to continuing the momentum with existing projects, next year. Additionally it is an exciting prospect to be bringing AES' own range of products to multiple industries" – **Simon Rose, Commercial Manager**

A big thank you and Happy Christmas from the AES team to our partners, suppliers and investors

What's next for AES

In 2019 new innovative products will be launched in collaboration with a variety of customers. Each development project has its own story with technical challenges and iterations.

Two medical products have been developed and tested under our ISO13485:2016 accreditation. Wearable electronic device projects are at pre-production stages and the range of IOT devices is increasing.

The AES journey from design and manufacture is evolving into App development and Cloud computing to enable traditional customers to become IOT enabled.

Having both design and assembly on-site promotes agility and design for manufacture. From PCB assembly, box building and firmware, to full product development, we look forward to working with our existing and new clients in the New Year. We look forward to hearing from you in 2019.