Exhibit 99.2

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **March 6, 2023**

AEROVIRONMENT, INC.
(Exact name of registrant as specified in its charter)

Delaware	**001-33261**	**95-2705790**
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(I.R.S. Employer Identification No.)

241 18th Street South, Suite 415 Arlington, Virginia	**22202**
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code: **(805) 520-8350**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.0001 per share	AVAV	The NASDAQ Stock Market LLC

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02. Results of Operations and Financial Condition

On March 6, 2023, AeroVironment, Inc. (the "Company") issued a press release announcing third quarter financial results for the period ended January 28, 2023, a copy of which is attached hereto as Exhibit 99.1.

Item 7.01. Regulation FD Disclosure

The information under Item 2.02 above is incorporated herein by reference.

Attached as Exhibit 99.2 hereto is a presentation containing additional information regarding the Company's third quarter fiscal 2023 financial results for the period ended January 28, 2023. A copy of the presentation is also available on the investor relations section of the Company's website at https://investor.avinc.com/events-and-presentations. The information contained on the Company's website is not incorporated by reference into, and does not form a part of, this Current Report on Form 8-K.

In addition to historic information, this report, including the exhibits, contains forward-looking statements regarding events, performance and financial trends. Various factors could affect future results and could cause actual results to differ materially from those expressed in or implied by the forward-looking statements. Some of those factors are identified in the exhibits, and in our periodic reports filed with the Securities and Exchange Commission.

The information in this Current Report on Form 8-K, including the exhibits, is furnished pursuant to Items 2.02 and 7.01 and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing of AeroVironment, Inc. under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date hereof, except as shall be expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits.

Exhibit Number	Description
99.1	Press release issued by AeroVironment, Inc., dated March 6, 2023.
99.2	Presentation regarding AeroVironment, Inc.'s third quarter fiscal 2023 financial results dated March 6, 2023.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AEROVIRONMENT, INC.

Date: March 6, 2023

By: /s/ Wahid Nawabi
Wahid Nawabi
Chairman, President and Chief Executive Officer

2411 8th Street South, Suite 415, Arlington, VA 22202
avinc.com // NASDAQ: AVAV

PRESS RELEASE

AeroVironment Announces Fiscal 2023 Third Quarter Results

ARLINGTON, VA, March 6, 2023 — AeroVironment, Inc. (NASDAQ: AVAV), a global leader in intelligent, multi-domain robotic systems, today reported financial results for the fiscal third quarter ended January 28, 2023.

Third Quarter Highlights

- Third quarter revenue of $134.4 million, up 49% year-over-year
- Third quarter gross margin of $45.5 million, an increase of 112% year-over-year; gross margin percentage of 34% rose approximately 1,000 basis points
- Third quarter net loss attributable to AeroVironment of $(0.7) million and non-GAAP adjusted EBITDA of $23 million
- Record funded backlog of $413.9 million as of January 28, 2023, an increase of 83% year-over-year

“This quarter once again demonstrated the ongoing robust strength of our business, with performance that met or exceeded our expectations” said Wahid Nawabi, AeroVironment chairman, president and chief executive officer. “Our performance, reflects strong, growing demand for our broad portfolio of innovative unmanned robotics solutions, with results particularly driven by the significant rise in orders for our advanced Puma and Switchblade systems. AeroVironment’s products and services are proving to be essential to Ukraine’s defense efforts, of which we’re very proud.

“This quarter’s performance sets the stage for a strong finish to fiscal 2023 – a transformational year for the Company – and we have modestly increased our top line guidance accordingly. We have also reduced our EPS guidance based on two non-cash impacts; accelerated depreciation tied to our Medium UAS business and greater than expected unrealized losses tied to our equity investments. We believe the Company is well positioned for even better results going forward, as we leverage our attractive, cutting-edge portfolio of products and services to drive continued double-digit organic top-line growth and solid bottom line results.”

FISCAL 2023 THIRD QUARTER RESULTS

Revenue for the third quarter of fiscal 2023 was $134.4 million, an increase of 49% from the third quarter of fiscal 2022 revenue of $90.1 million. The increase in revenue reflects an increase in product sales of $48.6 million, partially offset by a decrease in service revenue of $4.3 million. The overall increase in revenue was primarily due to an increase in revenue in the Small UAS segment of $45.0 million and the Tactical Missile Systems (“TMS”) segment of $5.4 million, partially offset by a decrease in revenue in the Medium UAS segment of $5.8 million.

