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AEROVIRONMENT, INC.

March 2024



Safe Harbor Statement

- Certain words in this presentation may contain "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 close and integrate acquisitions into our operations and avoid disruptions from acquisition transactions that will harm our business, including the acquisition of Tomahawk Robotics; the recording of goodwill and other intangible assets as part of acquisitions that are subject to potential impairments in the future and any realization of such impairments; any actual 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, including due to continuing resolutions; adverse impacts of a U.S. government shutdown; 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; the extensive and increasing 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 and resulting misuse of our, our customers' and/or our suppliers' information and systems; 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; any increase in litigation activity or unfavorable results in legal proceedings, including pending class actions; our ability to respond and adapt to legal, regulatory and government budgetary changes, including those resulting from the impact of pandemics and similar outbreaks; 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.

Growing Need for Unmanned Systems



Future of warfare and US military's force structure will **include** more distributed intelligent and affordable unmanned systems & loitering munitions deployed at the edge of the battlefield. AV develops and delivers these types of disruptive capabilities to our military and global allies



Shift from conventional missiles to Loitering Munitions like the Switchblade 300 & 600 with greater range, precise targeting and **wave-off** capability



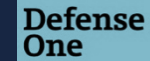
Proven that small nations can successfully defend themselves and **deter** larger adversaries using unmanned systems in the air, ground and sea — i.e. asymmetrical warfare



Trend towards more autonomous solutions utilizing machine learning and AI capabilities that operate in **contested environments**



"Ukraine is building an advanced army of drones"



"Army orders loitering munition for testing as soldier-borne tank-killer"



"Pentagon to build unmanned systems to compete with China"



"Ukrainian minister vows more drones for strikes on Russian warships"



"Inside Ukraine's drone war against Putin"



"Ukraine's war of Drones Runs Into an Obstacle: China"

○ AV's unique solutions are valued by our customers and trusted to meet their growing needs

AV At-A-Glance

Honored to support our global customers as the leading pureplay unmanned systems company, providing solutions primarily to U.S. DoD and allies around the world

Global footprint with sales to

55+ allied nations



NASDAQ: **AVAV**

Market Cap: **\$4.2B+**

HQ: **Arlington, VA**

Employees: **~1,300**

At Inflection Point and Poised for Long-Term Value Creation

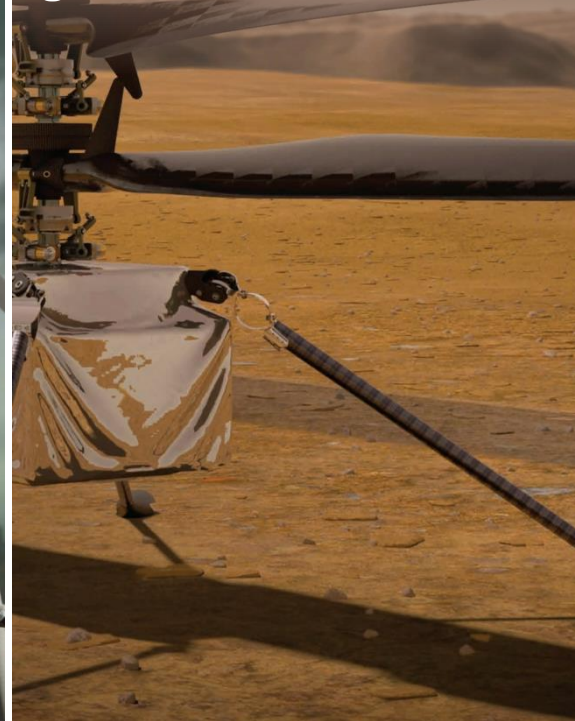
Unmatched portfolio
of unmanned systems
with strong global
franchises



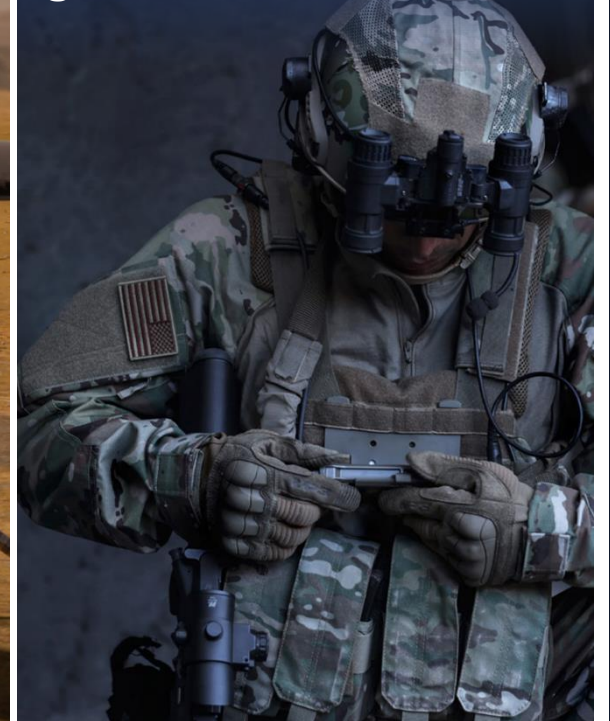
Innovation leader
deploying AI/ML tech
to the battlefield for
autonomous missions



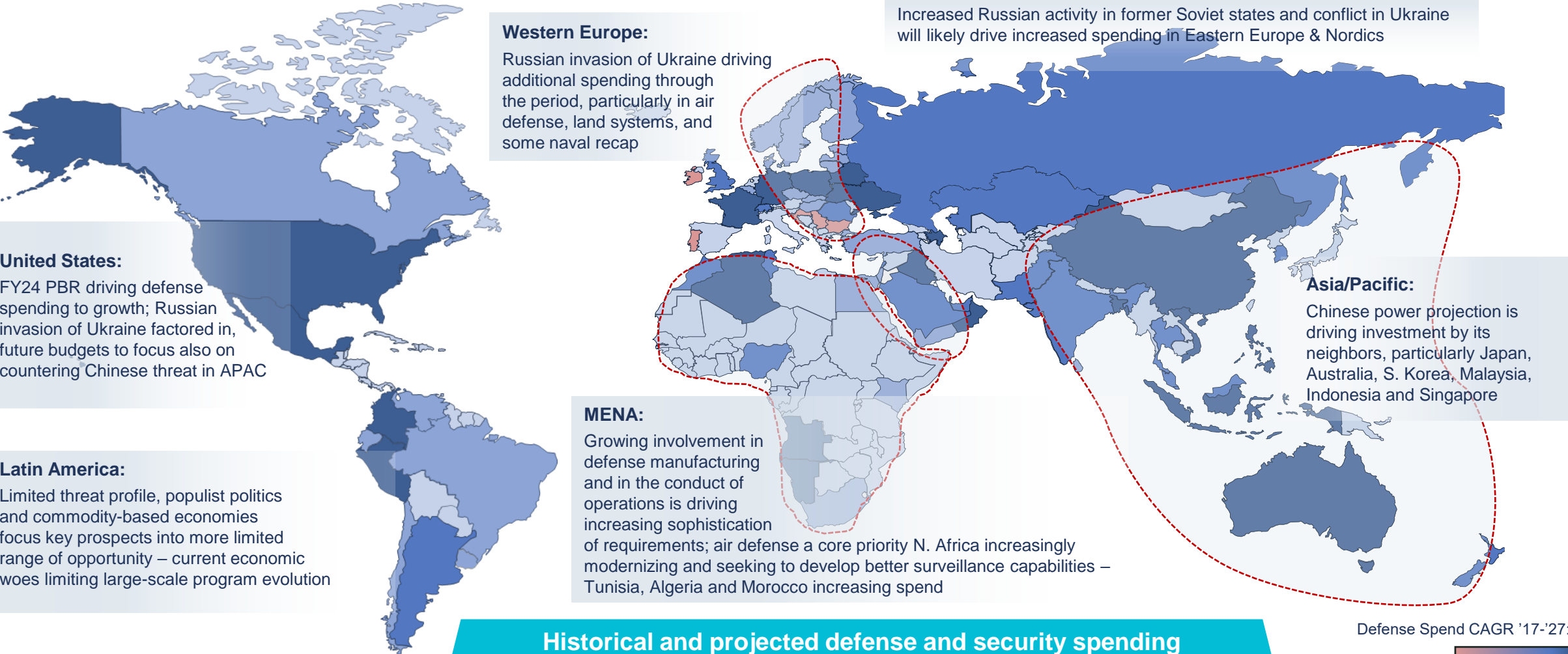
Well-positioned to
benefit from key
trends and strong
global tailwinds



Proven track record of
more than 20 years
serving defense and
gov't customers



Evolving Global Security Threats Are Driving Defense Spending



Sources: SIPRI, RSAdivisors Defense Budget Forecasts

Historical and projected defense and security spending patterns largely mirror geographic threat areas

