



AV Partners with City of Albuquerque and State of New Mexico in Defense Manufacturing Expansion

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\$6 million incentive package tied to job creation milestones as AV commits more than \$30 million in local investment and workforce growth

ALBUQUERQUE, N.M.--(BUSINESS WIRE)--Mar. 3, 2026-- AeroVironment, Inc. ("AV") (NASDAQ: AVAV), a global leader in advanced defense and aerospace solutions, today announced plans to invest more than \$30 million to significantly expand its manufacturing operations in Albuquerque, New Mexico.

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AV's LOCUST™ directed energy system is manufactured at the company's Albuquerque, New Mexico facility, where advanced manufacturing and precision engineering come together to deliver scalable, speed-of-light defense capabilities for counter-UAS missions.

Supported by an initial \$5 million from the State of New Mexico and \$1 million from the City of Albuquerque through the Local Economic Development Act (LEDA), the investment will expand AV's manufacturing operations across its three existing manufacturing sites in the Sandia Science & Technology Park while supporting major capital equipment purchases and workforce growth.

"The growth we're driving in Albuquerque goes beyond our own business," said Wahid Nawabi, Chairman, President, and Chief Executive Officer at AV. "It's about strengthening the domestic defense industrial base, creating high-quality American jobs, and partnering with New Mexico to continue to develop a durable innovation and manufacturing hub that can deliver when it matters most."

The investment will further establish a vertically integrated, next-generation manufacturing campus expected to generate more than \$670 million in economic impact over the next 10 years, boost production of mission-critical defense and space technologies, create more than 450 high-wage jobs, and strengthen New Mexico's role in the U.S. defense industrial base by enabling scaled domestic production of directed energy systems and space-grade components that support national security and resilient supply chains.

As part of the expansion, the State of New Mexico and City of Albuquerque have approved a \$6 million performance-based incentive package, structured as cash reimbursements tied to verified hiring milestones. The incentive reflects AV's long-term commitment to New Mexico's advanced manufacturing and technology workforce, where the company currently employs more than 400 people and has a proven growth record of nearly 30 percent year-over-year from 2023 to 2026.

AV's Albuquerque operations are a cornerstone of the company's advanced manufacturing strategy, anchored by its Space & Directed Energy Group, which supports next-generation defense, aerospace, and commercial space programs and develops advanced capabilities, including laser communications, counter-UAS systems, and autonomous and space-based solutions, while also supporting prototype development for U.S. military customers and regional testing and operations.

"This move marks a step change in our ability to deliver mission-critical capabilities at scale," said Mary Clum, President of AV's Space, Cyber & Directed Energy segment. "Albuquerque is a strategic production and integration hub for space-grade components and directed energy systems that directly support U.S. national security priorities. The state's partnership allows us to accelerate manufacturing, strengthen domestic supply chains, and deliver advanced capabilities to our customers faster and more reliably."

AV currently manufactures several products critical to national security priorities, including advanced radio frequency (RF) systems, satellite communications ground terminals, laser systems and stabilized precision optics and tracking technologies, among others.

"This expansion comes as the federal government continues to emphasize the importance of defense contractors leaning forward, investing in domestic facilities, resilient supply chains, and skilled workforces that can deliver critical capabilities at scale, on time, and cost-effectively," said Church Hutton, Chief Growth Officer at AV. "AV's Albuquerque growth reflects this national priority and positions the company to meet accelerating demand across defense, aerospace, and space markets."

"Albuquerque is where defense innovation becomes advanced manufacturing," said Mayor Tim Keller. "With LEDA support, AV Defense is expanding here, bringing hundreds of good-paying jobs and strengthening our local economy."

About AV

AeroVironment ("AV") (NASDAQ: AVAV) is a defense technology leader delivering integrated capabilities across air, land, sea, space, and cyber. The Company develops and deploys autonomous systems, loitering munitions, counter-UAS technologies, space-based platforms, directed energy systems, and cyber and electronic warfare capabilities—built to meet the mission needs of today's warfighter and tomorrow's conflicts. At the core of these technologies lies AV_Halo™, a modular, mission-ready suite of AI-powered software tools that empowers warfighters and enables full-battlefield dominance: detect, decide, deliver. With a national manufacturing footprint and a deep innovation pipeline, AV delivers proven systems and future-defining capabilities at speed, scale, and operational relevance. For more information, visit www.avinc.com.

Safe Harbor Statement

Certain statements in this press release may constitute "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. These statements are based on current expectations, forecasts, and assumptions that involve risks and uncertainties, which could cause actual

results to differ materially. Factors that may cause such differences include, but are not limited to, our ability to perform under existing contracts and obtain new ones; regulatory changes; competitor activities; market growth; product development challenges; and general economic conditions. For a more detailed discussion of these risks, please refer to AeroVironment's filings with the Securities and Exchange Commission. We undertake no obligation to update forward-looking statements as a result of new information or future events.

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