RADA

January 2022

Disclaimer

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This presentation contains certain statements that may be deemed to be “forward looking statements” within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended. Reference is made in particular to the descriptions of our plans and objectives for future operations, assumptions underlying such plans and objectives and other forward-looking terminology such as “will”, “would”, “may”, “should”, “estimates”, “expects”, “believes”, “anticipates”, “intends”, “projects”, “predicts”, “targets”, or similar terms, variations of such terms or the negatives of such terms. Forward looking statements are based on management’s current expectations. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, they do involve assumptions, risks and uncertainties, and these expectations may prove to be incorrect.

The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of a variety of factors including but not limited to those risks and uncertainties relating to difficulties or delays in development and testing of new products, obtaining regulatory approvals, production and marketing of the Company’s product candidates, those risks and uncertainties associated with the protection of the Company’s intellectual property rights and other risk factors contained in the Company’s filings with the U.S. Securities and Exchange Commission. All forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by these factors. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. Other than as required under the securities laws, the Company does not assume a duty to update these forward-looking statements.

Company Overview

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- ***Radar technology*** company focused on “Tactical Radars for the Maneuver Force” for global defense industry
- Pursuing an early-stage and growing ***TAM of $6bn+***
- Investing in strong growth; radar YoY ***revenues up 125% in 2019, 105% in 2020 and 70% in 2021***

Dual-Listed

Nasdaq

TEL AVIV STOCK EXCHANGE

Market Cap

as of Jan 11, 2022

$464M

Q3-end net cash of $87m

2022 Forecast Revenues

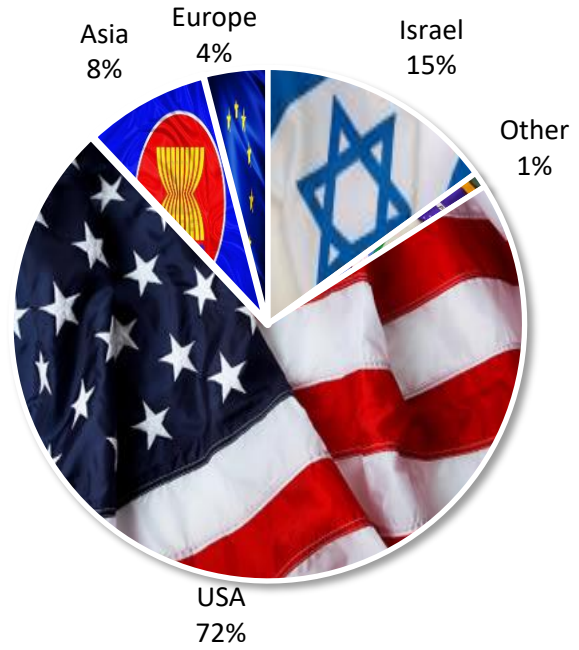
$140M

Growth of 20% YoY

Employees

330

2021 Geographic Revenues Breakdown



An Overview of our Solutions

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Mission-Critical Applications – Mobile

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Mission-Critical Applications – Stationary/Seaborne

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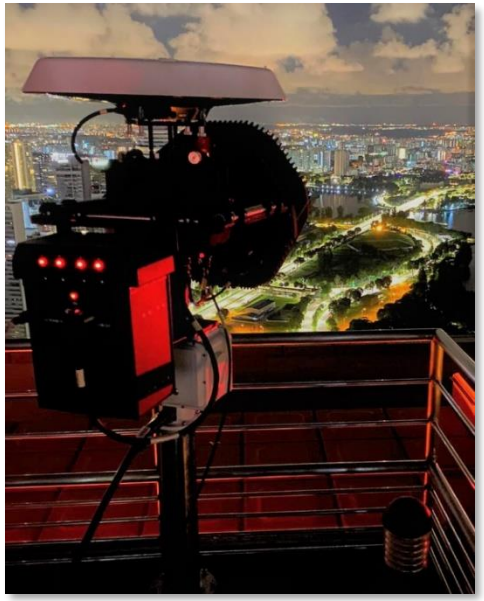

Rapidly Emerging Counter-Drone (C-sUAS) Opportunities

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- Increasing small-UAS threat *driving need for solutions*
- Recent examples: drone attacks on shipping in Gulf of Oman, continuous attacks in Iraq and KSA
- RADA: *Critical enabler of counter drone* (C-sUAS) solutions
- *Technology leader* for tactical radars, the “go to” choice of global customers

Onboard USS Boxer in Straits of Hormuz (July 2019)

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Targeting an Attractive Global Market

