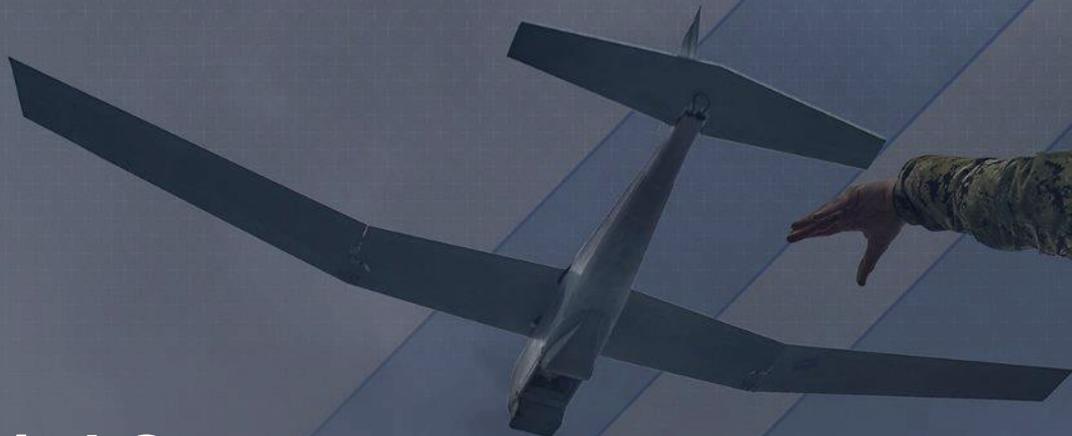




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Third Quarter Fiscal Year 2023 Earnings Presentation

March 6, 2023



Safe Harbor Statement

Certain statements in this presentation may constitute "forward-looking statements" as that term is defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements, and may contain words such as "believe," "anticipate," "expect," "estimate," "intend," "project," "plan," or words or phrases with similar meaning. Forward-looking statements are based on current expectations, forecasts and assumptions that involve risks and uncertainties, including, but not limited to, economic, competitive, governmental and technological factors outside of our control, that may cause our business, strategy or actual results to differ materially from the forward-looking statements.

Factors that could cause actual results to differ materially from the forward-looking statements include, but are not limited to, the impact of our ability to successfully integrate acquisitions into our operations and avoid disruptions from acquisition transactions that will harm our business; any disruptions or threatened disruptions to our relationships with our distributors, suppliers, customers and employees, including shortages in components for our products; the ability to timely and sufficiently integrate international operations into our ongoing business and compliance programs; reliance on sales to the U.S. government, including uncertainties in classification, pricing or potentially burdensome imposed terms for certain types of government contracts; availability of U.S. government funding for defense procurement and R&D programs; changes in the timing and/or amount of government spending; our reliance on limited relationships to fund our development of HAPS UAS; our ability to perform under existing contracts and obtain new contracts; risks related to our international business, including compliance with export control laws; potential need for changes in our long-term strategy in response to future developments; the extensive regulatory requirements governing our contracts with the U.S. government and international customers; the consequences to our financial position, business and reputation that could result from failing to comply with such regulatory requirements; unexpected technical and marketing difficulties inherent in major research and product development efforts; the impact of potential security and cyber threats or the risk of unauthorized access to our, our customers' and/or our suppliers' information and systems; changes in the supply and/or demand and/or prices for our products and services; increased competition; uncertainty in the customer adoption rate of commercial use unmanned aircraft systems; failure to remain a market innovator, to create new market opportunities or to expand into new markets; unexpected changes in significant operating expenses, including components and raw materials; failure to develop new products or integrate new technology into current products; unfavorable results in legal proceedings; our ability to respond and adapt to unexpected legal, regulatory and government budgetary changes, including those resulting from the COVID-19 pandemic or future pandemics, such as supply chain disruptions and delays, potential governmentally-mandated shutdowns, travel restrictions and site access, diversion of government resources to non-defense priorities, and other business restrictions affecting our ability to manufacture and sell our products and provide our services; our ability to comply with the covenants in our loan documents; our ability to attract and retain skilled employees; the impact of inflation; and general economic and business conditions in the United States and elsewhere in the world; and the failure to establish and maintain effective internal control over financial reporting.

For a further list and description of such risks and uncertainties, see the reports we file with the Securities and Exchange Commission. We do not intend, and undertake no obligation, to update any forward-looking statements, whether as a result of new information, future events or otherwise.

