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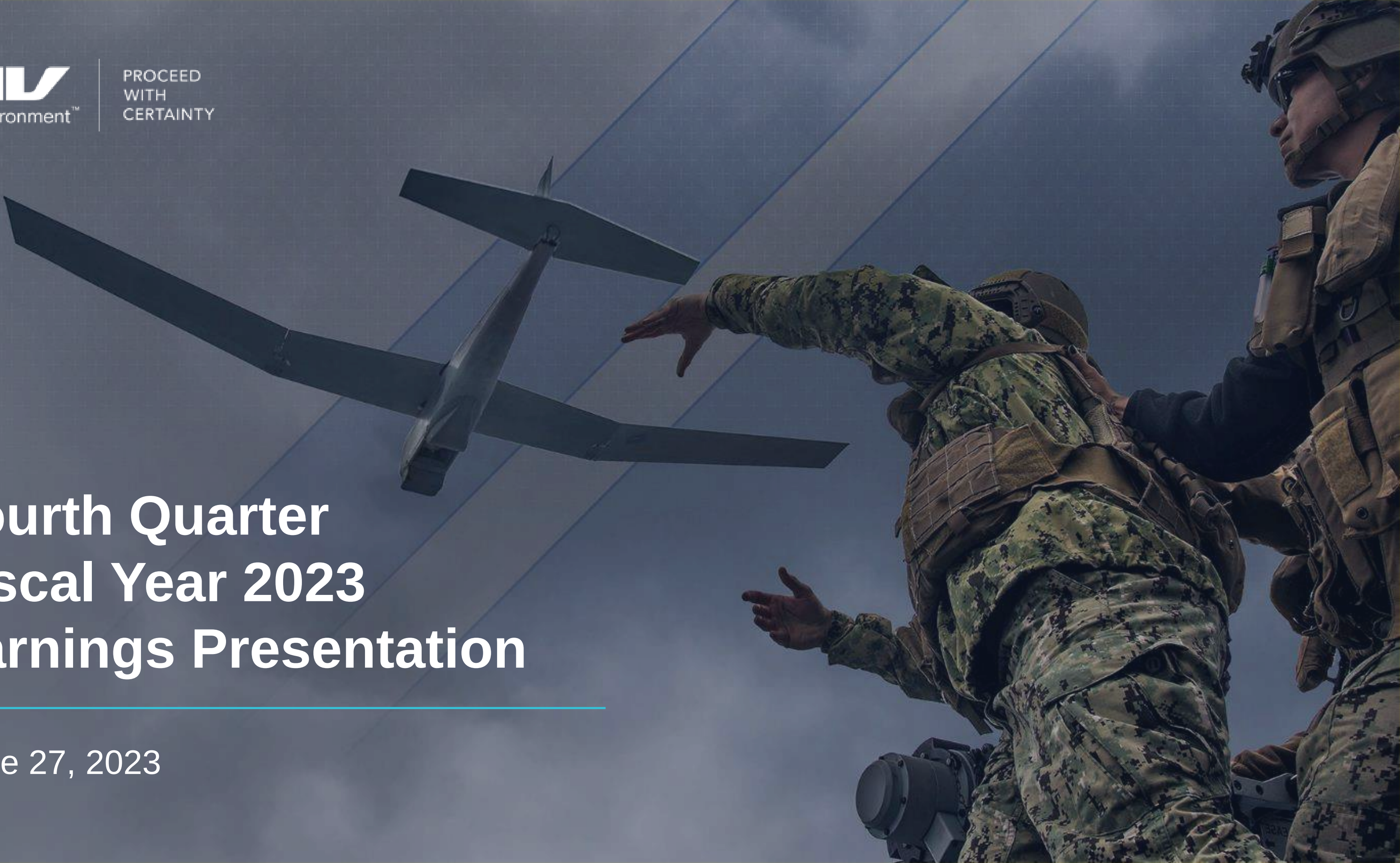

Fourth Quarter Fiscal Year 2023 Earnings Presentation

June 27, 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; 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 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 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 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.