Gross margin for the third quarter of fiscal 2023 was $45.5 million, an increase of 112% from the third quarter of fiscal 2022 gross margin of $21.4 million. The increase in gross margin reflects higher product margin of $23.0 million and higher service margin of $1.0 million. As a percentage of revenue, gross margin increased to 34% from 24%. The increase in gross margin percentage was primarily related to a favorable product mix and a decrease in non-cash purchase accounting related expenses. Gross margin was negatively impacted by $3.3 million of intangible amortization expense and other related non-cash purchase accounting expenses in the third quarter of fiscal 2023 as compared to $5.1 million in the third quarter of fiscal 2022.

Income from operations for the third quarter of fiscal 2023 was $4.6 million, an increase of $18.7 million from the third quarter of fiscal 2022 loss from operations of $14.1 million. The increase in income from operations was primarily the result of an increase in gross margin of $24.1 million, partially offset by an increase in research and development ("R&D") expense of $3.1 million and an increase in selling, general and administrative ("SG&A") expense of $2.2 million.

Other loss, net, for the third quarter of fiscal 2023 was $5.4 million, as compared to $1.5 million for the third quarter of fiscal 2022. The increase in interest expense was primarily due to an increase in interest rates on the Company's debt facility. Other loss, net for the third quarter of fiscal 2023 includes unrealized losses associated with decreases in the fair market value of equity security investments.

Benefit from income taxes for the third quarter of fiscal 2023 was $0.5 million, as compared to a benefit from income taxes of $(15.4) million for the third quarter of fiscal 2022. The decrease in benefit from income taxes was primarily due to a change in estimate of the full year expected pre-tax loss during the prior year quarter.

Equity method investment loss, net of tax, for the third quarter of fiscal 2023 was $(0.4) million, as compared to equity method investment income $0.2 million for the third quarter of fiscal 2022. Subsequent to the sale of the equity interest in HAPSMobile during the three months ended April 30, 2022, equity method investment loss, net of tax no longer includes activity from HAPSMobile.

Net loss attributable to AeroVironment for the third quarter of fiscal 2023 was $0.7 million, or $(0.03) per diluted share, as compared to net income of $10 thousand, or $0 per diluted share, for the third quarter of fiscal 2022, respectively.

Non-GAAP adjusted EBITDA for the third quarter of fiscal 2023 was approximately $23 million and non-GAAP earnings per diluted share was $0.33, as compared to approximately $6 million and $0.31, respectively, for the third quarter of fiscal 2022.

BACKLOG

As of January 28, 2023, funded backlog (defined as remaining performance obligations under firm orders for which funding is currently appropriated to the Company under a customer contract) was $413.9 million, as compared to $210.8 million as of April 30, 2022.

FISCAL 2023 — OUTLOOK FOR THE FULL YEAR

For the fiscal year 2023, the Company now expects revenue of between $510 million and $525 million, net income of between $0 and $5 million, Non-GAAP adjusted EBITDA of between $89 million and $95 million, earnings per diluted share of between $0.01 and $0.21 and non-GAAP earnings per diluted share, which excludes amortization of intangible assets, other non-cash purchase accounting expenses and equity securities investments gains or losses, of between $1.13 and $1.33.

The foregoing estimates are forward-looking and reflect management's view of current and future market conditions, subject to certain risks and uncertainties, and including certain assumptions with respect to our ability to efficiently and on a timely basis integrate our acquisitions, obtain and retain government contracts, changes in the timing and/or amount of government spending, changes in the demand for our products and services, activities of competitors, changes in the regulatory environment, and general economic and business conditions in the United States and elsewhere in the world. Investors are reminded that actual results may differ materially from these estimates.

CONFERENCE CALL AND PRESENTATION

In conjunction with this release, AeroVironment, Inc. will host a conference call today, Monday, March 6, 2023, at 4:30 pm Eastern Time that will be webcast live. Wahid Nawabi, chairman, president and chief executive officer, Kevin P. McDonnell, chief financial officer and Jonah Teeter-Balin, senior director corporate development and investor relations, will host the call.

New this quarter, investors may access the call by registering via the following participant registration link up to ten minutes prior to the start time.

Participant registration URL: https://register.vevent.com/register/BIac3afa4fd07640f5babfc44519728c67

Investors may also listen to the live audio webcast via the Investor Relations page of the AeroVironment, Inc. website, http://investor.avinc.com. Please allow 15 minutes prior to the call to download and install any necessary audio software.

A supplementary investor presentation for the third quarter fiscal year 2023 can be accessed at https://investor.avinc.com/events-and-presentations.

Audio Replay

An audio replay of the event will be archived on the Investor Relations section of the Company's website at http://investor.avinc.com.

ABOUT AEROVIRONMENT, INC.

AeroVironment (NASDAQ: AVAV) provides technology solutions at the intersection of robotics, sensors, software analytics and connectivity that deliver more actionable intelligence so you can **Proceed with Certainty**. Headquartered in Virginia, AeroVironment is a global leader in intelligent, multi-domain robotic systems, and serves defense, government and commercial customers. For more information, visit www.avinc.com.

