

# AeroVironment to Acquire BlueHalo

Creating a more diversified global leader in all-domain defense technologies capable of addressing the full spectrum of modern defense

## Comprehensive Suite of Solutions Across Air, Land, Sea, Space and Cyber



### EXPERTISE IN

Design, development, manufacturing, training and servicing of Uncrewed Systems, Loitering Munitions and Advanced Technologies



### COMPLEMENTARY STRENGTHS IN

Space Technologies, Counter-Uncrewed Aircraft Systems, Directed Energy, Electronic Warfare, Cyber and AI, among others

## Attractive Strategic and Financial Benefits Drive Value for Shareholders



Will increase agility and speed, with enhanced infrastructure, manufacturing capabilities and geographic footprint



Will support AV's entry into additional key defense segments with BlueHalo's key programs of record, deep customer relationships and strong backlog and pipeline



Will diversify mix of customers, products and revenue, benefiting from BlueHalo's established presence in key emerging defense markets



Projected to be accretive to revenue, Adj. EBITDA and Non-GAAP EPS in the first full fiscal year post-close

## Transaction Summary

### OVERVIEW



- ✓ All-stock transaction - ~18.5M shares to be issued as transaction consideration
- ✓ ~\$4.1 billion enterprise value
- ✓ AV's shareholders to own ~60.5%, BlueHalo's equity holders to own ~39.5% of combined company<sup>1</sup>
- ✓ \$100M NPV of tax assets; net cost synergies of \$20M over time

### PATH TO COMPLETION



- ✓ Expected to close in the first half of calendar 2025, subject to regulatory and AV shareholder approvals, as well as other customary closing conditions

### HEADQUARTERS



- ✓ Arlington, VA, at AV's corporate headquarters

### LEADERSHIP



- ✓ **Wahid Nawabi** will be Chairman, President and CEO
- ✓ **Jonathan Moneymaker**, CEO of BlueHalo, will serve as a strategic advisor to Wahid and the combined company Management Team



"BlueHalo not only brings key franchises and complementary capabilities, but also a wealth of technologies, diverse customers and exceptional talent to AV. Together, we will drive agile innovation and deliver comprehensive, next-generation solutions designed to redefine the future of defense. We are thrilled to welcome the talented BlueHalo team as we unite our strengths, expand our global impact and accelerate growth and value creation for AV."

**Wahid Nawabi** | Chairman, President & Chief Executive Officer of AV



"By uniting with AV, we are building an organization equipped to meet emerging defense priorities and deliver purpose-driven, state-of-the-art solutions with unmatched speed. Together, we remain committed to protecting those who defend us while driving the next generation of transformational advancements in defense technology."

**Jonathan Moneymaker** | Chief Executive Officer of BlueHalo

<sup>1</sup>Based on AV's shares outstanding as of November 18, 2024

### Statement Regarding Forward-Looking Information

This communication contains statements regarding AeroVironment, Inc. (the "Company"), BlueHalo, the proposed transactions and other matters that are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). In some cases, forward-looking statements can be identified by words such as "anticipate," "approximate," "believe," "plan," "estimate," "expect," "project," "could," "should," "strategy," "will," "intend," "may" and other similar expressions or the negative of such words or expressions. Statements in this communication concerning (i) the Company's or BlueHalo's expected future financial position, results of operations, revenues, business strategy, production capacity, competitive positions, growth opportunities, employment opportunities and mobility, plans and objectives of management and (ii) the Company's proposed acquisition of BlueHalo, the expected benefits of the acquisition, including with respect to the business outlook or future economic performance, anticipated profitability, revenues, expenses or other financial items, and product or services line growth, the structure of the proposed acquisition, the closing date of the proposed acquisition, and plans following the closing of the proposed acquisition, together with other statements that are not historical facts, are forward-looking statements that are estimates reflecting management's best judgment based upon currently available information. Such forward-looking statements are inherently uncertain, and stockholders and other potential investors must recognize that actual results may differ materially from expectations as a result of a variety of factors, including, without limitation, those discussed below. Such forward-looking statements are based upon management's current expectations and include known and unknown risks, uncertainties and other factors, many of which the Company and BlueHalo are unable to predict or control, that may cause actual results, performance or plans to differ materially from any future results, performance or plans expressed or implied by such forward-looking statements. These statements involve risks and uncertainties that could cause actual results to differ materially from those anticipated in these statements as a result of a number of factors, including, but not limited to:

- the risk that the transaction described herein will not be completed or will not provide the expected benefits, or that we will not be able to achieve the cost or revenue synergies anticipated;
- the failure to timely or at all obtain Company stockholder approval for the acquisition;
- the inability to obtain required regulatory approvals for the acquisition;
- the timing of obtaining such approvals and the risk that such approvals may result in the imposition of conditions that could adversely affect the combined company or the expected benefits of the acquisition;
- the risk that a condition to closing of the acquisition may not be satisfied on a timely basis or at all;
- the possible occurrence of an event, change or other circumstance that would give rise to the termination of the transaction agreement;
- the risk of shareholder litigation in connection with the proposed transaction, including resulting expense or delay in closing of the transaction;
- the failure of the proposed transaction to close for any other reason;
- the diversion of the attention of the Company and BlueHalo management from ongoing business operations;
- unexpected costs, liabilities, charges or expenses resulting from the acquisition;
- the risk that the integration of the Company and BlueHalo will be more difficult, time-consuming or expensive than anticipated;
- the risk of customer loss or other business disruption in connection with the transaction, or of the loss of key employees;
- the fact that unforeseen liabilities of the Company or BlueHalo may exist;
- the risk of doing business internationally;
- the challenging macroeconomic environment, including disruptions in the defense industry;
- risks that the Company may not be able to manage strains associated with its growth;
- dependence on key personnel;
- stock price volatility;
- the effect of legislative initiatives or proposals, statutory changes, governmental or other applicable regulations and/or changes in industry requirements;
- the Company's and BlueHalo's ability to protect their intellectual property and litigation risks; and
- other risks and uncertainties identified in the "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business" sections of the Company's most recent Annual Report on Form 10-K and its subsequent Quarterly Reports on Form 10-Q, and other risks as identified from time to time in its Securities and Exchange Commission ("SEC") reports.

Other unknown or unpredictable factors also could have a material adverse effect on the Company's business, financial condition, results of operations and prospects. Accordingly, readers should not place undue reliance on these forward-looking statements. These forward-looking statements are inherently subject to uncertainties, risks and changes in circumstances that are difficult to predict. Except as required by applicable law or regulation, neither the Company nor BlueHalo undertakes (and each of the Company and BlueHalo expressly disclaim) any obligation and do not intend to publicly update or review any of these forward-looking statements, whether as a result of new information, future events or otherwise.

### No Offer or Solicitation

This communication is not intended to and does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy or an invitation to purchase or subscribe for any securities or the solicitation of any vote in any jurisdiction pursuant to the proposed transactions or otherwise, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act. Subject to certain exceptions to be approved by the relevant regulators or certain facts to be ascertained, the public offer will not be made directly or indirectly, in or into any jurisdiction where to do so would constitute a violation of the laws of such jurisdiction, or by use of the mails or by any means or instrumentality (including without limitation, facsimile transmission, telephone and the internet) of interstate or foreign commerce, or any facility of a national securities exchange, of any such jurisdiction.

### Additional Information and Where to Find It

This communication is being made in respect of the proposed transaction between the Company and BlueHalo. In connection with the proposed transaction, the Company will file with the SEC a registration statement on Form S-4, which will include a proxy statement and a prospectus, to register the shares of the Company stock that will be issued to BlueHalo's shareholders (the "Proxy and Registration Statement"), as well as other relevant documents regarding the proposed transaction. INVESTORS ARE URGED TO READ IN THEIR ENTIRETY THE PROXY AND REGISTRATION STATEMENT REGARDING THE TRANSACTION WHEN IT BECOMES AVAILABLE AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.

A free copy of the Proxy and Registration Statement, as well as other filings containing information about the Company, may be obtained at the SEC's website (<http://www.sec.gov>). You will also be able to obtain these documents, free of charge, from the Company at <https://investor.avinc.com/> or by emailing [ir@avinc.com](mailto:ir@avinc.com).

### Participants in the Solicitation

The Company and its respective directors and executive officers may be deemed to be participants in the solicitation of proxies from its respective stockholders in respect of the proposed transactions contemplated by the Proxy and Registration Statement. Information regarding the persons who are, under the rules of the SEC, participants in the solicitation of the stockholders of the Company in connection with the proposed transactions, including a description of their direct or indirect interests, by security holdings or otherwise, will be set forth in the Proxy and Registration Statement when it is filed with the SEC. Information regarding the Company's directors and executive officers is contained in its Annual Report on Form 10-K for the year ended April 30, 2024 and its Proxy Statement on Schedule 14A, dated August 12, 2024, which are filed with the SEC.