Fourth Quarter Fiscal Year 2023 Key Messages

- Record 4th quarter revenue driven by strong performance across the portfolio led by SUAS and TMS segments
- Exited year with record funded backlog of **$424 million** as of April 30th doubling YoY
- Expecting FY2024 revenues of **$630 to $660 million**, representing nearly 20% YoY top line growth
- Experiencing robust growth across nearly all product lines as global trends drive broader adoption of our unmanned solutions

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Fourth Quarter Results Fiscal Year 2023

Metric	Q4 FY23	Year-Over-Year Change	Notes
Revenue	$186.0 m	+40%	Overall increase in revenue primarily due to increases in revenue in SUAS, TMS, and Other segments, partially offset by a decrease in revenue in MUAS segment
GAAP Gross profit	$68.4 m	+41%	Increase reflects higher product margins on higher product sales volume partially offset by lower service margins on lower service volume following the closure of MUAS COCO sites.
Adjusted EBITDA[2]	$46 m	+$18 m	YOY increase due to higher gross profit partially offset by higher operating expenses.
Non-GAAP EPS (diluted)[1]	$0.99	+$0.87	YOY Increases due to higher gross profit partially offset by higher operating expenses and higher interest expenses.
Funded Backlog[3]	$424.1 m	+101%	Record backlog driven by SUAS and TMS increase in international demand following the war in Ukraine

1 Q4 GAAP EPS was negative $6.31 per diluted share. Refer to Reconciliation of Non-GAAP Earnings Per Diluted Share on Appendix A

2. Refer to Adjusted EBITDA reconciliation on Appendix D.

3. H1 of FY24 Revenue expected to be almost 50% of full fiscal year Revenue. Q1 Revenue should account for about 40% of H1 Revenue

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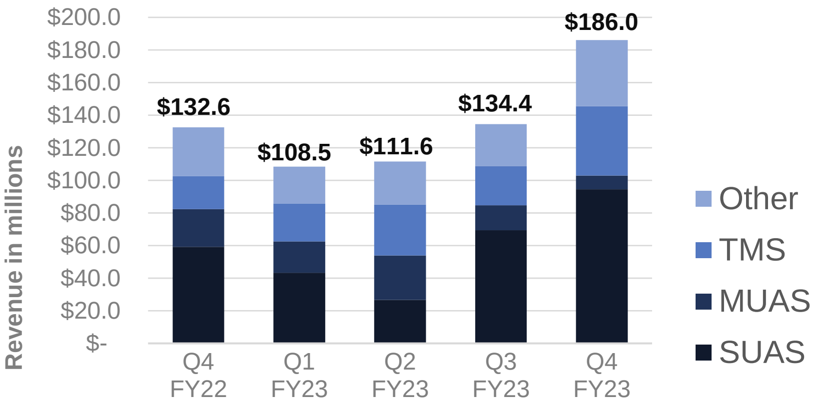
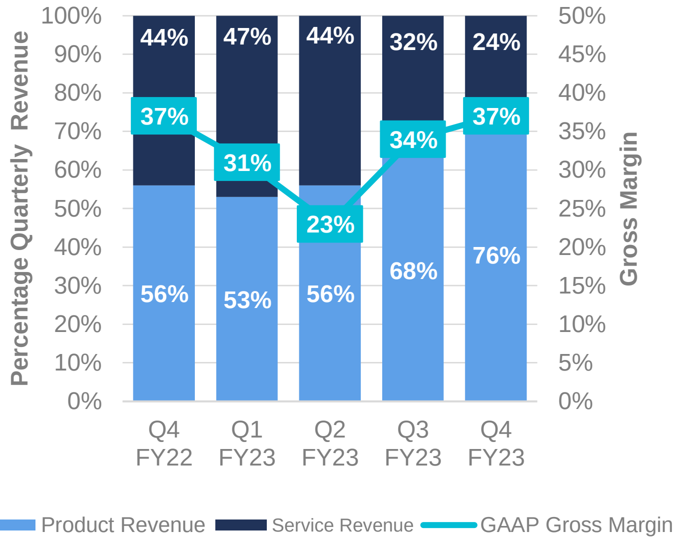
Revenue Mix by Segment and Type

QUARTERLY REVENUE BY SEGMENT



	Q4 FY22	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23
Other	$30.1	$22.9	$26.5	$25.6	$40.6
TMS	$20.2	$23.0	$31.1	$24.0	$42.5
MUAS	$23.1	$19.3	$27.3	$15.4	$8.3
SUAS	$59.2	$43.3	$26.7	$69.4	$94.6

