



# **\$5,000,000 Strategic Investment Opportunity into the Defense Sector**

At the Intersection of Air & Missile Defense and Advanced Innovation <sup>TM</sup>  
Powered by Citadel Analytics (UK) Ltd.

September, 2024  
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## A Message from the Chairman



As we live in a world at war our mission is to leverage the collective knowledge and experience of the multitalented teams at both Citadel Analytics (UK) Ltd (“Analytics”) and Citadel Air Defense Systems LLC to acquire a group of private companies that make parts and components for prime US defense contractors. Our intention is to use The Citadel Global Defense Fund LLC (the “Fund”) as an acquisition vehicle for such purposes.

In 2022, Analytics, utilizing its multidisciplinary methodology to deconstruct supply chains, identified an investment opportunity in New York. Citadel originated, structured and facilitated the completion of the acquisition.

Our approach, as described in this presentation, has been to function as a Private Equity firm. Our focus is on companies that have a history of being cash flow positive, solid management, a healthy backlog of business and very importantly a business that is scalable.

I am confident that the team at Analytics and Citadel Air Defense Systems with the support of our Strategic Investor have all of the qualifications and capabilities necessary to make the Citadel Global Defense Fund a success

Very truly yours,

**Harris S. Fried**

September, 2024





## Our Mission

We are committed to investing for a higher purpose which is to protect our homeland, bases abroad and our allies and partners around the world from a constantly evolving threat spectrum.

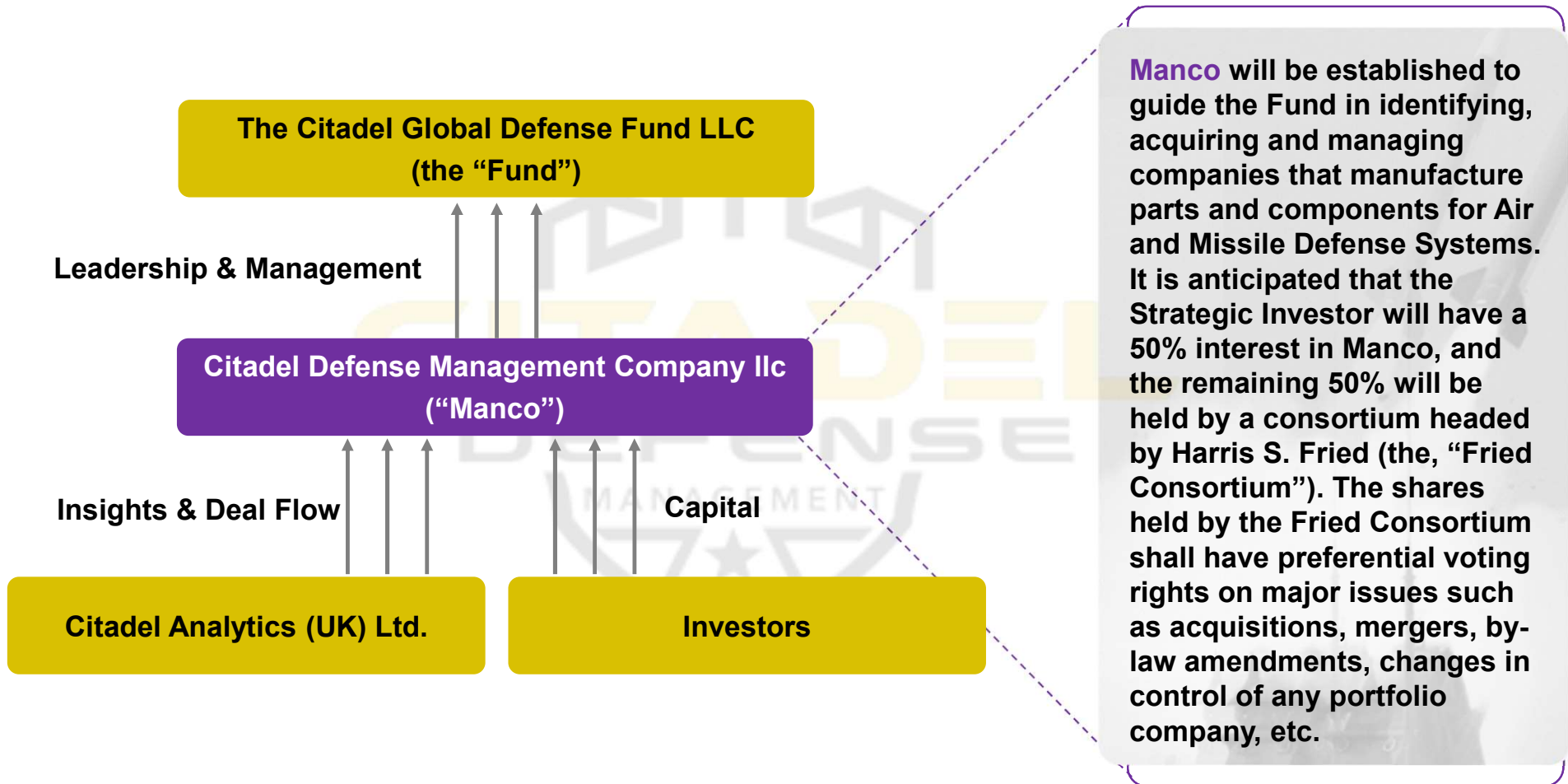
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# 1 Overview of the Fund Structure