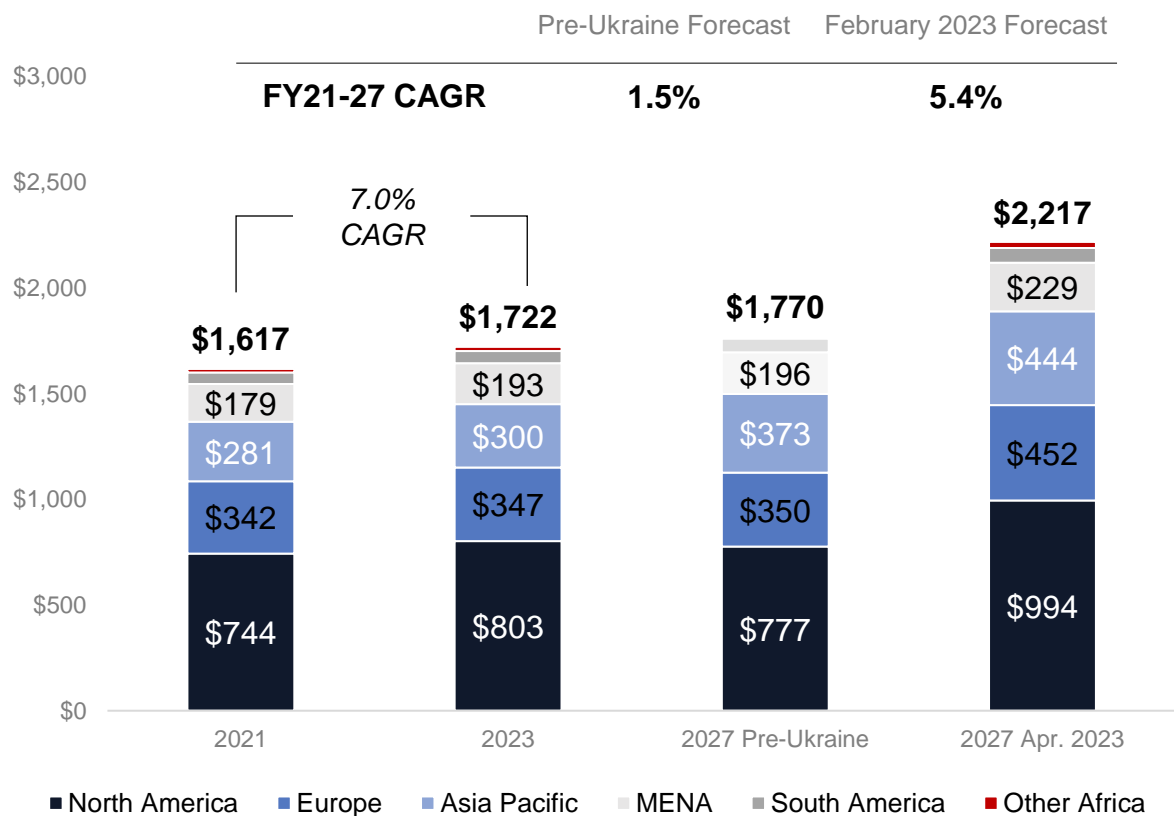
Defense Spend CAGR '17-'27:



Uniquely Positioned to Capitalize on Expanding Defense Budgets

GLOBAL DEFENSE¹ BUDGET BY REGION

2021 – 2027 (\$B, Current)



- U.S. budget growth re-ignited to fast-track recapitalization of key platforms fleets, increase readiness and expand stockpiles.
- European defense spending is likely to increase by ~\$20B FY21-23, with further increases likely to drive spending above \$400B by 2025.
- Germany's commitment to a €100B defense spend boost and continued investment above the 2% NATO target, particularly in 'frontier' nations such as Poland.
- Significant uplift in APAC budgets to account for heightened awareness of peer conflict and growing tension in both East and South China Seas.

(1) Excludes embargoed nations; Afghanistan, Belarus, China, CAR, DRC, Iran, Libya, Myanmar, Russia, Syria, Venezuela, Yemen, Zimbabwe; | Sources: RSAdivisors Defense Budget Forecasts; National Defense Spending Announcements



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OUR UNMATCHED PORTFOLIO: Accomplishing Missions in the Most Demanding Environments

SOLAR HAPS

INGENUITY MARS HELICOPTER

JUMP[®] 20

T-20[®]

PUMA[®] LE



PUMA[®] 3 AE

PUMA[®] VTOL KIT

RAVEN[®] B



VAPOR[®] 55 MX

SWITCHBLADE[®] 600

SWITCHBLADE[®] 300 BLOCK 20

BLACKWING[®]

LRTA

ERA

STANDARD

pDDL

CRYSLIS[®]

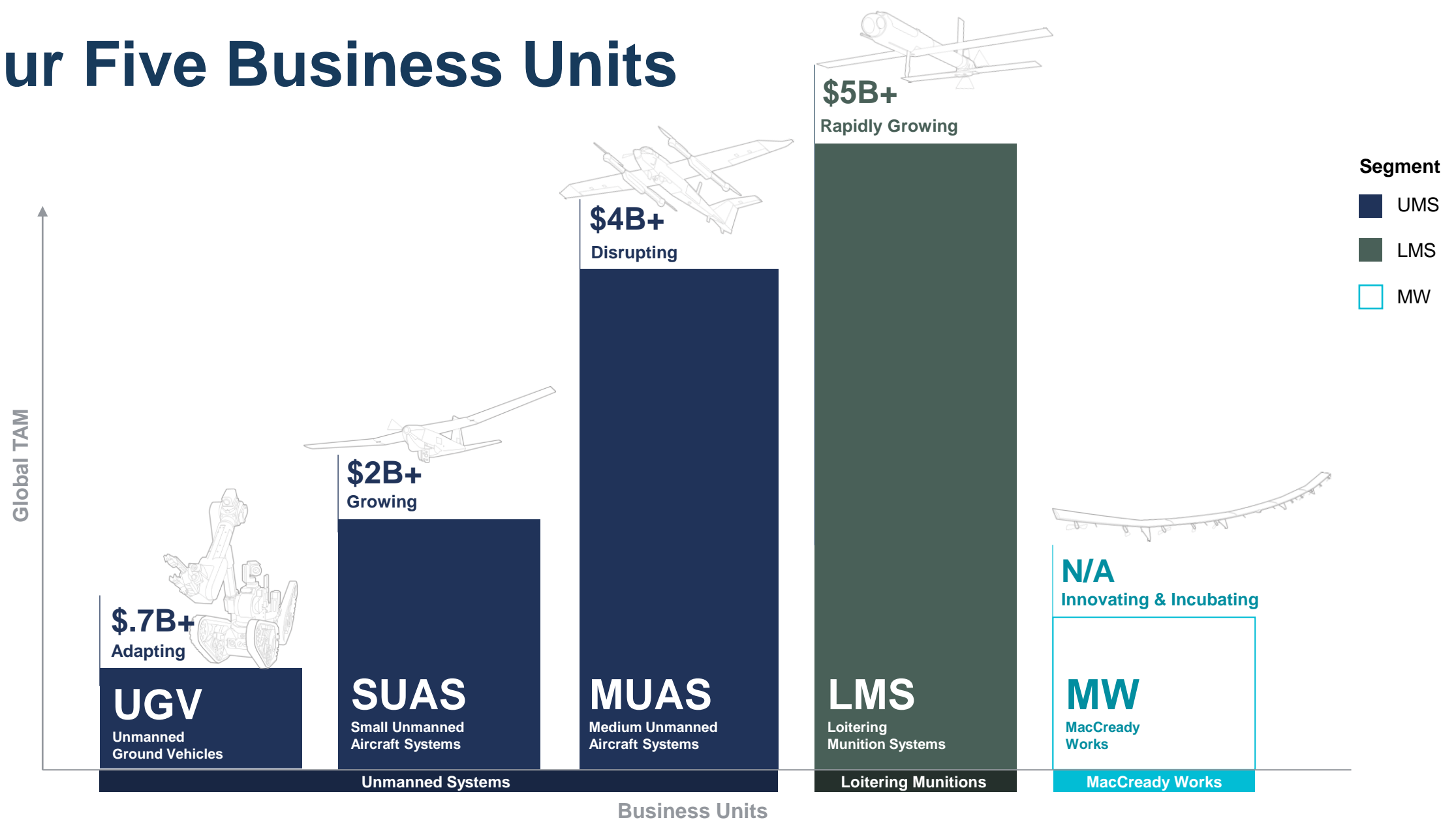
KINESIS

MPL

telemax[®] UGV

tEODor[®] EVO

Our Five Business Units



Sources: SUAS and MUAS figures from "World Military Unmanned Aerial System Report by Teal Group". LMS, UGV Source "Renaissance Strategic Advisors"

Unmanned Systems

Group 1-3 UAVs for multiple missions and UGVs for EOD and CBRNE missions

Global Leader in Group 1 UAS with shipments to more than **55 allied countries**

Strong international UGV franchise with domestic growth opportunities

Disruptor in larger Group 2-3 UAS market with **many domestic and international growth opportunities**

Multiple **\$1B programs** of records on the horizon

Incorporate leading edge **autonomy and AI/ML capabilities** to reduce cognitive load while enabling operations in contested environments



Loitering Munitions Systems

Tube-launched, armed UAVs with ability to identify, track, and neutralize threats, in real-time with maximum effectiveness while minimizing collateral damage

Leading supplier to US DOD for past **10 years**


More than 5,000 units shipped with capacity to produce **1000's per year**

Multiple sizes and payloads with more **variants in development** to meet new customer needs