FORWARD-LOOKING STATEMENTS

This press release contains "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.

NON-GAAP MEASURES

In addition to the financial measures prepared in accordance with generally accepted accounting principles (GAAP), this earnings release also contains non-GAAP financial measures. See in the financial tables below the calculation of these measures, the reasons why we believe these measures provide useful information to investors, and a reconciliation of these measures to the most directly comparable GAAP measures.

– Financial Tables Follow –

AeroVironment, Inc.
Consolidated Statements of Operations (Unaudited)
(In thousands except share and per share data)

	Three Months Ended		Nine Months Ended	
	January 28, 2023	January 29, 2022	January 28, 2023	January 29, 2022
	(Unaudited)		(Unaudited)	
Revenue:				
Product sales	$ 91,216	$ 42,599	$ 211,533	$ 166,713
Contract services	43,179	47,494	142,962	146,397
	134,395	90,093	354,495	313,110
Cost of sales:				
Product sales	54,866	29,294	127,210	100,821
Contract services	34,019	39,363	122,171	119,675
	88,885	68,657	249,381	220,496
Gross margin:				
Product sales	36,350	13,305	84,323	65,892
Contract services	9,160	8,131	20,791	26,722
	45,510	21,436	105,114	92,614
Selling, general and administrative	24,746	22,549	70,302	74,496
Research and development	16,157	13,013	47,793	41,018
Income (loss) from operations	4,607	(14,126)	(12,981)	(22,900)
Other (loss) income:				
Interest expense, net	(2,810)	(1,510)	(6,722)	(4,164)
Other (expense) income, net	(2,587)	34	(2,183)	(10,360)
Loss before income taxes	(790)	(15,602)	(21,886)	(37,424)
Benefit from income taxes	(531)	(15,396)	(8,382)	(25,864)
Equity method investment (loss) income, net of tax	(417)	171	(2,190)	163
Net loss	(676)	(35)	(15,694)	(11,397)
Net loss (income) attributable to noncontrolling interest	—	45	(45)	(49)
Net (loss) income attributable to AeroVironment, Inc.	$ (676)	$ 10	$ (15,739)	$ (11,446)
Net loss per share attributable to AeroVironment, Inc.				
Basic	$ (0.03)	$ —	$ (0.63)	$ (0.46)
Diluted	$ (0.03)	$ —	$ (0.63)	$ (0.46)
Weighted-average shares outstanding:				
Basic	25,012,412	24,710,991	24,906,977	24,657,846
Diluted	25,012,412	24,879,643	24,906,977	24,657,846

AeroVironment, Inc.
Consolidated Balance Sheets
(In thousands except share data)

	January 28, 2023 (Unaudited)	April 30, 2022
Assets		
Current assets:		
Cash and cash equivalents	$ 78,276	$ 77,231
Short-term investments	—	24,716
Accounts receivable, net of allowance for doubtful accounts of $61 at January 28, 2023 and $592 at April 30, 2022	52,871	60,170
Unbilled receivables and retentions	109,289	104,194
Inventories, net	125,942	90,629
Income taxes receivable	9,180	442
Prepaid expenses and other current assets	15,323	11,527
Total current assets	390,881	368,909
Long-term investments	19,319	15,433
Property and equipment, net	45,388	62,296
Operating lease right-of-use assets	28,336	26,769
Deferred income taxes	8,540	7,290
Intangibles, net	83,442	97,224
Goodwill	336,555	334,347
Other assets	8,741	1,932
Total assets	$ 921,202	$ 914,200
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 26,420	$ 19,244
Wages and related accruals	27,135	25,398
Customer advances	22,553	8,968
Current portion of long-term debt	10,000	10,000
Current operating lease liabilities	7,794	6,819
Income taxes payable	26	759
Other current liabilities	22,469	30,203
Total current liabilities	116,397	101,391
Long-term debt, net of current portion	155,763	177,840
Non-current operating lease liabilities	22,630	21,915
Other non-current liabilities	742	768
Liability for uncertain tax positions	1,450	1,450
Deferred income taxes	2,707	2,626
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $0.0001 par value:		
Authorized shares—10,000,000; none issued or outstanding at January 28, 2023 and April 30, 2022	—	—
Common stock, $0.0001 par value:		
Authorized shares—100,000,000		
Issued and outstanding shares—25,264,025 shares at January 28, 2023 and 24,951,287 shares at April 30, 2022	4	2
Additional paid-in capital	295,070	267,248
Accumulated other comprehensive loss	(5,055)	(6,514)
Retained earnings	331,494	347,233
Total AeroVironment, Inc. stockholders' equity	621,513	607,969
Noncontrolling interest	—	241
Total equity	621,513	608,210
Total liabilities and stockholders' equity	$ 921,202	$ 914,200