Third Quarter Fiscal Year 2023 Key Messages



Achieved third quarter results in line with or slightly ahead of our expectations with record funded backlog over **\$400 million as of January 28th**



Narrowing revenue guidance to \$510 million - \$525 million with **100%+ visibility to midpoint of guidance range** with current backlog.



Increasing Adjusted EBITDA¹ guidance range to \$89 million – \$95 million. Midpoint of range represents **50% increase over FY2022.**



Given robust global demand and supporting macro trends, company is on pace for **double-digit top line growth** in FY2024.

¹ Forecast net income for FY23 of \$0 - \$5m. Refer to Reconciliation of non-GAAP FY23 Adjusted EBITDA expectations on Appendix E

Third Quarter Results Fiscal Year 2023

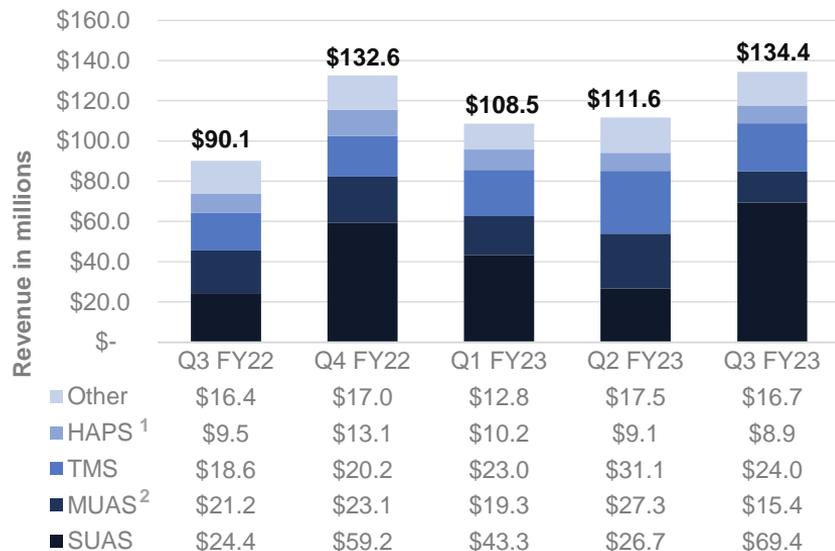
Metric	Q3 FY23	Year-Over-Year Change	Notes
Revenue	\$134.4 m	+49%	Overall increase in revenue primarily due to increase in revenue in SUAS segment and TMS segment, partially offset by a decrease in revenue in MUAS and reflects an increase in products sales partially offset by a decrease in service revenue
GAAP Gross profit	\$45.5 m	+112%	Increase reflects higher product margins and higher service margins primarily related to favorable product mix and a decrease in non-cash purchase accounting related expense
Adjusted EBITDA ¹	\$23 m	+\$18 m	YOY increase due to higher gross profit partially offset by higher operating expenses.
Non-GAAP EPS (diluted) ²	\$0.33	+\$0.02	YOY Increase due to higher gross profit partially offset by higher operating expenses and higher interest rate expenses.
Funded Backlog	\$413.9 m	+83%	Record backlog driven by SUAS and TMS increase in international demand following the war in Ukraine

¹. Q3 net loss \$0.7m. Refer to Adjusted EBITDA reconciliation on Appendix D.

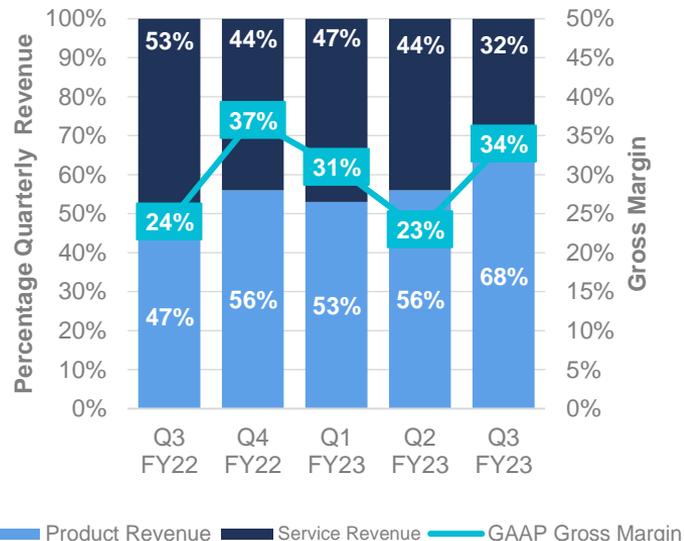
². Q3 GAAP EPS was negative \$0.03 per diluted share. Refer to Reconciliation of Non-GAAP Earnings Per Diluted Share on Appendix A.