Recent authorization to sell to more than **50 allied countries**

Many **\$1B+ programs** of record on horizon



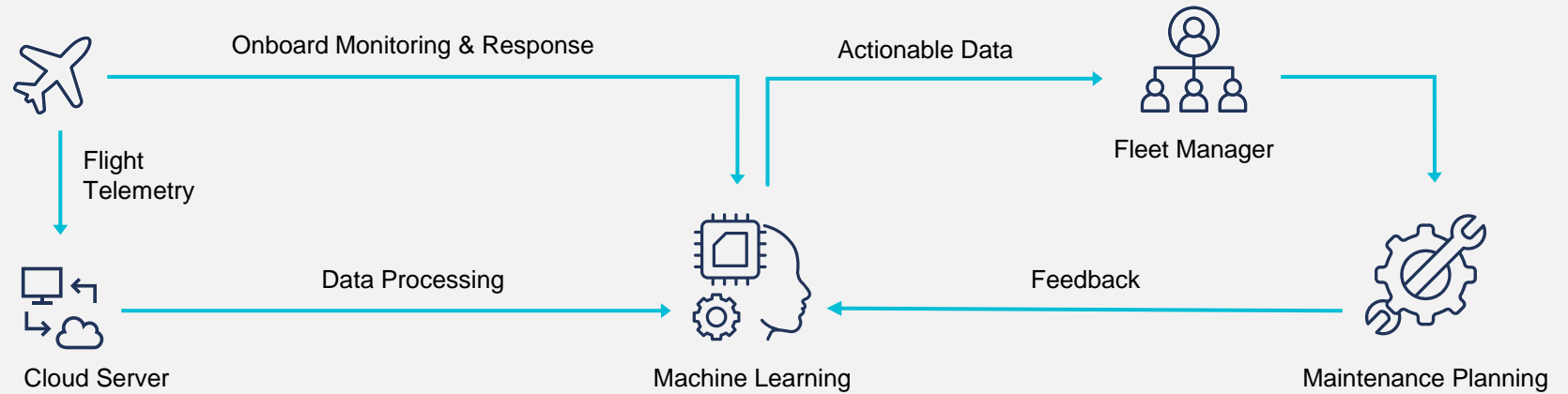
A background image showing two military personnel in camouflage uniforms working in a control room. They are looking at multiple computer monitors displaying various types of aerial and satellite imagery, including maps, buildings, and ships. One person is pointing at a screen while the other looks on. The scene is dimly lit, with the primary light source being the screens themselves.

Our customers can't wait for technologies to catch up with their challenges. They need a partner who anticipates their needs and possesses the **cutting-edge tools to overcome the obstacles** they face in real-time.

Autonomy is the Key Enabler for Robotic Mission Solutions

Today's missions in contested environments require scalable and adaptable AI toolsets with built-in capabilities tailored to specific operational needs

As cutting-edge technology continues to advance, autonomous missions are the new reality



AeroVironment answers this challenge:

50+ year legacy in multi-domain robotic systems and pioneering autonomy to advance present and future mission solutions

More than **35,000** of our platforms execute missions in demanding environments around the globe (and on Mars)

A new set of **autonomy and AI technologies** stand ready to expand capabilities to meet our customer's needs

Targeting the fundamental future state of **intelligent, multi-domain robotic systems**

Accelerating Adoption and Implementation of AI and Autonomy Through Acquisition of Tomahawk Robotics

- ✓ AI-enabled technology allows warfighters to **simultaneously** operate various connected robotic solutions in the battlefield and share information between multiple domains with a common controller
- ✓ Enables **faster and better integration** with other platforms and vehicles
- ✓ **Drives incremental revenues** and manufacturing, supply chain and sales synergies
- ✓ Opens up opportunities to expand into key adjacent markets, including Fire Control, Networking, Radio Systems and Multi-Robot Control and key programs like UGV, FlexCSR and Raid
- ✓ Preferred solution of many customers, especially those seeking **MOSA compliant** solutions, and can be sold independently to international customers
- ✓ Brings additional **first-class software engineering talent** to AeroVironment's growing team
- ✓ Positions AeroVironment to play a central role in DoD's **JADC2 network** by enabling a common operating picture and increasing interconnectedness at the edge

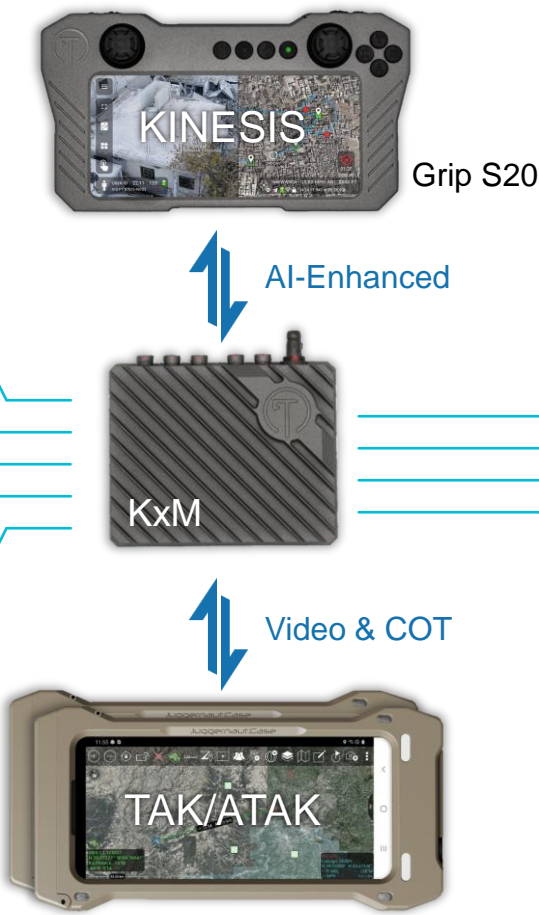


TOMAHAWK KINESIS // Common Autonomous Control and User Interface

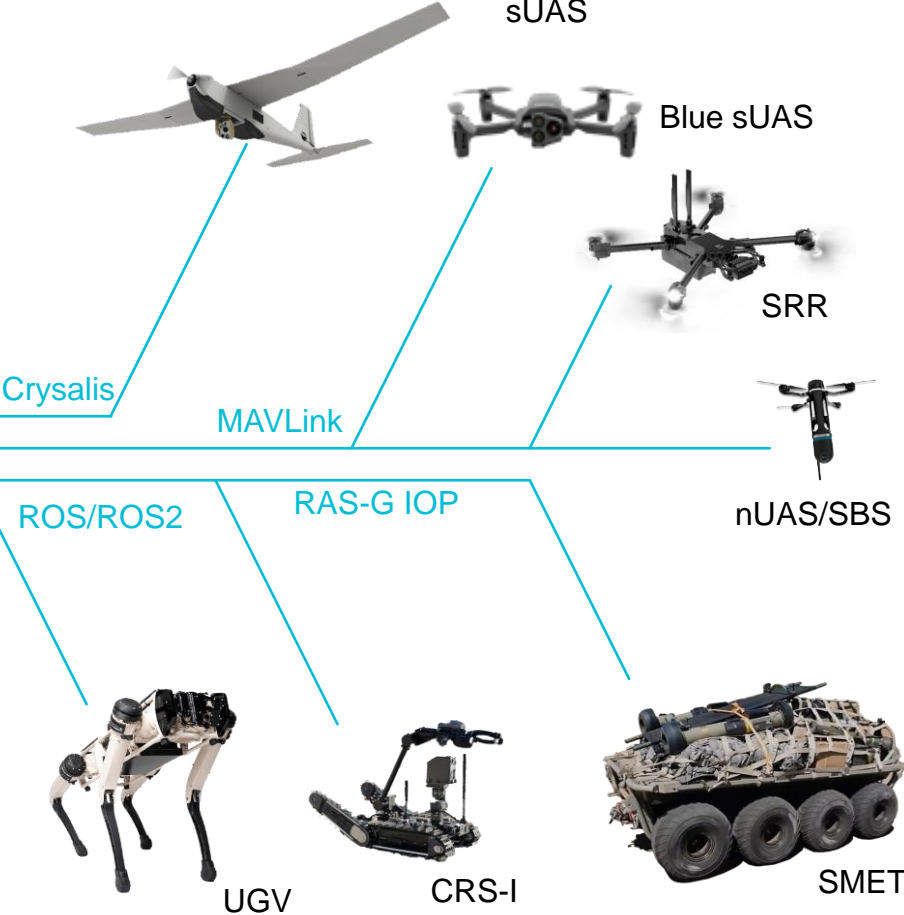
AI CAPABILITIES

- Mission Planning
- Indications & Warnings
- Enhanced Autonomy
- Aided Target Recognition
- Training & Simulation