AeroVironment, Inc.
Consolidated Statements of Cash Flows (Unaudited)
(In thousands)

	Nine Months Ended	
	January 28, 2023	January 29, 2022
Operating activities		
Net loss	$ (15,694)	$ (11,397)
Adjustments to reconcile net loss from operations to cash provided by (used in) operating activities:		
Depreciation and amortization	48,109	47,437
Loss (income) from equity method investments	2,190	(799)
Loss on deconsolidation of previously controlled subsidiary	189	—
Amortization of debt issuance costs	634	386
Provision for doubtful accounts	5	(20)
Other non-cash expense, net	935	440
Non-cash lease expense	5,866	5,033
Loss on foreign currency transactions	38	34
Unrealized loss on available-for-sale equity securities, net	1,798	—
Deferred income taxes	(1,250)	(1,195)
Stock-based compensation	7,108	3,957
Loss on disposal of property and equipment	1,193	5,063
Amortization of debt securities discount	125	117
Changes in operating assets and liabilities, net of acquisitions:		
Accounts receivable	6,847	21,901
Unbilled receivables and retentions	(5,098)	(25,597)
Inventories	(39,324)	(21,590)
Income taxes receivable	(9,388)	(26,208)
Prepaid expenses and other assets	(3,114)	1,789
Accounts payable	7,789	(10,720)
Other liabilities	(157)	(11,807)
Net cash provided by (used in) operating activities	8,801	(23,176)
Investing activities		
Acquisition of property and equipment	(10,116)	(17,064)
Equity method investments	(2,774)	(6,884)
Equity security investments	(5,100)	—
Business acquisitions, net of cash acquired	(5,105)	(46,150)
Proceeds from deconsolidation of previously controlled subsidiary, net of cash deconsolidated	(635)	—
Redemptions of available-for-sale investments	25,945	35,851
Purchases of available-for-sale investments	(1,326)	(2,987)
Other	—	225
Net cash provided by (used in) investing activities	889	(37,009)
Financing activities		
Principal payments of term loan	(22,500)	(7,500)
Holdback and retention payments for business acquisition	—	(5,991)
Proceeds from shares issued, net of issuance costs	20,104	—
Tax withholding payment related to net settlement of equity awards	(853)	(1,176)
Exercise of stock options	868	2,776
Other	(21)	(23)
Net cash used in financing activities	(2,402)	(11,914)
Effects of currency translation on cash and cash equivalents	695	(613)
Net increase (decrease) in cash, cash equivalents, and restricted cash	7,983	(72,712)
Cash, cash equivalents and restricted cash at beginning of period	77,231	157,063
Cash, cash equivalents and restricted cash at end of period	$ 85,214	$ 84,351
Supplemental disclosures of cash flow information		
Cash paid, net during the period for:		
Income taxes	$ 1,192	$ 1,923
Interest	$ 5,697	$ 3,465
Non-cash activities		
Unrealized (gain) loss on available-for-sale investments, net of deferred tax expense of $0 and $1 for the nine months ended January 28, 2023 and January 29, 2022, respectively	$ (26)	$ 6
Change in foreign currency translation adjustments	$ 1,433	$ (3,771)
Issuances of inventory to property and equipment, ISR in-service assets	$ 4,677	$ 16,680
Acquisitions of property and equipment included in accounts payable	$ 731	$ 626

AeroVironment, Inc.
Reportable Segment Results (Unaudited)
(In thousands)

	Three Months Ended January 28, 2023					
	Small UAS	TMS	MUAS	HAPS	All other	Total
Revenue	$ 69,376	$ 24,015	$ 15,405	$ 8,938	$ 16,661	$ 134,395
Gross margin	32,937	7,841	(2,008)	2,733	4,007	45,510
Income (loss) from operations	18,548	(129)	(11,824)	1,334	(3,322)	4,607
Acquisition-related expenses	-	-	129	-	157	286
Amortization of acquired intangible assets and other purchase accounting adjustments	669	-	5,215	-	1,262	7,146
Adjusted income (loss) from operations	$ 19,217	$ (129)	$ (6,480)	$ 1,334	$ (1,903)	$ 12,039

	Three Months Ended January 29, 2022					
	Small UAS	TMS	MUAS	HAPS	All other	Total
Revenue	$ 24,366	$ 18,603	$ 21,168	$ 9,543	$ 16,413	$ 90,093
Gross margin	8,656	5,209	335	3,173	4,063	21,436
Income (loss) from operations	(3,606)	(1,289)	(8,623)	1,574	(2,182)	(14,126)
Acquisition-related expenses	99	54	41	19	155	368
Amortization of acquired intangible assets and other purchase accounting adjustments	707	-	5,641	2	3,033	9,383
Adjusted income (loss) from operations	$ (2,800)	$ (1,235)	$ (2,941)	$ 1,595	$ 1,006	$ (4,375)