QUARTERLY REVENUE BY TYPE



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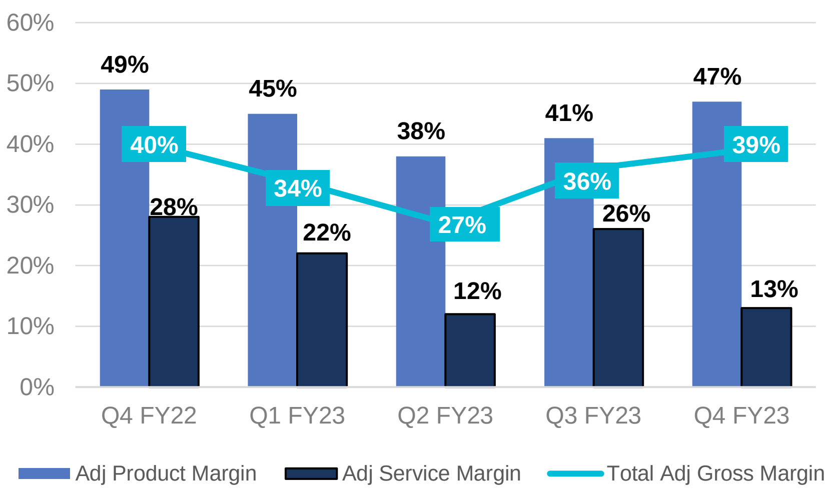
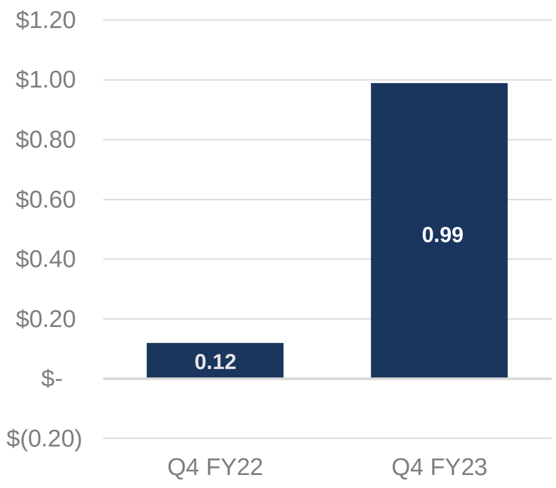
Adjusted Profitability by Type and Non-GAAP EPS

PERCENTAGE ADJUSTED GROSS MARGIN[1]



NON-GAAP DILUTED EPS[2]



Gross margin expanded in Q4 following higher expected volume and favorable product mix

[1] Q4 GAAP Product Margin of 46% and Service Margin of 7%. Refer to GAAP to NON-GAAP reconciliation on Appendix C. | [2] Refer to Reconciliation of Non-GAAP Diluted Earnings Per Share on Appendix A.

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Updated Guidance: Fiscal 2024 Outlook

AS OF 6/27/2023	FY23 RESULTS	FY24 GUIDANCE	EXPECTED % CHANGE (TO MIDPOINT)
Revenue	$541 million	$630 million - $660 million	19%
Net (Loss)/Income[5]	($176 million)	$50 million – $58 million	---
Adjusted EBITDA [3]	$90 million	$110 million–$120 million[4]	28%
Earnings/(Loss) [5] Per Share (diluted)	($7.04)	$1.91 – $2.21	---
Non-GAAP Earnings Per Share (diluted)	$1.26 [1]	$2.30 – $2.60 [2]	94%

[1] Refer to Reconciliation of Fiscal Year 2023 Non-GAAP Diluted Earnings Per Share on Appendix A
[2] Refer to Reconciliation of Fiscal Year 2024 Non-GAAP Diluted Earnings Per Share Expectations on Appendix B
[3] Refer to Adjusted EBITDA reconciliation on Appendix D.
[4] Refer to Reconciliation of Non-GAAP Fiscal Year 2024 Adjusted EBITDA Expectations on Appendix E. R&D investment anticipated to remain between 10%-12% for FY24
[5] FY23 net loss and GAAP EPS impacted by the following non-cash charges related to the MUAS segment: $156m goodwill impairment charge, $34m accelerated intangible amortization, and $12m accelerated depreciation