TACTICAL NETWORK

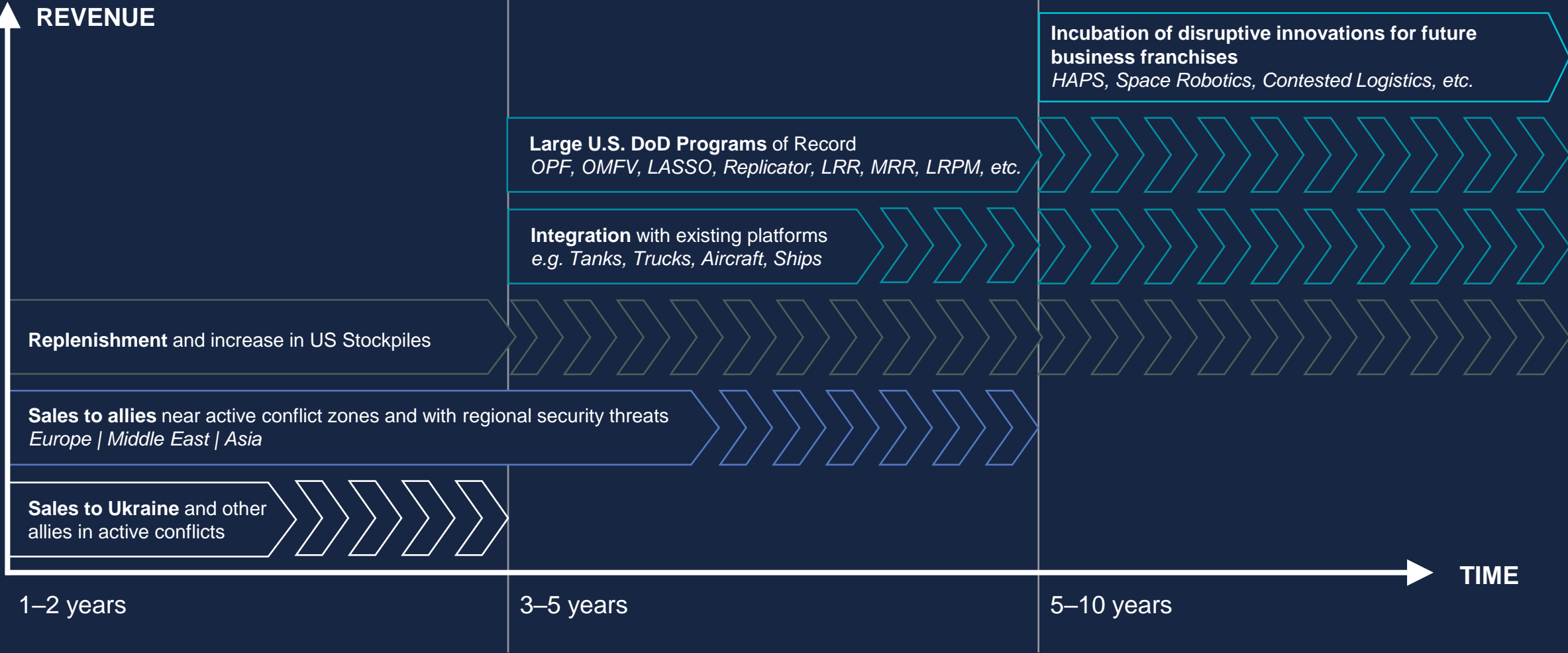


UNMANNED SYSTEMS



Modular, Android-based, protocol/comms/platform agnostic, common control

Multiple Avenues for Sustained Growth





FINANCIAL OVERVIEW

Key Messages from Latest Quarter

- Fiscal year 2023 marked sixth consecutive year of top-line growth, positioning AeroVironment for a strong fiscal year 2024



Achieved record third-quarter revenue of **\$187 million**, a nearly **40% increase** YoY with strong bottom-line results



Given strong performance, **raising** and **tightening** guidance



Loitering munitions segment delivered record quarterly revenue and continues to ramp production to meet surging demand



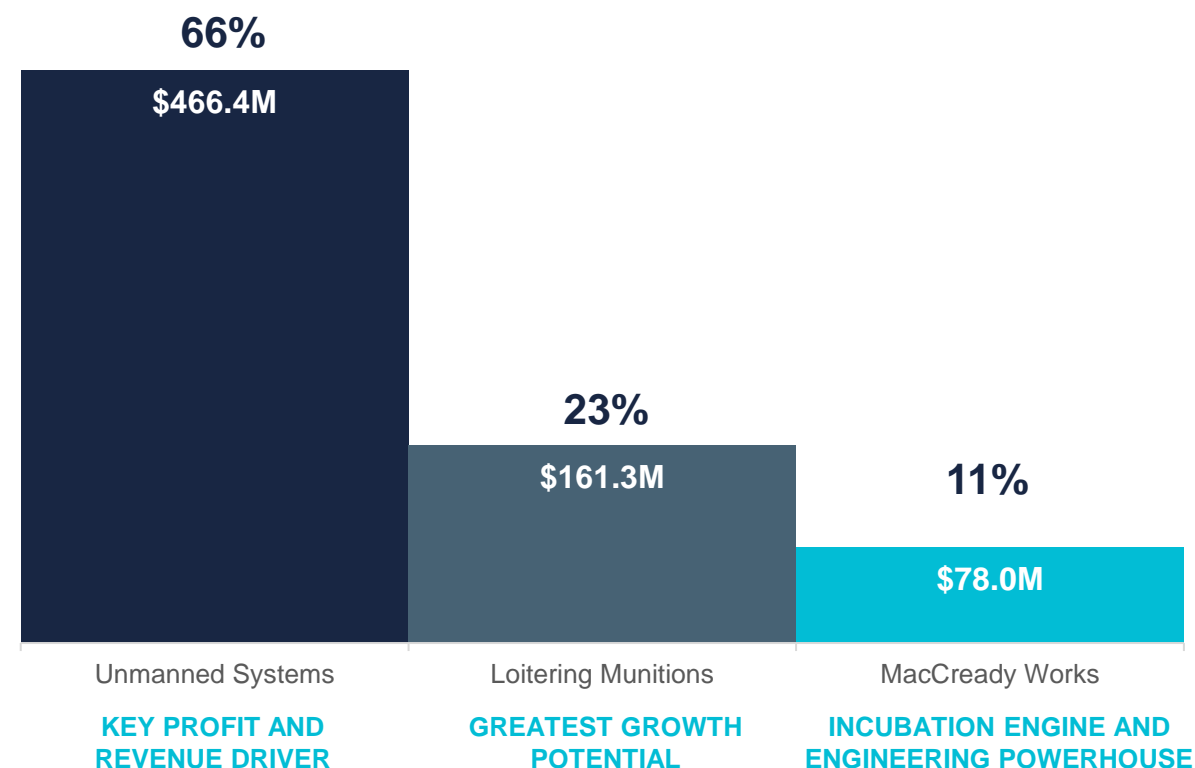
Continue to expect **double-digit revenue growth** in fiscal year 2025

*As of January 27, 2024

Last Twelve Months Results — Through Q3 FY24

Metric	Q4 FY 2023 –Q3 FY 2024
Revenue	\$706M
Adj. Gross Profit ¹	\$290M
Adj. EBITDA ²	\$152M
Non-GAAP EPS ³ (diluted)	\$3.63
Funded Backlog	\$463M
R&D Investment	\$79M

REVENUES BY SEGMENT



¹ Refer to Reconciliation of Non-GAAP Adjusted Gross Margin on Appendix C

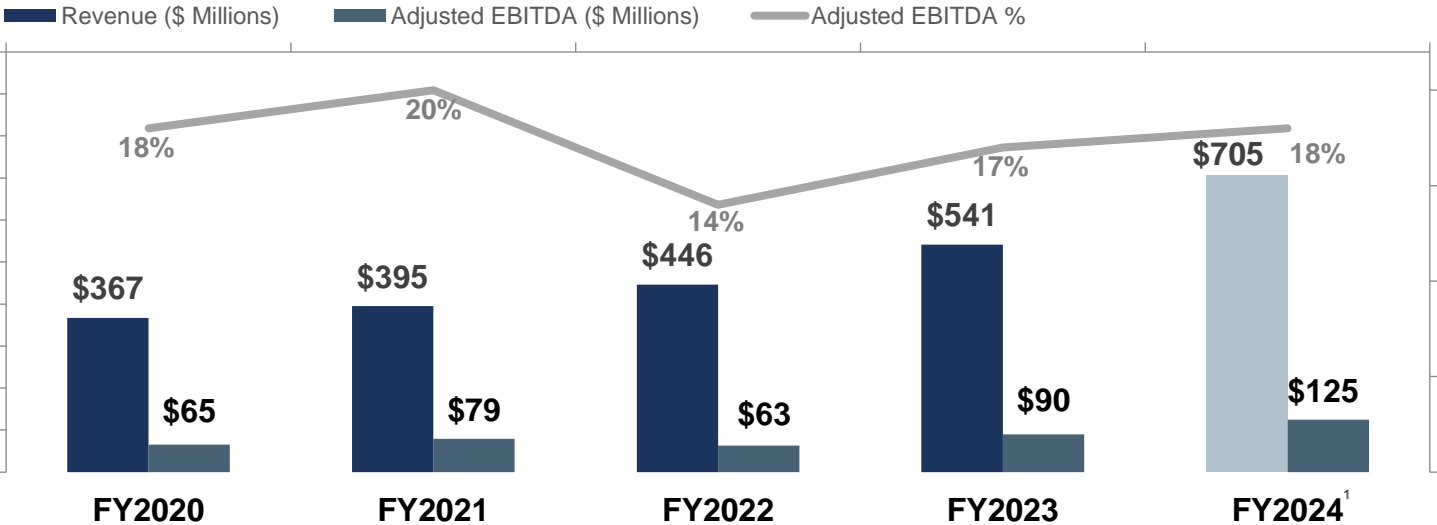
² Refer to Reconciliation of Non-GAAP Adjusted EBITDA on Appendix B.

³ Refer to Reconciliation of Non-GAAP Diluted Earnings Per Share on Appendix D.

Revenue and Non-GAAP Adjusted EBITDA (Continuing Ops)

Achieved incremental revenue growth over past 6 years and expect to continue growing

Non-GAAP Adjusted EBITDA



- FY24 profitability improvement represents favorable mix of product vs. service sales
- 21% organic revenue growth in FY23
- Midpoint of FY24 revenue guidance represents another ~30% revenue growth
- Order Visibility at 100% of mid-point of revenue guidance range

¹ FY24 estimated Revenue and Adjusted EBITDA is based on mid-point revenue and Adjusted EBITDA guidance.

Capital Allocation Overview

Balance sheet



Strong balance sheet with
**\$110M+ of cash
and investments**



~\$87M available under
working capital facility*

Objectives



Reducing long-term debt through
cash generated from operations



Reinvesting in the business to
strengthen portfolio

- R&D investment accounts
for **13-14% of revenue**



Select strategic acquisitions to
**strengthen competitive
positioning and expand TAM**

Guidance — Fiscal 2024 Outlook

AV is Poised for Organic Double-digit Growth in FY24

As of 3/4/2024	Fiscal Year 2023 Results	FY24 Guidance	Expected % Change (to midpoint)
Revenue	\$541 million	\$700 million - \$710 million	30%
Net Income/(Loss)	(\$176 million)	\$51 million – \$55 million	---
Adjusted EBITDA ²	\$90 million	\$122 million – \$127 million	38%
Earnings/(Loss) Per Share (diluted)	(\$7.04)	\$1.86 – \$2.00	---
Non-GAAP Earnings Per Share (diluted)	\$1.26 ³	\$2.69 – \$2.83 ¹	119%
R&D as % of Revenues	12%	13%-14%	---
SG&A as % of Revenues ⁴	15%	15%-16%	---

¹ Refer to Reconciliation of Fiscal Year 2024 Forecast Non-GAAP Diluted Earnings Per Share on Appendix A

² Refer to Adjusted EBITDA reconciliation on Appendix B.