AeroVironment, Inc.
Reconciliation of non-GAAP Earnings per Diluted Share (Unaudited)

	Three Months Ended January 28, 2023	Three Months Ended January 29, 2022	Nine Months Ended January 28, 2023	Nine Months Ended January 29, 2022
(Loss) earnings per diluted share	$ (0.03)	$ —	$ (0.63)	$ (0.46)
Acquisition-related expenses	0.01	0.02	0.04	0.16
Amortization of acquired intangible assets and other purchase accounting adjustments	0.22	0.30	0.69	0.92
Equity method and equity securities investments activity, net	0.13	(0.01)	0.16	(0.01)
Legal accrual related to our former EES business	—	—	—	0.32
Earnings per diluted share as adjusted (Non-GAAP)	$ 0.33	$ 0.31	$ 0.26	$ 0.93

Reconciliation of non-GAAP adjusted EBITDA (Unaudited)

(in millions)	Three Months Ended January 28, 2023	Three Months Ended January 29, 2022	Nine Months Ended January 28, 2023	Nine Months Ended January 29, 2022
Net (loss) income	$ (1)	$ —	$ (16)	$ (11)
Interest expense, net	3	2	7	4
Benefit from income taxes	(1)	(15)	(8)	(26)
Depreciation and amortization	16	17	48	48
EBITDA (Non-GAAP)	17	4	31	15
Amortization of purchase accounting adjustment included in loss on disposal of property and equipment	—	2	—	1
Stock-based compensation	3	—	7	4
Equity method and equity securities investments activity, net	3	—	4	—
Acquisition-related expenses	—	—	1	5
Legal accrual related to our former EES business	—	—	—	10
Adjusted EBITDA (Non-GAAP)	$ 23	$ 6	$ 43	$ 35

Reconciliation of Forecast Earnings per Diluted Share (Unaudited)

	Fiscal year ending April 30, 2023
Forecast (loss) earnings per diluted share	$ 0.01 - 0.21
Acquisition-related expenses	0.05
Amortization of acquired intangible assets and other purchase accounting adjustments	0.91
Equity method and equity securities investments activity, net	0.16
Forecast earnings per diluted share as adjusted (Non-GAAP)	$ 1.13 - 1.33

Reconciliation of 2023 Forecast and Fiscal Year 2022 Actual Non-GAAP adjusted EBITDA (Unaudited)

(in millions)	Fiscal year ending April 30, 2023	Fiscal year ended April 30, 2022
Net income (loss)	$ 0 - 5	$ (4)
Interest expense, net	10	5
Benefit from income taxes	(4) - (3)	(10)
Depreciation and amortization	69	61
EBITDA (Non-GAAP)	75 - 81	52
Amortization of purchase accounting adjustment included in loss on disposal of property and equipment	—	1
Stock-based compensation	9	5
Sale of ownership in HAPSMobile Inc. joint venture	—	(6)
Equity method and equity securities investments activity, net	4	(5)
Legal accrual related to our former EES business	—	10
Acquisition-related expenses	1	5
Adjusted EBITDA (Non-GAAP)	$ 89 - 95	$ 62

Statement Regarding Non-GAAP Measures

The non-GAAP measures set forth above should be considered in addition to, and not as a replacement for or superior to, the comparable GAAP measures, and may not be comparable to similarly titled measures reported by other companies. Management believes that these measures provide useful information to investors by offering additional ways of viewing our results that, when reconciled to the corresponding GAAP measures, help our investors to understand the long-term profitability trends of our business and compare our profitability to prior and future periods and to our peers. In addition, management uses these non-GAAP measures to evaluate our operating and financial performance.

Non-GAAP Adjusted Operating Income

Adjusted operating income is defined as operating income before intangible amortization, amortization of non-cash purchase accounting adjustments, and acquisition related expenses.

Non-GAAP Earnings per Diluted Share

We exclude the acquisition-related expenses, amortization of acquisition-related intangible assets, equity securities investments gains or losses and one-time non-operating items because we believe this facilitates more consistent comparisons of operating results over time between our newly acquired and existing businesses, and with our peer companies. We believe, however, that it is important for investors to understand that such intangible assets contribute to revenue generation and that intangible asset amortization will recur in future periods until such intangible assets have been fully amortized.