Revenue Mix by Segment and Type

QUARTERLY REVENUE BY SEGMENT



QUARTERLY REVENUE BY TYPE

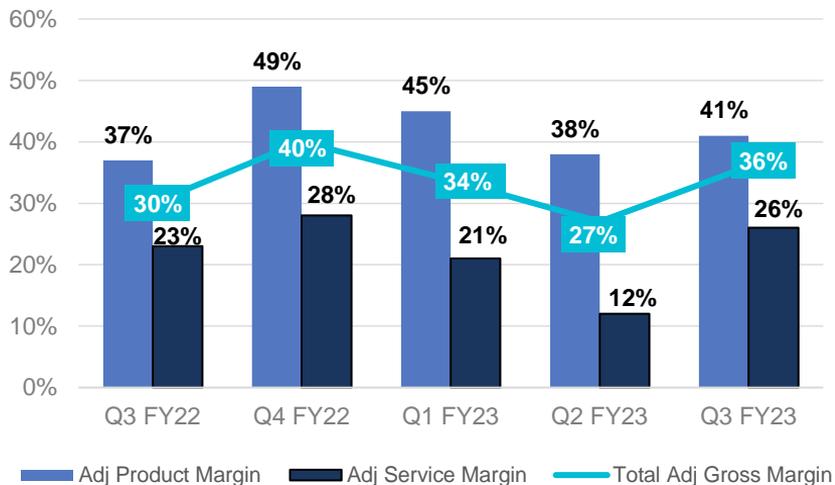


Anticipate Shift Back to 70% Product and 30% Service to Continue in Q4

¹ HAPS on track to deliver revenues of \$35-\$40 million for FY23 | ² Expect FY23 second half decline in MUAS services revenues more than offset by anticipated increases in SUAS and MUAS product revenues

Adjusted Profitability by Type and Non-GAAP EPS

PERCENTAGE ADJUSTED GROSS MARGIN¹



NON-GAAP DILUTED EPS²



Gross margin expected to continue expanding in Q4 following higher expected volume and favorable product mix

¹ Q3 GAAP Product Margin of 40% and Service Margin of 21%. Refer to GAAP to NON-GAAP reconciliation on Appendix C. | ² Refer to Reconciliation of Non-GAAP Diluted Loss Per Share on Appendix A.

Updated Guidance: Fiscal 2023 Outlook

AS OF 3/6/2023	FY22 RESULTS	FY23 REVISED GUIDANCE	EXPECTED % CHANGE (TO MIDPOINT)
Revenue	\$446 million	\$510 million - \$525 million	16%
Net Income/(Loss)	(\$4 million)	\$0.3 million – \$5 million	---
Adjusted EBITDA ¹	\$63 million	\$89 million – \$95 million ⁴	51%
Earnings/(Loss) Per Share (diluted)	(\$0.17)	\$0.01 – \$0.21	---
Non-GAAP Earnings Per Share (diluted)	\$1.06 ³	\$1.13 – \$1.33 ²	16%

Expect R&D Expenses of 11%-12% of Revenues in FY23.

¹ Refer to Adjusted EBITDA reconciliation on Appendix D.

² Refer to Reconciliation of Fiscal Year 2023 Non-GAAP Diluted Earnings Per Share Expectations on Appendix B

³ Refer to Reconciliation of Fiscal Year 2022 Non-GAAP Diluted Earnings Per Share on Appendix A