³ Refer to Reconciliation of Non-GAAP Diluted Earnings Per Share on Appendix D.

⁴ Excludes any Acquisition related and Intangible Amortization expenses

Environmental and Social Initiatives Support Growth Strategy

In 2023, we completed our first materiality assessment to align our Corporate Social Responsibility Strategy to our business priorities



Proud to be **one of the largest UAS manufacturers** to deliver a suite of **zero-emission, energy efficient, battery-powered UAS**



Our **Environmental Management System** is certified by **ISO14001:2015** standard



90% of product portfolio is battery-powered

OUR WOMEN'S AND LGBTQ+ EMPLOYEE RESOURCE GROUPS

support our efforts to diversify our employee population and advance diversity across our industry



PROCEED WITH PRIDE

Great
Place
To
Work[®]

Certified

SEP 2023-SEP 2024

USA

TM

86%

respondents to employee engagement survey say they are proud to tell others they work at AeroVironment

Capitalizing on Our Unique Market Position

- Taking actions towards continuous achievement of high-growth in a growing unmanned systems market

SCALING

our business portfolio and manufacturing capacity while enhancing autonomous capabilities

STRATEGICALLY TARGETING

multi-billion-dollar high growth market opportunities supported by global tail winds

COMPETING

for new programs of record, funded by the U.S. DoD and other allies while expanding sales internationally

ENHANCING BALANCE SHEET

to fund near-term and long-term organic and inorganic opportunities

Accelerating investment for topline growth and enhancing solution capabilities to enable our customers to achieve their vital missions

FINANCIAL TABLES



APPENDIX A

RECONCILIATION OF FISCAL YEAR 2024 NON-GAAP DILUTED EARNINGS PER SHARE EXPECTATIONS (UNAUDITED)

	Fiscal year ending April 30, 2024
Forecast earnings per diluted share	\$ 1.86 - 2.00
Acquisition-related expenses	0.05
Amortization of acquired intangible assets and other purchase accounting adjustments	0.54
Equity method and equity securities investments activity, net	0.24
Forecast earnings per diluted share as adjusted (Non-GAAP)	<u>\$ 2.69 - 2.83</u>

APPENDIX B

GAAP TO NON-GAAP RECONCILIATION OF ADJUSTED EBITDA

	FY19	FY20	FY21	FY22	FY23	LTM
Net Income from continued operations (1)	\$ 41,912	\$ 41,339	\$ 23,331	\$ (4,188)	\$ (176,212)	\$ (106,853)
Interest Expense / (Income), net	\$ (4,672)	\$ (4,828)	\$ 618	\$ 5,440	\$ 9,368	\$ 6,718
Tax provision / (benefit)	\$ 4,641	\$ 5,848	\$ 539	\$ (10,369)	\$ (14,665)	\$ (2,572)
Depreciation	\$ 6,405	\$ 6,999	\$ 11,709	\$ 25,651	\$ 36,980	\$ 22,067
Amortization	\$ 1,264	\$ 2,889	\$ 7,553	\$ 35,174	\$ 63,019	\$ 54,792
Depreciation and amortization	\$ 7,669	\$ 9,888	\$ 19,262	\$ 60,825	\$ 99,999	\$ 76,859
EBITDA (Non-GAAP)	\$ 49,550	\$ 52,248	\$ 43,750	\$ 51,708	\$ (81,510)	\$ (25,847)
FV Step-up amortization incl. in Loss on disposal of PP&E	\$ -	\$ -	\$ -	\$ 1,280	\$ 192	
Cloud amortization	\$ -	\$ -	\$ 3	\$ 339	\$ 561	\$ 1,052
Stock-based compensation	\$ 6,985	\$ 6,227	\$ 6,932	\$ 5,390	\$ 10,765	\$ 16,082
Acquisition-related expenses	\$ -	\$ 1,119	\$ 7,982	\$ 4,853	\$ 1,386	\$ 1,908
Arcturus Goodwill Impairment					\$ 156,017	\$ 156,017
Equity method and equity security investment activity	\$ 3,944	\$ 5,487	\$ 10,481	\$ (4,589)	\$ 2,583	\$ 2,802
Non-controlling interest	\$ (19)	\$ (4)	\$ 14	\$ 3	\$ 45	
One-time (gains)/losses, net	\$ (3,602)					
Legal accrual related to our former EES business	\$ -	\$ -	\$ 9,300	\$ 10,000	\$ -	
Sale of ownership in HAPSMobile JV	\$ -	\$ -	\$ -	\$ (6,383)	\$ -	
Adjusted EBITDA (Non-GAAP)	\$ 56,858	\$ 65,076	\$ 78,462	\$ 62,601	\$ 90,039	\$ 152,013

(1) Q4 FY23 depreciation and amortization includes \$34,149 of accelerated intangible amortization and \$14,000 of accelerated depreciation

APPENDIX C

GAAP TO NON-GAAP RECONCILIATION OF ADJUSTED GROSS MARGIN

<i>(in thousands)</i>	<u>FY19</u>	<u>FY20</u>	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>LTM</u>
Adjusted Gross Margin						
Gross Margin	\$ 128,043	\$ 153,102	\$ 164,558	\$ 141,236	\$ 173,513	\$ 278,241
Intangible Amortization		\$ 2,284	\$ 4,452	\$ 18,429	\$ 13,891	\$ 13,264
Adjusted Gross Margin	\$ 128,403	\$ 155,386	\$ 169,010	\$ 159,665	\$ 187,404	\$ 291,505
Adjusted Gross Margin % of Revenue	40.9%	42.3%	42.8%	35.8%	34.7%	41.2%

APPENDIX D

GAAP TO NON-GAAP EPS RECONCILIATION TABLE

	FY19	FY20	FY21	FY22	FY23	LTM
Earnings (loss) per diluted shares from continuing operations	\$ 1.74	\$ 1.72	\$ 0.96	\$ (0.17)	\$ (7.04)	\$ (4.01)
Acquisition-related expenses		\$ 0.04	\$ 0.26	\$ 0.18	\$ 0.05	\$ 0.06
Amortization of acquired intangible assets and other purchase accounting adjustments		\$ 0.08	\$ 0.24	\$ 1.17	\$ 1.97	\$ 1.62
Arcturus Goodwill Impairment					\$ 6.18	\$ 5.85
Sale of ownership in HAPSMobile JV				\$ (0.25)		
HAPSMobile JV impairment of investment in Loon LLC			\$ 0.34			
Legal accrual related to our former EES business			\$ 0.30	\$ 0.32		
One-time gain from a litigation settlement	\$ (0.26)					
Equity method and equity security investment activity	\$ (0.16)	\$ 0.23	\$ 0.09	\$ (0.19)	\$ 0.10	\$ 0.11
Earnings (loss) per diluted shares as adjusted (Non-GAAP)	\$ 1.64	\$ 2.07	\$ 2.19	\$ 1.06	\$ 1.26	\$ 3.63