Adjusted EBITDA (Non-GAAP)

Adjusted EBITDA is defined as net income before interest income, interest expense, income tax expense (benefit) and depreciation and amortization including amortization of purchase accounting adjustments, adjusted for the impact of certain other items, including stock-based compensation, acquisition related expenses, equity method investment gains or losses, equity securities investments gains or losses, and one-time non-operating gains or losses. We present Adjusted EBITDA, which is not a recognized financial measure under U.S. GAAP, because we believe it is frequently used by analysts, investors and other interested parties to evaluate companies in our industry. We believe this facilitates more consistent comparisons of operating results over time between our newly acquired and existing businesses, and with our peer companies. We believe, however, that it is important for investors to understand that such intangible assets contribute to revenue generation, intangible asset amortization will recur in future periods until such intangible assets have been fully amortized and that interest and income tax expenses will recur in future periods. In addition, Adjusted EBITDA may not be comparable to similarly titled measures used by other companies in our industry or across different industries.

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For additional media and information, please follow us

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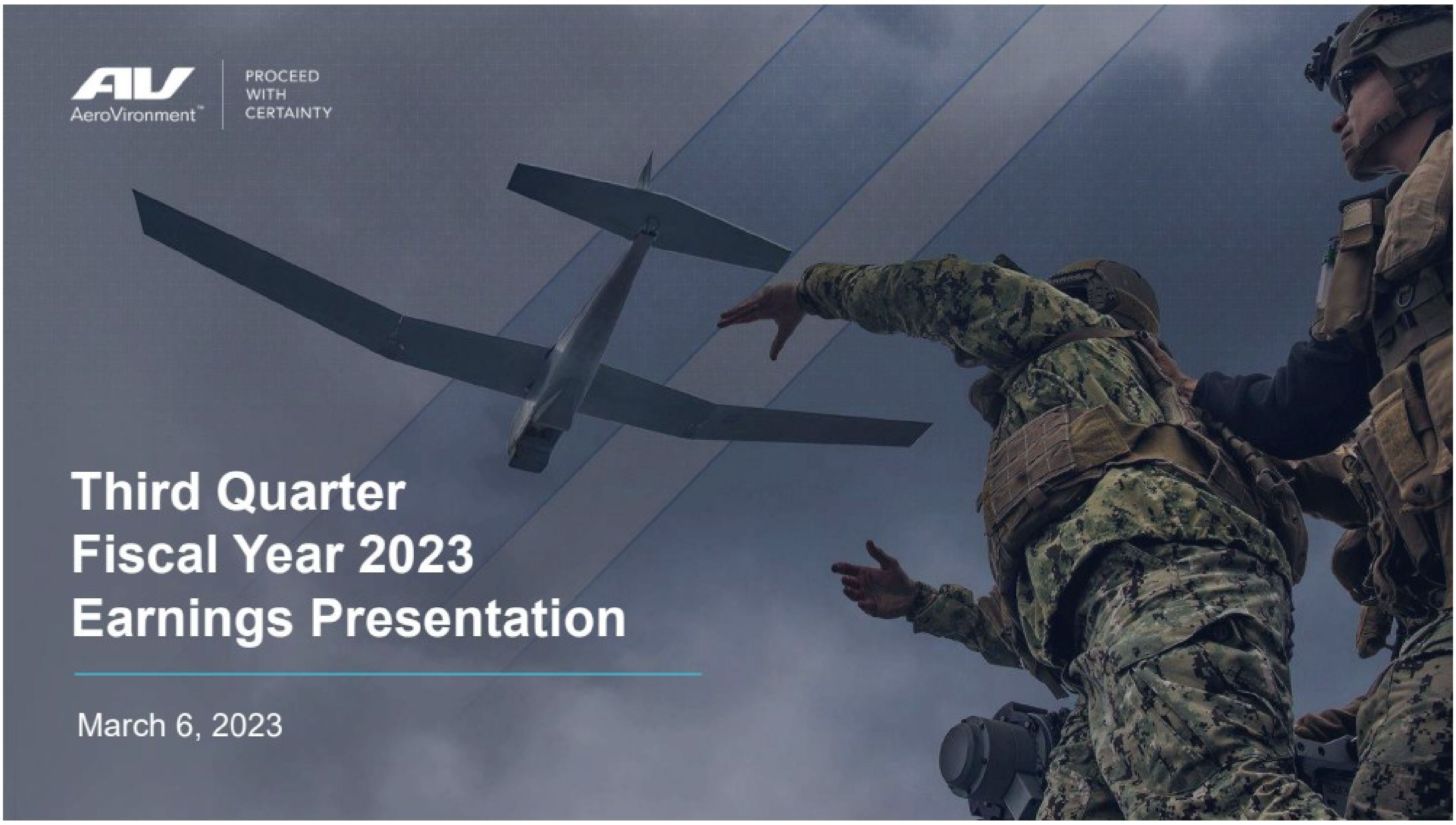
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Third Quarter
Fiscal Year 2023
Earnings Presentation
March 6, 2023

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.