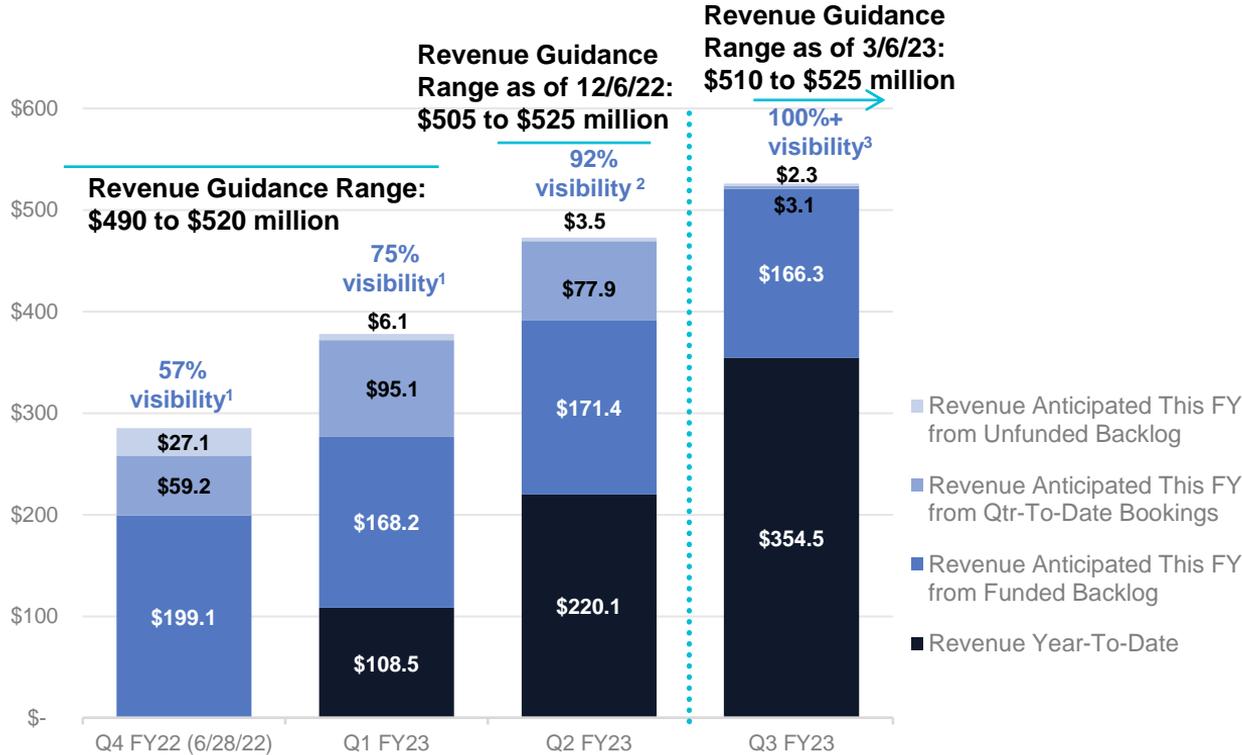
⁴ Refer to Reconciliation of Non-GAAP Fiscal Year 2023 Adjusted EBITDA Expectations on Appendix E.

Increase in FY23 midpoint Revenue and Adjusted EBITDA Guidance Due to Strong Order Flow.

GAAP EPS guidance impacted by additional accelerated depreciation related to the closure of the last MEUAS site, unrealized losses on equity investments activity and higher R&D investments. Non-GAAP EPS guidance excludes impact from equity investments activity.

Visibility for FY23

REVENUE (MILLIONS)



¹ Based on prior midpoint of guidance range of \$490-\$520 million | ² Based on midpoint of revised guidance range of \$505 million to \$525 million | ³ Based on midpoint of revised guidance range of \$510 million to \$525 million

AEROENVIRONMENT PORTFOLIO OF INTELLIGENT, MULTI-DOMAIN UNMANNED SYSTEMS



Financial Tables



SOLAR HAPS



JUMP 20



T-20



PUMA 1E



PUMA 3 AE



PUMA VTOL



VAPOR 55 MX



QUANTIX RECON



SWITCHBLADE 600



SWITCHBLADE 300



BLACKWING



RAVEN



WASP AE



INGENUITY MARS HELICOPTER



DDL NETWORK ANTENNAS



CRYSLIS



MPL



telemax UGV

tEODor EVO

APPENDIX A – RECONCILIATION OF FISCAL YEAR 2023 AND 2022 NON-GAAP EARNINGS PER DILUTED SHARE (UNAUDITED)

	Three Months Ended January 28, 2023	Three Months Ended January 29, 2022	Fiscal Year Ended April 30, 2022
(Loss) Earnings per diluted share	\$ (0.03)	—	\$ (0.17)
Acquisition-related expenses	0.01	0.02	0.18
Amortization of acquired intangible assets and other purchase accounting adjustments	0.22	0.30	1.17
Equity method and equity securities investments activity, net	0.13	(0.01)	(0.19)
Legal accrual related to our former EES business	—	—	0.32
Sale of ownership in HAPSMobile Inc. Joint Venture	—	—	(0.25)
Earnings per diluted share as adjusted (Non-GAAP)	<u>\$ 0.33</u>	<u>\$ 0.31</u>	<u>\$ 1.06</u>