APPENDIX



Product Scenarios



UMS




VTOL FIXED-WING MEDIUM UAS



LMS



ALPHA TEAM OVERWATCH OF ENEMY ENCAMPMENT

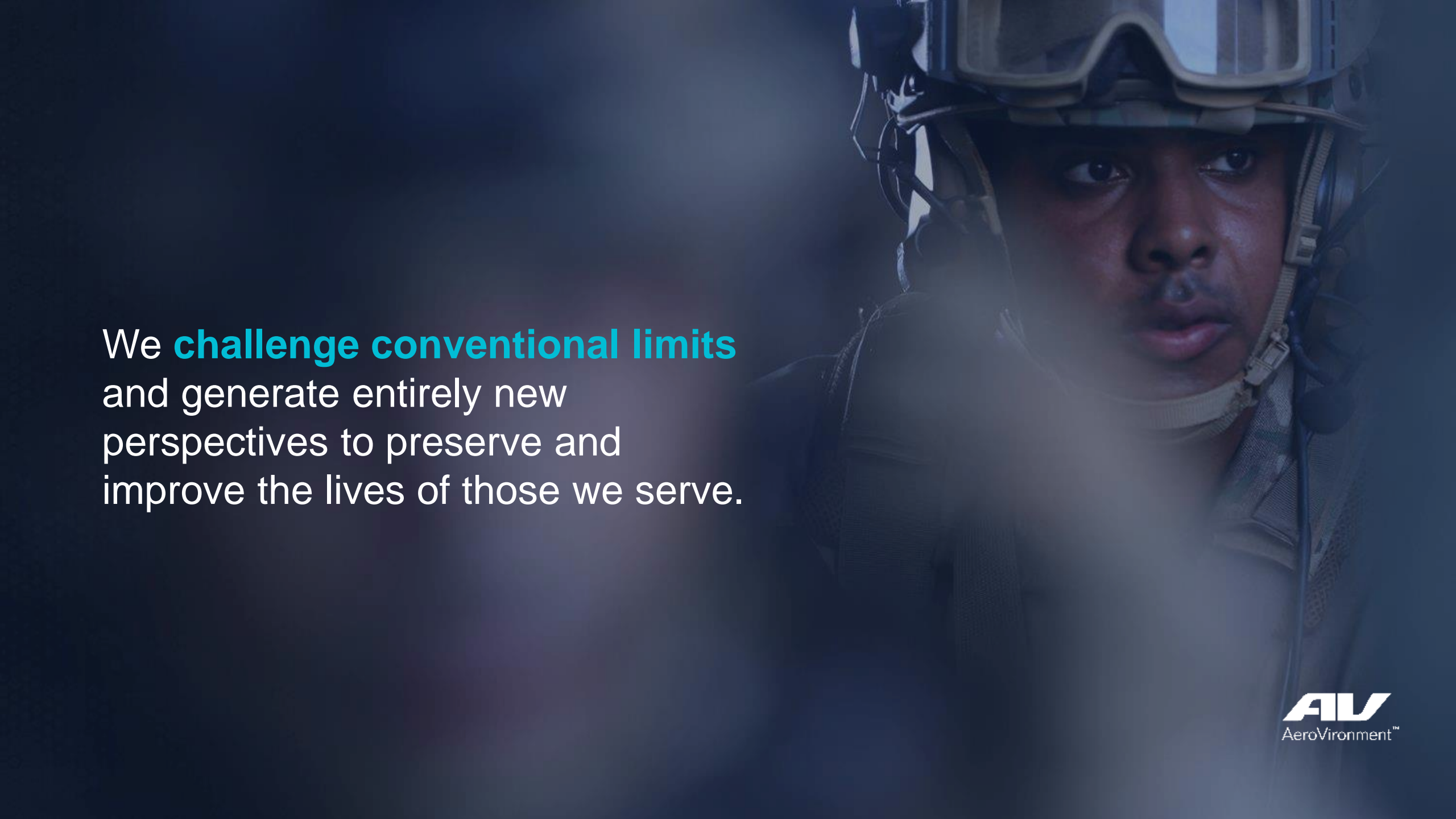


MW



Sunglider in stratosphere for 5h 38min (Alt. 62,500ft)

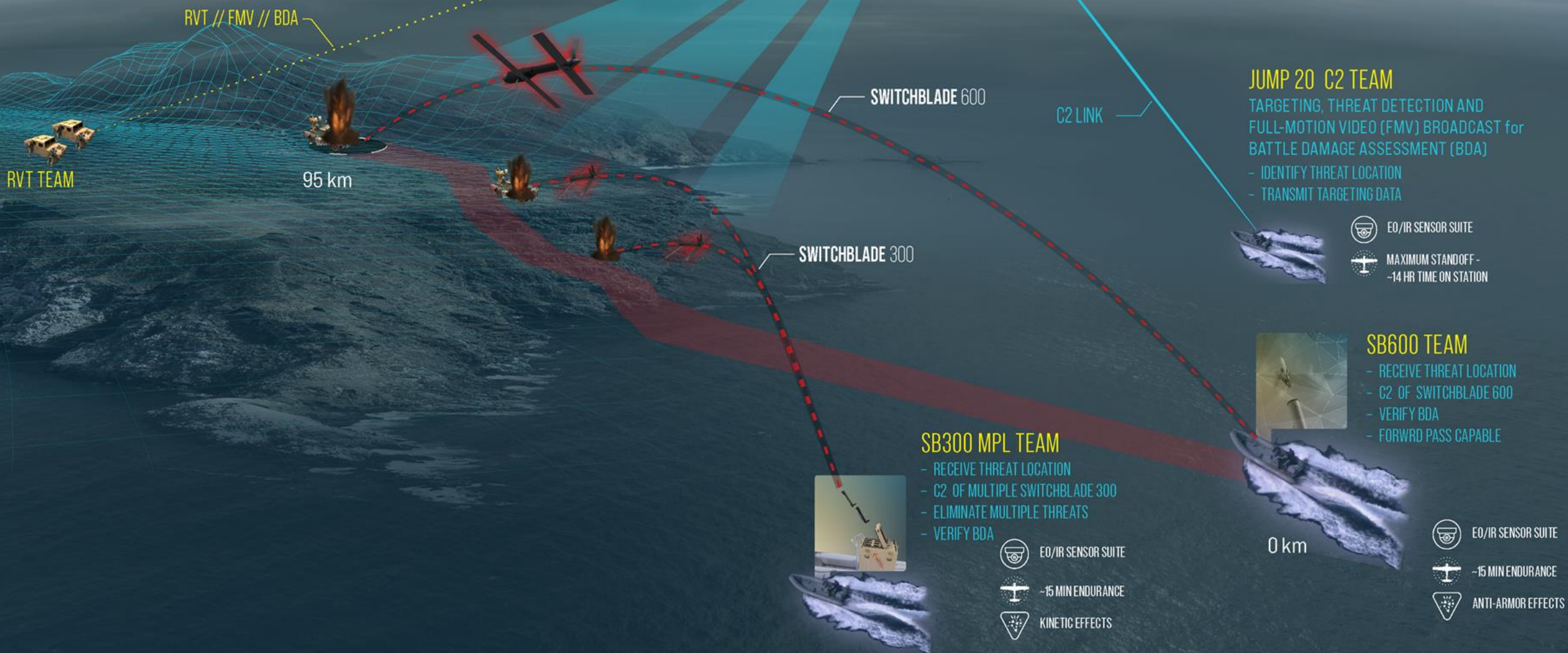




We **challenge conventional limits**
and generate entirely new
perspectives to preserve and
improve the lives of those we serve.

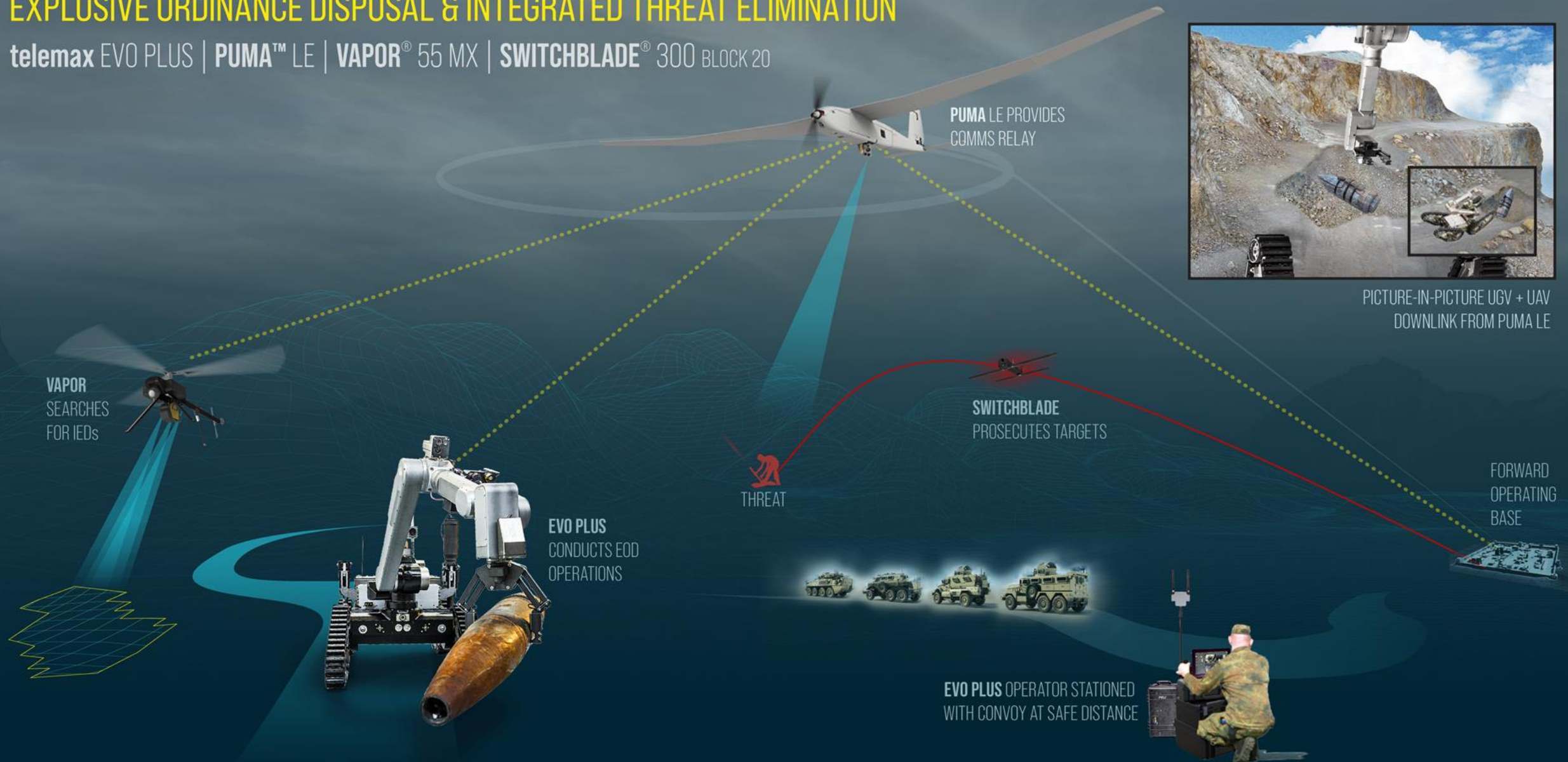
OPERATIONAL VIEW

JUMP[®] 20 // SWITCHBLADE[®] 300 // SWITCHBLADE[®] 600



EXPLOSIVE ORDNANCE DISPOSAL & INTEGRATED THREAT ELIMINATION

telex EVO PLUS | PUMA™ LE | VAPOR® 55 MX | SWITCHBLADE® 300 BLOCK 20



OPERATIONAL VIEW // EMPLACED MISSION

SWITCHBLADE 300[®] BLOCK 20

TARGETING, THREAT DETECTION AND
FULL-MOTION VIDEO (FMV) BROADCAST for
BATTLE DAMAGE ASSESSMENT (BDA)