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$6+ Billion

Mini-Tactical Radar Opportunity Over the Next Decade

Active Protection System (APS) Radar Market

~$1.5B Current US TAM	*~$1.5B Current RoW TAM*
Key RADA Awards	**Future Opportunities**
Bradley APS 1st Brigade	*US Army Stryker Brigades*
IMoD Eitan AFV	*US Army NGCV*
Nederland CV-90	*Additional Bradley Brigades*
	Australian L-400

Air Defense / Short-Range Surveillance Radar Market

~$1.5B Current US TAM	*~$1.5B Current RoW TAM*
Key RADA Awards	**Future Opportunities**
Army IM-SHORAD *4 battalions, 144 vehicles*	*Additional IM-SHORAD Battalions*
USMC GBAD	*Additional GBAD Vehicles*
	Hundreds of fixed and mobile sites across USAF, USN and SOCOM

Note: TAMs represent Company estimates based on estimated vehicle count and RADA tactical radar prices.

Strong US Budget Support on RADA's Active Areas

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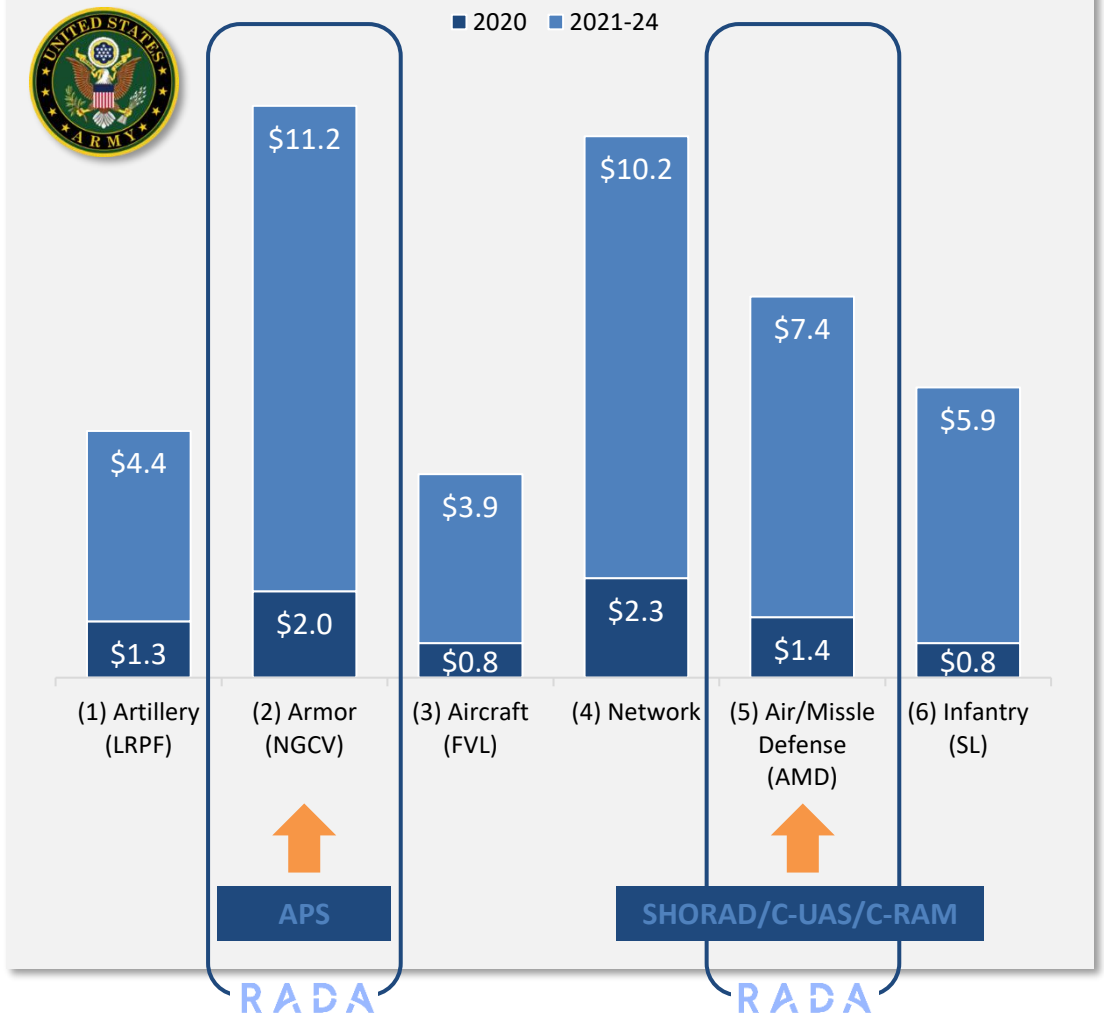
Army "Big Six" Modernization Priorities