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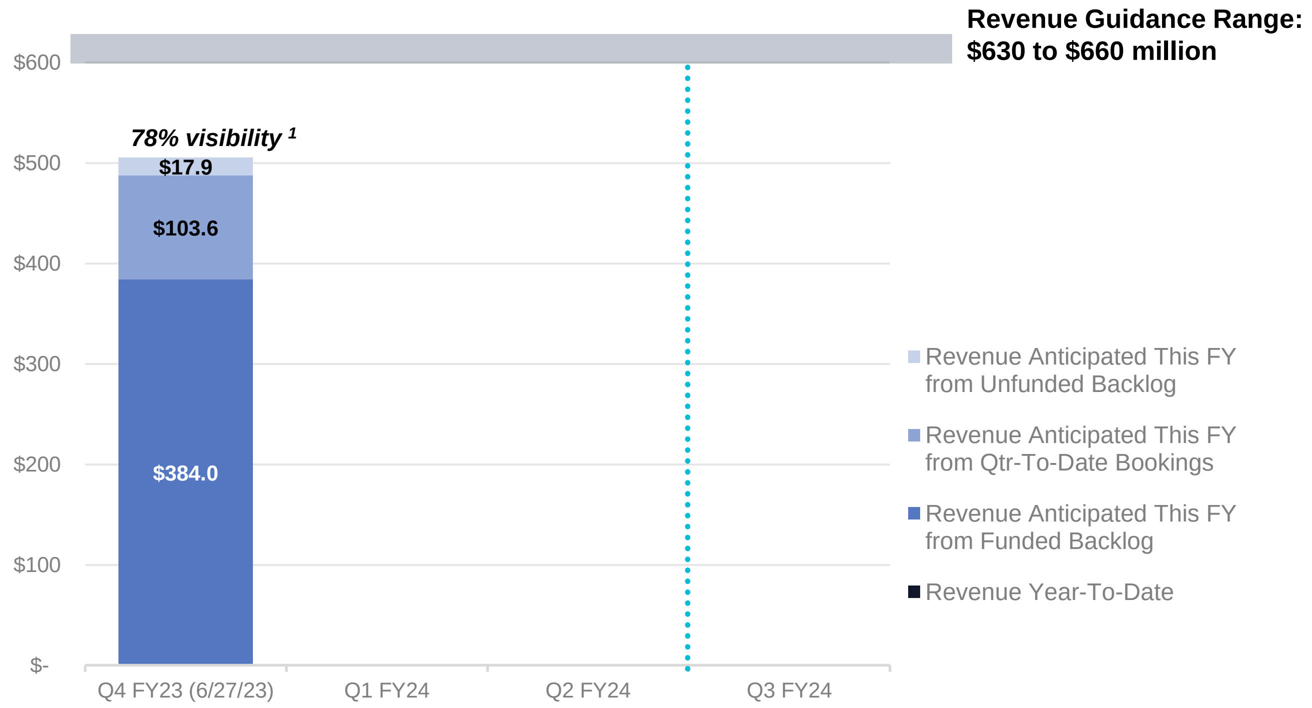
Visibility for FY24

REVENUE (MILLIONS)



Company visibility supports revised revenue guidance range

[1] Based on midpoint of guidance range of $630-$660 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 April 30, 2023	Three Months Ended April 30, 2022	Fiscal Year Ended April 30, 2023	Fiscal Year Ended April 30, 2022
(Loss) Earnings per diluted share	$ (6.31)	$ 0.29	$ (7.04)	$ (0.17)
Acquisition-related expenses	0.01	0.02	0.05	0.18
Amortization of acquired intangible assets and other purchase accounting adjustments	0.23	0.25	0.92	1.17
Equity method and equity securities investments activity, net	(0.06)	(0.18)	0.10	(0.19)
Goodwill impairment	6.10	—	6.19	—
Accelerated intangible amortization	1.02	—	1.04	—
Sale of ownership in HAPSMobile Inc. Joint Venture	—	(0.26)	—	(0.25)
Legal accrual related to our former EES business	—	—	—	0.32
Earnings per diluted share as adjusted (Non-GAAP)	$ 0.99	$ 0.12	$ 1.26	$ 1.06

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

	Fiscal Year Ending April 30, 2024
Forecast earnings per diluted share	$ 1.91 - 2.21
Acquisition-related expenses	0.01
Amortization of acquired intangible and FV assets	0.34
Equity method and equity securities investments activity, net	0.04
Forecast earnings per diluted share as adjusted (Non-GAAP)	$ 2.30 - 2.60