EO/IR PANNING CAMERA SUITE



LEFT-HAND COMMIT



30% INCREASED ENDURANCE // 20+ MIN



KINETIC EFFECTS

20+ MIN ENDURANCE

STRIKE PATH
USER-SELECTABLE
ATTACK ANGLE
20° // 33° // 45°

REMOTE VIEWING TERMINAL
(RVT) DOWNLINKS

COMMAND AND
CONTROL LINK (C2)

OPERATING BASE

MULTI-PACK LAUNCHER (MPL)
EMPLACED IN FORWARD LOCATION



6 MUNITIONS AT THE READY
LAUNCH SWITCHBLADES
VERIFY BDA

REMOTE TEAM

VERIFY BDA // DDL RVT OR SBGCS HAND-OFF CAPABLE

THREAT

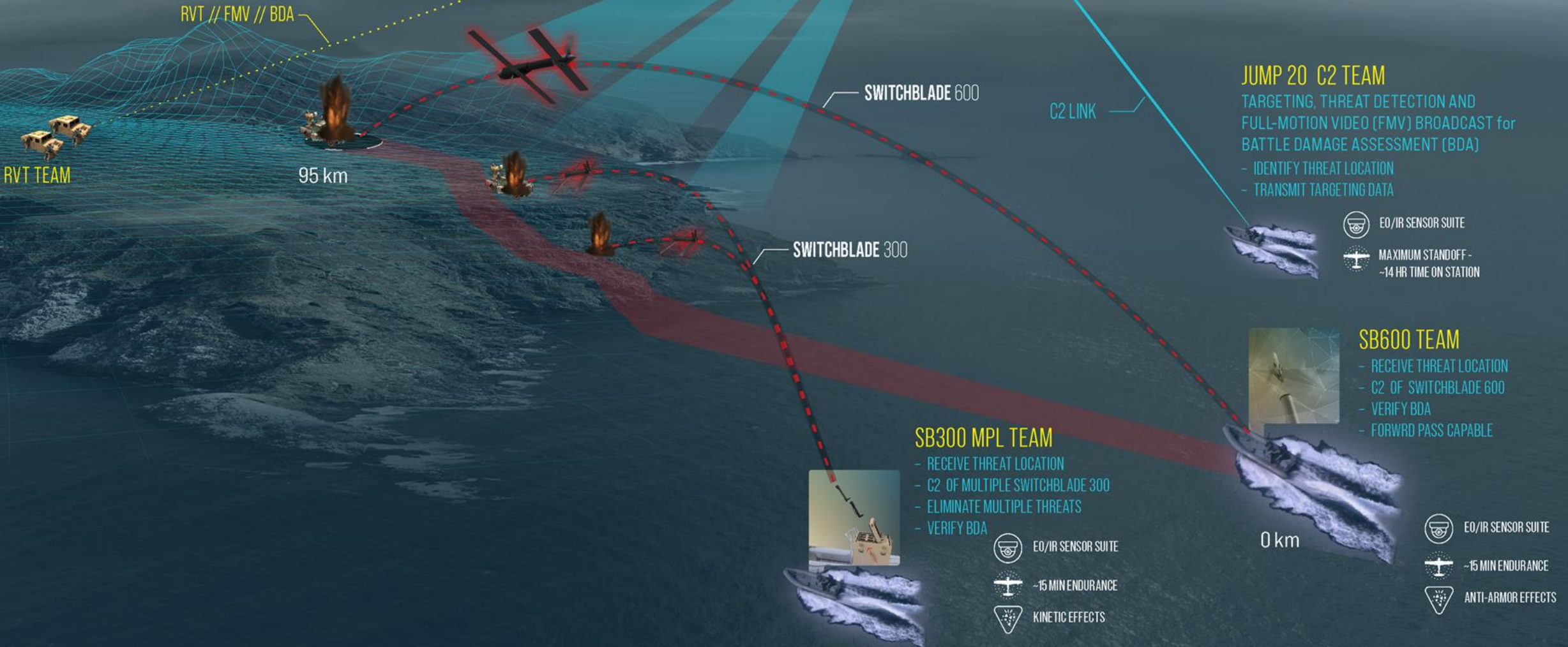
THREAT ELIMINATION AND CONTINUOUS ISR
KINETIC EFFECTS

10 km

WAVE OFF / RECOMMIT

OPERATIONAL VIEW

JUMP[®] 20 // SWITCHBLADE[®] 300 // SWITCHBLADE[®] 600



ADVANCED NAVIGATION, FEATURES AND FUNCTIONALITY

- Low-SWAP hardware kit
- Adds GPS denied capability using Visual Inertial Odometry (VIO)
- Enables future autonomy features through software updates

VISUAL TRACKING

- Detect and tracks image features with downward-facing cameras and laser rangefinder
- Laser Range Finder periodically matches altitude to DTED preloaded on vehicle (level 2)

GPS DENIED OPERATIONS

- Performs Visual Inertial Odometry (VIO)
- System uses VIO to estimate true location without GPS

U.S. Military UAS Groups

The U.S. DoD classifies unmanned aerial systems into "Groups" according to their size and capability – capabilities increase with each number



GROUP 1 UAS

Weight: 0-20 lbs | **Speed:** 100kn
Nominal operating altitude: <1200 AGL
Type: Raven, Wasp, Puma



GROUP 4 UAS

Weight: >1,320 lbs | **Speed:** Any airspeed
Nominal operating altitude: > FL 18,000
Type: Predator, Gray Eagle



GROUP 2 UAS

Weight: 21-55 lbs | **Speed:** < 250kn
Nominal operating altitude: < 3500
AGL Type: Puma LE, ScanEagle, Flexrotor



GROUP 5 UAS

Weight: >1,320 lb | **Speed:** Any airspeed
Nominal operating altitude: > FL 18,000
Type: Reaper, Global Hawk



GROUP 3 UAS

Weight: < 1,320 lbs | **Speed:** < 250kn
Nominal operating altitude: < FL 18,000
Type: Jump 20, Shadow, VBAT



GROUP 6 UAS

Weight: >1,300 lbs | **Speed:** Any airspeed
Nominal operating altitude: > FL 60,000
Type: Sun glider, Zephyr, Phasa-35

Pursuing Continuous Improvement in Protection of Our People and Environment

We stand to protect the environment throughout our operations and the broader global value chain

In 2022, completed our first materiality assessment to align our Corporate Social Responsibility Strategy to our business priorities



Proud to be **one of the largest UAS manufacturers** to deliver a suite of **zero-emission, energy efficient, battery-powered UAS**



[30]% of our electricity consumed in FY23 came from renewable sources



Our **Environmental Management System** is certified by **ISO14001:2015** standard



Produce **stratospheric, solar powered UAS** for global connectivity



80% of product portfolio is battery-powered



Robust electronic waste recycling program, which capitalizes on salvaging components from obsolete technology

WE EMBRACE A DIVERSE, INCLUSIVE CULTURE

that encourages, supports and celebrates the diverse voices of our workforce and empowers us to create more meaningful and innovative solutions for humankind

Focused on employee training and development to strengthen our workforce capabilities in support of our business strategy

In 2023, launched a new leadership training program with FranklinCovey for leaders to excel in their roles

Focused on attracting the next generation of innovative minds through the internship program and college career fairs

86%

respondents to employee engagement survey say they are proud to tell others they work at AeroVironment

NATO and Allied Nations Are Increasing Defense Spending

Select Announcements Made by European and Allied Nations Regarding Defense Spend



Austria

Chancellor Nehammer announced gradual defense spend increase to 1.5% GDP by 2027



France

France approved €413B 2024-2030 defense budget, a 33%+ increase, to fund major modernization efforts



Korea

National Assembly approved 2023 budget including a 4.4% increase in defense spending



Spain

PM Sanchez indicated that Spain would increase defense spend to 2% GDP by 2029



Belgium

Premier De Croo announced 10% increase in defense spend, add'l €10B increase to 1.54% GDP by 2030



Germany

Chancellor Scholz pledged €100B modernization fund; commitment to 2% GDP spend



Netherlands

PM Rutte indicated Netherlands is boosting defense spend closer to 2% GDP by 2024



Sweden

PM Andersson announced ramp to 2% GDP defense spend as early as 2026; country applied to join NATO



Canada

Canada agreed to increase defense spending to 2% GDP, in line with other NATO countries



Greece

Government approved continuance of multi-billion Euro defense modernization; pledged higher spend



Norway

Defense Minister Gram announced 9.8% YoY increase in 2023 defense spend for preparedness, capability



Switzerland

Parliament approved a 25% increase in defense spending by 2030 to 1% GDP, in response to Ukraine invasion



Denmark

PM Frederiksen pledged a gradual ramp of defense spend to 2% GDP by 2033; DKK 7bn set aside next 2 yrs



Italy

PM Meloni announced continued intent to raise defense spend to 2% GDP, potential for €1.5B increase



Poland

PM Morawieck announced increase in defense spend to 4% GDP to speed armament procurement, starting in 2023



Turkey

President Erdogan announced intent to increase 2023 defense budget to a record ₺469B (~€26B)



Finland

Five-party gov't agreed to increase defense spend 70%+ (€2B) over next four years; country admitted to NATO



Japan

PM Kishida approved ¥1.4T increase in defense spend for 2023, ramping to 2% GDP defense spend by 2027



Romania

President Iohannis announced increase in defense spend to 2.5% GDP



UK

Finance Minister Hunt and Defense Secretary Wallace seeking "necessary" 3% GDP defense spend by 2030