## 2 Why Air and Missile Defense?

### The need is now!

- **A heightened level of geopolitical instability** caused by a **shifting world order**
- Rising **uncertainty and changing tactics** among state and non-state actors
- Rapid increase in **proliferation and sophistication** of weapons including hypersonic missiles, uncrewed air systems, and weapons employing Directed Energy (such as Lasers)
- **Inherent threat of nuclear capabilities** and more powerful delivery systems from a panoply of adversaries

### The Missile Defense industry has a strong growth trajectory

- **Global Air and Missile Defense spending is at an all-time high**
- Air and Missile Defense will remain a large portion of defense budgets, with increasing amounts dedicated to countering new and innovative technologies
- Global spending on Air and Missile Defense **forecasted to rise from \$20 bn in 2022 to \$40 bn by 2028 at a 7% CAGR**

### New technologies are set to replace old systems

- Robotics, Artificial Intelligence, and Additive Manufacturing are **disrupting the Air and Missile Defense supply chain**
- Our proprietary data collection system, analytic methodology and optimization capability provides a consistent, independent source of deal flow to the Fund



### 3 What differentiates us?

Manco is **powered by Citadel Analytics**, a research institute and think tank established by Harris S. Fried and Dr. James Bosbotinis, which employs a proprietary and tested methodology for analyzing, collecting, and optimizing air and missile defense data to provide the following services

Utilizing the multidisciplinary methodology developed by Analytics advise Manco on investment opportunities

- Source investments and provide consistent deal flow to current and potential new investors
- Develop and recommend targeted horizontal and vertical investment strategies
- Assess various types of risks (geopolitical, supply chain, etc.) and implement mitigation strategies

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Combined with the strength of a Strategic Investor, we will be able to identify investment opportunities, structure the acquisition, employ skilled management and eventually exit successfully.

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Conduct deep research and provide strategic insight to improve fund performance by utilizing Analytics' ability to deconstruct supply chains for certain systems

- Analyze industry, technology, operational and strategic trends
- Perform in-depth competitor and market analysis to maximize opportunities
- Clients will have access to bespoke content via a web-based platform
- Publish white papers analyzing cutting-edge developments and research in air and missile defense



## 4 The Citadel team draws upon 120+ years of experience in Defense, Business, Academia, Law and Finance



**Harris S. Fried**  
Managing Member of the Fund

Harris is an international lawyer, banker and businessman. In 2016, Mr. Fried and Dr. James Bosbotinis, a highly regarded British defense analyst, co-authored a whitepaper entitled, "A Base Case for Disrupting the Missile Defense Industry ©". Their early collaboration led to the formation of Citadel Analytics (UK) Ltd. ("Analytics") a for-profit think tank/research institute based in the UK. Analytics, for the past 8 years, has been collecting and analyzing data and information on air and missile defense. Through a proprietary methodology Analytics has the ability to deconstruct supply chains, thereby identifying actionable investment opportunities for the Fund.



**COL David E. Shank, USA, Retired**  
Principal Defense Strategist

David is a US Army Veteran with over 30 years of leadership experience, having led Army, Joint, and Multinational organizations at the executive level. Over his military career he commanded Soldiers from Platoon to U.S. Army Air and Missile Defense Command in garrison and combat environments, culminating in his final assignment as the US Army Air Defense Artillery Commandant, where he was responsible for doctrine, organizational structure, training, leader development, and materiel oversight. David is a recognized expert in the U.S., European, and Middle Eastern Air and Missile Defense communities and currently serves as the Chief Operating Officer for ORION 360 Consulting, LLC, a firm which provides insight and analysis across Integrated Air and Missile Defense.



**Leonard Wien**  
Vice Chairman and Global Head of Fundraising

Leonard Wien is Chairman of Ariel Photonics whose Israeli subsidiary, Ariel Photonics Assembly, Ltd., builds lasers for defense in Israel. Leonard has over 40 years of experience acquiring and building businesses. Leonard founded and has operated Wien Family Holdings LP for over 20 years. Leonard is a well known philanthropist and serves as a member of the Overseas Advisory Council of the US State Department.