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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 EBITDA[1] 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

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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

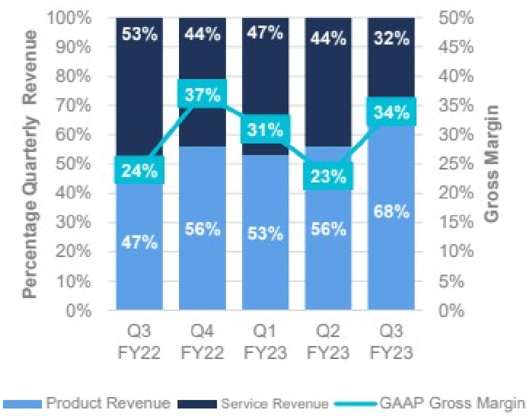
[1] Q3 net loss $0.7m. Refer to Adjusted EBITDA reconciliation on Appendix D.
[2] Q3 GAAP EPS was negative $0.03 per diluted share. Refer to Reconciliation of Non-GAAP Earnings Per Diluted Share on Appendix A.

Revenue Mix by Segment and Type

QUARTERLY REVENUE BY SEGMENT

	Q3 FY22	Q4 FY22	Q1 FY23	Q2 FY23	Q3 FY23
Other	$16.4	$17.0	$12.8	$17.5	$16.7
HAPS [1]	$9.5	$13.1	$10.2	$9.1	$8.9
TMS	$18.6	$20.2	$23.0	$31.1	$24.0
MUAS [2]	$21.2	$23.1	$19.3	$27.3	$15.4
SUAS	$24.4	$59.2	$43.3	$26.7	$69.4

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

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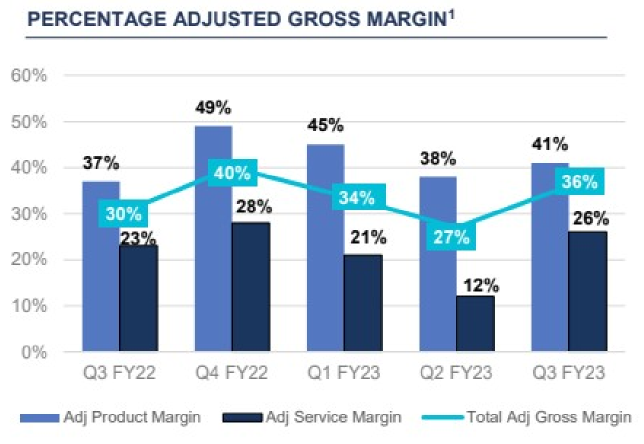
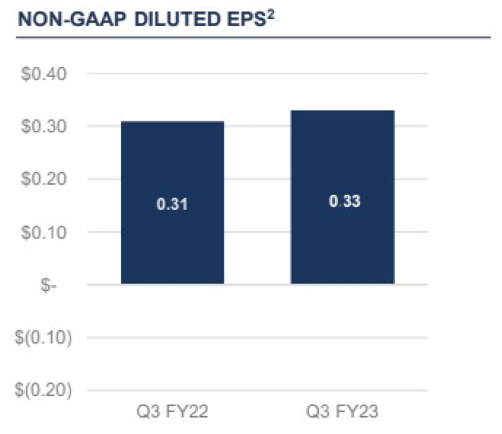
Adjusted Profitability by Type and Non-GAAP EPS





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.

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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.

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.

[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.

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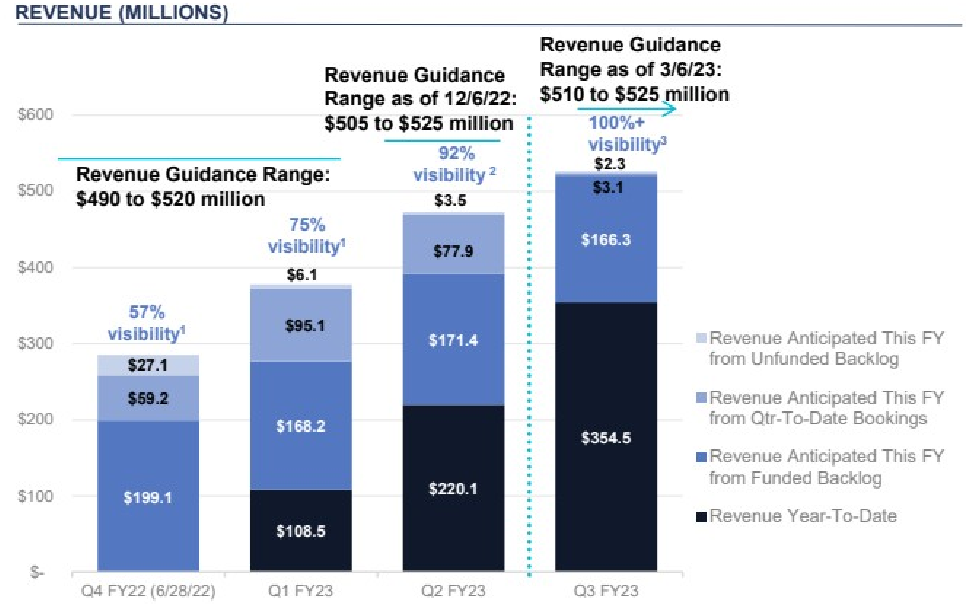
Visibility for FY23