APPENDIX B – RECONCILIATION OF FISCAL YEAR 2023 NON-GAAP DILUTED EARNINGS PER SHARE EXPECTATIONS (UNAUDITED)

	Fiscal Year Ending April 30, 2023
Forecast earnings per diluted share	\$ 0.01 - 0.21
Acquisition-related expenses	0.05
Amortization of acquired intangible and FV assets	0.91
Equity method and equity securities investments activity, net	0.16
Forecast earnings per diluted share as adjusted (Non-GAAP)	<u>\$ 1.13 - 1.33</u>

APPENDIX C – GAAP TO NON-GAAP RECONCILIATION OF ADJUSTED GROSS MARGIN

<i>(in thousands)</i>	Fiscal 3rd Quarter FY2022	Fiscal 4th Quarter FY2022	Fiscal 1st Quarter FY2023	Fiscal 2nd Quarter FY2023	Fiscal 3rd Quarter FY2023
Products					
Gross Margin	\$13,305	\$34,195	\$25,075	\$22,898	\$36,350
Gross Margin % of Revenue	31.2%	46.2%	43.3%	36.7%	39.9%
Intangible Amortization	\$2,699	\$1,999	\$644	\$1,009	\$1,026
Adjusted Gross Margin	\$16,004	\$36,194	\$25,718	\$23,907	\$37,376
Adjusted Gross Margin % of Revenue	37.6%	48.9%	44.4%	38.3%	41.0%
Services					
Gross Margin	\$8,131	\$14,427	\$8,639	\$2,992	9,160
Gross Margin % of Revenue	17.1%	24.6%	17.1%	6.1%	21.2%
Intangible Amortization	\$2,421	\$1,760	\$2,338	\$2,974	\$2,282
Adjusted Gross Margin	\$10,552	\$16,187	\$10,977	\$5,966	\$11,442
Adjusted Gross Margin % of Revenue	22.2%	27.6%	21.7%	12.1%	26.5%

APPENDIX D – HISTORICAL ADJUSTED EBITDA RECONCILIATION

	Fiscal 3rd Quarter FY2022	Fiscal 4th Quarter FY2022	Full Fiscal Year FY2022	Fiscal 1st Quarter FY2023	Fiscal 2nd Quarter FY2023	Fiscal 3rd Quarter FY2023
Net income from continued operations	\$ 10	\$ 7,258	\$ (4,188)	\$ (8,395)	\$ (6,668)	\$ (676)
Interest Expense (Income)/net	1,510	1,276	5,440	1,603	2,309	2,810
Tax provision / (benefit)	(15,396)	15,495	(10,369)	2,605	(10,457)	(531)
Depreciation and amortization (1)	17,418	13,388	60,825	14,000	18,275	15,834
EBITDA (Non-GAAP)	\$ 3,542	\$ 37,417	\$ 51,708	\$ 9,813	\$ 3,459	\$ 17,437
FV Step-up amortization incl. in loss of disposal of PP&E	—	63	1,280	115	53	24
Cloud amortization	91	114	339	126	137	139
Stock-based compensation	1,615	1,433	5,390	2,217	2,185	2,706
Acquisition-related expenses	368	369	4,853	335	569	286
Equity method and equity security investments activity, net	(171)	(4,426)	(4,589)	500	345	3142
Non-controlling interest	(45)	(46)	3	6	39	0
Legal accrual related to our former EES business	—	—	10,000	—	—	—
Sale of ownership in HAPSMobile JV	—	(6,383)	(6,383)	—	—	—
Adjusted EBITDA (Non-GAAP)	\$ 5,400	\$ 28,541	\$ 62,601	\$ 13,112	\$ 6,788	\$ 23,734

(1) as reported

APPENDIX E – RECONCILIATION OF NON-GAAP FISCAL YEAR 2023 ADJUSTED EBITDA EXPECTATIONS

<i>(in millions)</i>	Fiscal Year Ending April 30, 2023
Net income	\$ 0 - 5
Interest expense, net	10
Benefit from income taxes	(4) - (3)
Depreciation and amortization	69
EBITDA (Non-GAAP)	75 - 81
Stock-based compensation	9
Equity method and equity security investments activity, net	4
Acquisition-related expenses	1
Adjusted EBITDA (Non-GAAP)	\$ 89 - 95