**LTC Adam T. Clements, USA, Retired**  
Head of Political-Military Affairs and Policy

Adam is a foreign affairs leader with over 20 years of service in the United States Army. Adam served in the Pentagon and overseas as a Military Diplomat during the Obama, Trump, and Biden Administrations. During these assignments, he served as an advisor on national security, specializing in Middle East and North Africa geopolitical, intelligence, defense, political-military, and policy matters.



**Dr. James Bosbotinis**  
Global Head of Strategy

James is a UK-based specialist in defense and international affairs with deep expertise in contemporary maritime strategy, naval and air force developments, geopolitical risks and strategy. As an academic, analyst and strategist, James is well-versed in all aspects of Air and Missile Defense.



**Richard W. Stodulski, Jr**  
Global Head of Operations and Administration

Richard is a business leader and founder with over 20 years of experience in operations and administration. He is experienced in navigating and securing government contracts.



**Brad Sostack, MBA**  
Global Head of Portfolio

Brad served in the US Navy where he supervised and directed the operation and certification of submarine weapons and nuclear reactor plant systems. Brad worked for McKinsey & Company and served as VP of Transformation for multiple private equity portfolio companies, performing due diligence and driving growth and cost optimization initiatives. Brad is well qualified to oversee the investment portfolio of the Fund.



**Ed Kim**  
Head of Investor Relations

Ed has spent over 15 years originating and evaluating M&A investment opportunities in niche manufacturing industries primarily in the middle to lower-middle market size range. He was formerly a Director at Trivest Partners, a private equity firm where he led the West Coast office's business development initiatives including the sourcing, origination and evaluation of investment opportunities.



## 5 PRO-FORMA financials for the fund structure <sup>1</sup>

*\$ in Millions US*

	2025	2026	2027	2028	2029	2030	2031
Acquisitions	1	1	1	1	-	-	-
Exits	-	-	-	-	-	-	4
Remaining companies	1	2	3	4	-	-	-
Acquisition cost	\$35	\$35	\$35	\$35	-	-	-
Cumulative acquisition costs	\$35	\$70	\$105	\$140	-	-	-
Transaction cost	\$1	\$1	\$1	\$1	-	-	\$1
Cumulative transaction costs	\$1	\$2	\$3	\$4	\$4	\$4	\$5
Revenue <sup>2</sup>	\$35.0	\$72.6	\$113.1	\$156.6	\$168.3	\$180.9	\$194.5
EBITDA <sup>3</sup>	\$5.3	\$10.9	\$17.0	\$23.5	\$25.2	\$27.1	\$29.2
Cumulative EBITDA	\$5.3	\$16.1	\$33.1	\$56.6	\$81.8	\$109.0	\$138.1
Proceeds from exits <sup>4</sup>	-	-	-	-	-	-	\$204.2
Cumulative Total Equity	\$17.5	\$35.0	\$52.5	\$70.0	\$70.0	\$70.0	\$70.0
Cumulative Total Debt	\$18.5	\$37.0	\$55.5	\$74.0	\$74.0	\$74.0	\$75.0

1. Pro-forma projected financials assume a series of acquisitions by the Fund over a 7 year period

2. 8% revenue growth for acquired companies

3. EBITDA exit multiple 7X



## 6 Investment Proposal: We estimate that the proceeds from a \$5M investment in Citadel Management can return a total of \$23.98M within 7 years <sup>1</sup>

\$ in Millions US

	2025	2026	2027	2028	2029	2030	2031
NI Profit <sup>2</sup>	\$2.64	\$5.58	\$8.84	\$12.43	\$13.75	\$15.17	\$16.63
NI Profit Cumulative	\$2.64	\$8.22	\$17.06	\$29.49	\$43.24	\$58.42	\$75.05
Tier 1 Management Co Investment	-\$1.75	-	-	-	-	-	-
Mgmt. Fee (2% AUM)	\$0.35	\$0.70	\$1.05	\$1.40	\$1.40	\$1.40	\$1.40
Mgmt. Fee (cumul.)	\$0.35	\$1.05	\$2.10	\$3.50	\$4.90	\$6.30	\$7.70
Exit Multiplier	-	-	-	-	-	-	7x
Gross IRR to Tier 2 Investors	-\$17.5	-\$17.5	-\$17.5	-\$17.5	-	-	\$204.25
Carried Interest	-	-	-	-	-	-	\$40.3
Net IRR to Tier 2 Investors	-\$17.85	-\$18.20	-\$18.55	-\$18.90	-\$1.40	-\$1.40	\$162.59