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

(in thousands)	Fiscal 4th Quarter FY2022	Fiscal 1st Quarter FY2023	Fiscal 2nd Quarter FY2023	Fiscal 3rd Quarter FY2023	Fiscal 4th Quarter FY2023
Products					
Gross Margin	$34,195	$25,075	$22,898	$36,350	$65,320
Gross Margin % of Revenue	46.2%	43.3%	36.7%	39.9%	46.2%
Intangible Amortization	$1,999	$644	$1,009	$1,026	$1,034
Adjusted Gross Margin	$36,194	$25,718	$23,907	$37,376	$66,354
Adjusted Gross Margin % of Revenue	48.9%	44.4%	38.3%	41.0%	46.9%
Services					
Gross Margin	$14,427	$8,639	$2,992	9,160	3,080
Gross Margin % of Revenue	24.6%	17.1%	6.1%	21.2%	6.9%
Intangible Amortization	$1,760	$2,338	$2,974	$2,282	$2,584
Adjusted Gross Margin	$16,187	$10,977	$5,966	$11,442	$5,664
Adjusted Gross Margin % of Revenue	27.6%	21.7%	12.1%	26.5%	12.7%

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APPENDIX D – HISTORICAL ADJUSTED EBITDA RECONCILIATION

	Fiscal 1st Quarter FY2022	Fiscal 2nd Quarter FY2022	Fiscal 3rd Quarter FY2022	Fiscal 4th Quarter FY2022	Full Fiscal Year FY2022	Fiscal 1st Quarter FY2023	Fiscal 2nd Quarter FY2023	Fiscal 3rd Quarter FY2023	Fiscal 4th Quarter FY2023	Full Fiscal Year FY2023
Net income from continued operations	(13,981)	$ 2,525	$ 10	$ 7,258	$ (4,188)	$ (8,395)	$ (6,668)	$ (676)	$ (160,473)	$ (176,212)
Interest Expense (Income)/net	1,275	1,379	1,510	1,276	5,440	1,603	2,309	2,810	2,646	9,368
Tax provision / (benefit)	(957)	(9,511)	(15,396)	15,495	(10,369)	2,605	(10,457)	(531)	(6,282)	(14,665)
Depreciation and amortization (1)	13,654	16,365	17,418	13,388	60,825	14,000	18,275	15,834	51,890	99,999
EBITDA (Non-GAAP)	(9)	$ 10,758	$ 3,542	$ 37,417	$ 51,708	$ 9,813	$ 3,459	$ 17,437	$ (112,218)	$ (81,510)
FV Step-up amortization incl. in loss of disposal of PP&E	348	869	—	63	1,280	115	53	24	—	192
Cloud amortization	—	—	91	114	339	126	137	139	158	561
Stock-based compensation	1,922	420	1,615	1,433	5,390	2,217	2,185	2,706	3,657	10,765
Acquisition-related expenses	3268	848	368	369	4,853	335	569	286	196	1,386
Arcturus Goodwill Impairment	—	—	—	—	—	—	—	—	156,017	156,017
Equity method and equity security investments activity, net	1,141	(1,133)	(171)	(4,426)	(4,589)	500	345	3,142	(1,404)	2,583
Non-controlling interest	63	31	(45)	(46)	3	6	39	—	—	45
One-time legal settlement										
Legal accrual related to our former EES business	—	10,000	—	—	10,000	—	—	—	—	—
Sale of ownership in HAPSMobile JV	—	—	—	(6,383)	(6,383)	—	—	—	—	—
Adjusted EBITDA (Non-GAAP)	$ 6,733	$ 21,793	$ 5,400	$ 28,541	$ 62,601	$ 13,112	$ 6,788	$ 23,734	$ 46,406	$ 90,039

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

APPENDIX E – GAAP TO NON-GAAP RECONCILIATION OF ADJUSTED EBITDA

(in millions)	Fiscal Year Ended April 30, 2024		Fiscal Year Ended April 30, 2023	
Net (Income) loss	$	50 - 58	$	(176)
Interest expense, net		8		9
Provision for income taxes		4 - 6		(15)
Depreciation and amortization		35		100
EBITDA (Non-GAAP)		97 - 107		(82)
Amortization of cloud computing arrangement implementation		—		1
Stock-based compensation		12		11
Equity method and equity securities investments activity, net		1		3
Acquisition-related expenses		—		1
Goodwill impairment		—		156
Adjusted EBITDA (Non-GAAP)	$	110 - 120	$	90