In addition to announced budget increases, growing commitment to a common European defense are growing, which builds confidence toward investment into readiness, production and modernization of forces across the UK and the Continent and with select allies

Business Segments Key UAV Trends

Contested Environments

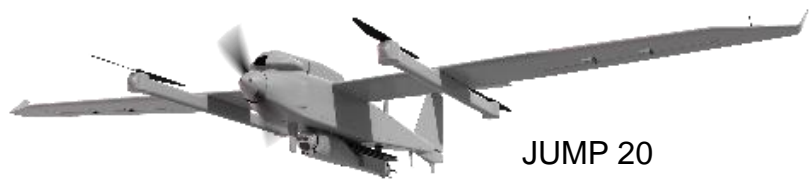


Visual Navigation Solution (VNS)



Vision Based Launch & Landing

Vertical Take-Off & Landing



JUMP 20



PUMA VTOL



Vapor 55 MX

Armed Platform Integrations



Helicopter Mounted Jackal Switchblade Variant



SB300 on Vapor 55MX



Hatchet Drop from JUMP 20

Increasing Demand for AV's Offerings



AV is the **world's top provider of intelligent, multi-domain robotic systems**



We **maintain market-leading franchises** in key segments of the unmanned market



We are **well-positioned to benefit from global trends:**

- Broader global threat environment and increased awareness of the seriousness of these threats
- Surging relevance and importance of drones and loitering munitions in modern combat
- Defense budgets and spend are increasing. Programs of record are being restructured to deploy unmanned systems – higher percent of the DoD's budget is being spent on our products
- Allied countries are restocking their systems

Increased demand for our systems creates a **clear path for sustained growth over the near- and long-term**

○ **AV is the solution for modern warfare**

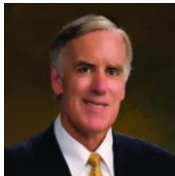
Highly Qualified and Engaged Board of Directors



Wahid Nawabi

Chairman & CEO
Director since 2016

E



Charles Thomas Burbage

Former EVP & GM, Lockheed Martin
Director since 2013

C + N E



Phil S. Davidson

Former 25th Commander of
U.S. Indo-Pacific Command
Director since 2023



Cindy Lewis

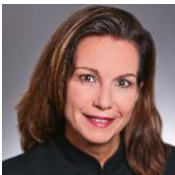
Former Chairperson, President &
CEO, Airborn Consolidated Holdings
Director since 2021

N



Joseph Votel

Retired Army General.
Former President & CEO of
Business Executives for
National Security (BENS)
Director since 2023



Mary Beth Long

Former Asst. Secretary of
Defense of International
Security Affairs
Director since 2023



Edward R. Muller

Lead Independent Director,
Former Vice Chairman of
NRG Energy
Director since 2013

A + C



Stephen F. Page

Former CEO, Otis Elevator
Director since 2013

A N +

BOARD SKILLS + EXPERTISE PROVIDE EFFECTIVE, STRATEGY-ALIGNED OVERSIGHT

(Number of Directors)

CEO / Executive Experience	8
Knowledge of Company Business	3
Defense / Aerospace Industry or Military Experience	7
Other Public Board Experience	4
Science, Technology and Innovation	3
Commercial Business Experience	4
Financial Literacy	5
Strategic Development Experience	5
Scaling Business Experience	6
Data Analytics Experience	1

Key Board Committees

+ Chair

C Compensation Committee

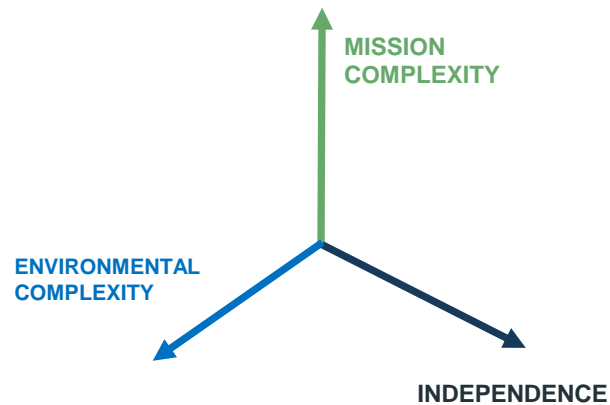
A Audit Committee

E Executive Committee

N Nominating and Corporate Governance Committee

Committed to ongoing refreshment and adding expertise in disciplines in priority areas for the business

Army Programs



Future Tactical UAS (FTUAS)

Army program for a rapidly deployable vertical take-off and landing (VTOL) runway-independent, unmanned aircraft, operational in GPS-denied environments, thus enabling better reconnaissance and surveillance operations. The program is for the selection of a replacement of 400 long serving RQ-7 Shadow UAS. Increment 0, 1 and 2 have been awarded to AV's JUMP 20.

Long Range Reconnaissance (LRR)

United States Army program to execute Reconnaissance, Surveillance and Target Acquisition (RSTA) missions during day and night operations in all environmental conditions.

Medium Range Reconnaissance (MRR)

Program for system that can be deployed for long range reconnaissance operations during any time of day in all environmental conditions.

Low Altitude Stalking and Strike Ordnance (LASSO) venture

Program designed for enhancing loitering munitions' ability to identify, track and neutralize threats in real time. LASSO also supports with the development of a family of interoperable weapon systems designed to operate in various configurations, including portable soldiers on the field.

Navy and USSOCOM Programs

NAVY

NAVY ISR

Navy is asking for industry input on a new unmanned aircraft system that would perform ISR missions. The system would support land-based and sea-based operations to provide reliable delivery of sensor data.

Replicator

Initiative to field thousands of autonomous systems across multiple domains within the next two years.

USSOCOM

Medium Endurance UAS (MEUAS)

Program to provide USSOCOM with UAVs and support for intelligence, surveillance and reconnaissance (ISR) operations.

Marine Corp. Programs



OPF-M

Program to provide the USMC ISR and precision indirect fire strike. SB600 competed in the phase 1 of this program, developed and held first fly-off demonstrations in 2021.

OF-L

Program to develop a system to address the U.S. Marine Corp's need for a proven precision strike loitering system. This contract was awarded to the backpackable Switchblade 300 which offers operators the flexibility to rapidly maneuver and employ the system on the ground.

GOPSS

Program for the development of a family of interoperable weapon systems designed to operate in various configuration, including portable soldiers on the field.

Integration of Switchblade onto Other Platforms & Programs



GDLS

Optionally Manned Fighting Vehicle (OMFV) – Program to provide low to medium altitude aircraft with modern datalinks, Electro-Optical/Infra-Red (EO/ IR) sensors, Infra-Red/Laser pointer/Laser designator/Laser range finder, data encryption, manned-unmanned teaming capabilities and the ability to operate autonomously, to provide commanders more flexibility in the battlefield.

NORTHROP

Long Range Precision Munition (LRPM) – United States Army program to execute Reconnaissance, Surveillance and Target Acquisition (RSTA) missions during day and night operations in all environmental conditions.

The Switchblade integrated with systems at various AUSA booths. Pictured in clock-wise order: QinetiQ, Northrop Grumman, GDLS (on Stryker and M1 tank), AM General (Humvee) on Blade vehicle

Future of Unmanned Systems



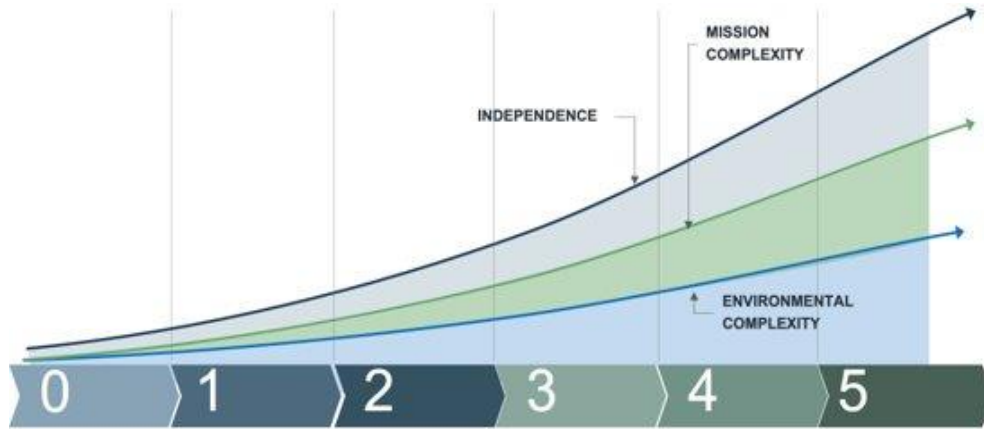
Switchblade 300

- Navy and U.S. Marine Corps are interested in various tiers of armed drone boats capable of carrying out defensive and offensive missions.
- The Switchblade 300 [pictured] is a small loitering munition with a four-pound high-explosive warhead and a maximum range of up to over 6 miles.
- The drone can navigate to a specified area or engage a designated target, even one that's moving, autonomously.
- Human at the controls can make course corrections and wave off an attack, including due to the sudden appearance of innocent bystanders in the target area.

How AeroVironment will Benefit from Autonomy

Autonomy

- Freedom and independence from external control or influence.
- In the context of unmanned/robotic systems this means:



- **Safe:** The system can operate safely without constant oversight and stay within its own limitations.
 - **Cognitive:** The system understands its role in the context of the mission and performs that function.
 - **Dynamic:** The system can adapt to unexpected situations or a change in mission status.
 - **System:** Autonomy is a system consisting of multiple components that have to work together.
- Primary Goal: Provide a beneficial mission capability with increased operational advantage while reducing the human burden.