Company visibility supports revised revenue guidance range

[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

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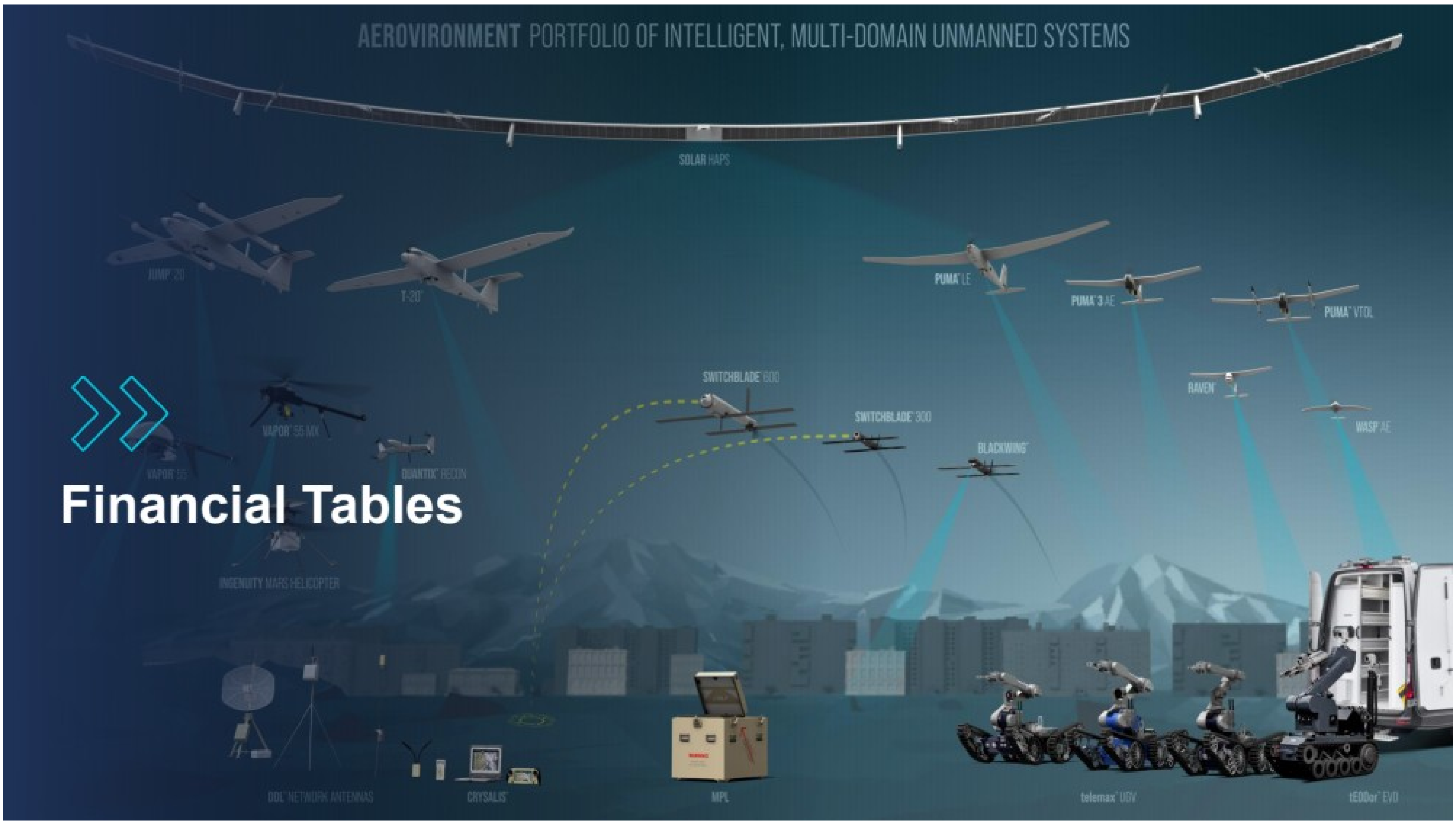

Financial Tables

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)	$ 0.33	$ 0.31	$ 1.06

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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)	$	1.13 - 1.33

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

(in thousands)	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%

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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

(in millions)		**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