<b>Total Fund Mgmt Fees:</b>	\$7.7 M	<b>50% to Investor:</b>	\$3.85 M	<b>Tier 1 Net IRR:</b>	34%
<b>Total Carried Interest:</b>	\$40.3 M	<b>50% to Investor:</b>	\$20.13 M	<b>Tier 2 Gross IRR:</b>	26%
<b>Total % Mgmt. fee &amp; Carried Interest to Investor:</b>			\$23.98M	<b>Tier 2 Net IRR:</b>	18%

1. Pro-forma projected financials assume a series of acquisitions by the Fund over a 7 year period

2. Cash saved by company in excess of all costs, expenses, etc.



## 7 Sources of investor returns<sup>1</sup>

### 50% interest in Citadel Defense Management Company llc

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50% share of fund management fees and carried interest

- Share of fund management fees (\$3.85 M) + carried interest (\$20.13M)
  - **Total Return to Investor<sup>2</sup>: \$23.98M**
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Selected access to Citadel Analytics' database and consultants

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Right to participate in additional group-related investment opportunities on a preferred basis

Invitations to special roundtables with senior members of defense establishment, defense contractors, academics and leading think tanks

1. Pro-forma projected financials assume \$1.75M invested into Citadel Defense Management Company llc and anticipate a series of acquisitions by the Fund over a 7 year period
2. Manco share value calculated as risk-adjusted Net Present Value of future expected Cash Flows



**8 Use of funds – \$750,000 will support all Fund Startup Activities, the Costs for First Year of Operation of the Fund and \$4,250,000 retained in escrow for Investment Purposes**

Category	\$USD
Fees, Costs, and Expenses for establishment of The Fund	\$115,000
Acquire basic equipment for Management Co operation	\$15,000
Annual office rental	\$35,000
Consultant and Advisor compensation	\$100,000
Management compensation	\$150,000
Travel expenses	\$50,000
Outsourced data and intelligence collection	\$125,000
Professional organization dues	\$35,000
Administrative expenses	\$50,000
License fees to Citadel Analytics (UK) Ltd.	\$75,000
Held in Escrow for Investment Purposes	\$4,250,000
<b>Total</b>	<b>\$5,000,000</b>



## 9 Proof of Concept

Our journey began in 2016 as an intellectual exercise, with the establishment of Citadel Analytics (UK) Ltd ("Analytics"), and has evolved into a successful endeavor.

Over the past several years Analytics has produced a number of whitepapers, the first one being "Base Case for Disrupting the Missile Defense Industry" (c) 2016, which serves as the impetus for our strategy. Our most recent whitepaper, "Missile Defense in a Multipolar World" © 2022, was published by the National Institute for Public Policy in Washington, DC.

By collecting relevant data and information on Air and Missile Defense, Analytics has been able to use its multidisciplinary methodology, including its ability to deconstruct supply chains for certain weapon systems, to identify actionable investment ideas.

Utilizing the resources of Analytics and its experienced team, Analytics in November 2021, entered into a contract to purchase all of the outstanding shares (and manufacturing facility) of a New York based defense sub-contractor. Analytics originated, structured and facilitated the acquisition which closed in November, 2022. In the past year, under new ownership and management the company has performed extremely well. Company leadership has grown revenue, EBITDA and backlog, with backlog growing in the past year from \$35 million to \$55 million. Furthermore, the company has entered into an LOI to purchase another company to help it meet demand for its products.

We believe that the strategy described above is scalable. Our ability to source deals, manage the acquired companies in a prudent and professional manner and exit, when appropriate, ensures a smooth-running Fund.

Our initial capital raise of \$5,000,000 will establish Citadel Defense Management Company llc ("Manco") and The Fund, allow Manco to operate for one year, and place \$4,250,000 of the capital raised into escrow for investment and co-investment purposes. We would welcome a strategic investor with deep Private Equity experience to join our team.

With the extraordinary increase in geopolitical instability we see a strong demand for our products and are confident that our strategy will perform exceptionally well for the foreseeable future.



## 10 Disclaimer and Forward Looking Statement

This communication is not an offer or sale of securities; no money or consideration is being solicited or will be accepted. The issuer has yet to determine a specific exemption from registration of its securities from any subsequent offer or sale of securities, and a person's indication of interests is not a binding obligation or commitment to purchase of such securities.

This presentation contains proprietary information regarding the business and operations of Citadel Defense Management Company llc (the "Manco" or the "Company").

The information contained herein has been prepared for the purpose of providing interested parties with general information to assist them in their evaluation of Manco. Copies of this document are not to be made without the express written consent of Company. By reading the information, the reader agrees that such information shall be used only for the purpose of considering a direct investment in or transaction with Manco and shall not be used or relied upon for any other purpose. Nothing contained in this document is, or shall be relied upon as Promise or representation as to the past or future performance of the company.

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