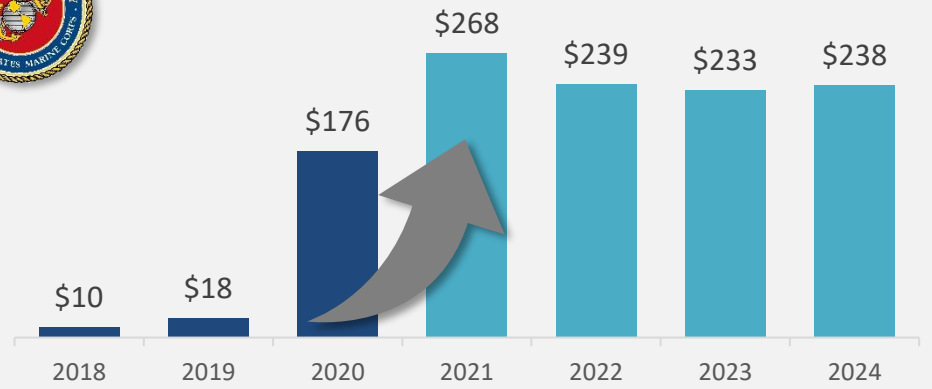
2020-2024 ($Billions)



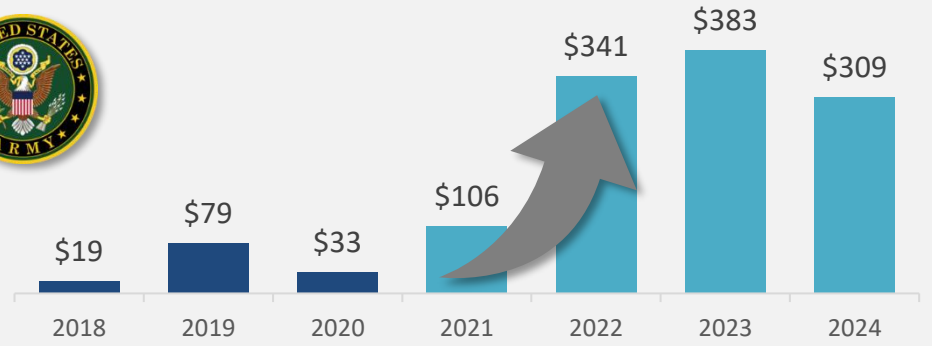
Select Program of Record Funding

US DoD FYDP ($Millions)

Ground-Based Air Defense ("GBAD") Program



Maneuver - Short Range Air Defense (M-SHORAD) Program



Source: Department of Defense

Competitive Edge

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Delivering Exceptional Tactical-Grade Capabilities at Superior Performance / Price

TECHNOLOGY

- Proprietary, high-performance, fully operational, ahead of competition
- Software-defined radars: variety of customized solutions, utilizing common hardware platforms
- Products align with best-of-breed, Modular Open System Approach – MOSA (e.g., MAPS, GBAD/SHORAD, …)
- Investing in AI-Driven radars (cooperation with BeyondMinds)

RADA inside

CUSTOMER

- Strong partnerships and relationships
- Highly responsive solutions tailored to customer needs
- Contracts and deliveries to top military forces in the US and elsewhere
- Superior performance and high affordability

Expanding a Strong US Presence

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RADA USA

US Represents ~36% of $1.8T Global Defense Spending

RADA's First and Foremost Market for Tactical Radars

US Facility in Germantown, MD, *~28K Sq. Ft.*

RADA established two US Subsidiaries:

- Proxy company for classified development and SSA company for business development and production
- Technology transfer and Americanization
- US-based production, maintenance and customer support to fulfill the entire market demands

Select Customers and End-Users

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IDF

US Marines

US Navy

US Army

US Air Force

USSOCOM

US DHS

US Coast Guard

UK Army

UN Forces

LOCKHEED MARTIN

BOEING

LEONARDO DRS

SIERRA NEVADA CORPORATION

CACI
EVER VIGILANT

ANDURIL

L3HARRIS
FAST. FORWARD.

GENERAL ATOMICS

Elbit Systems

IAI
Israel Aerospace Industries

RAFAEL
ADVANCED DEFENSE SYSTEMS LTD.

MER Group

MARSS

LEONARDO

elt

RHEINMETALL
DEFENCE

MBDA
MISSILE SYSTEMS

IDT

EOS

QINETIQ

Unique Growth in the Defense Market

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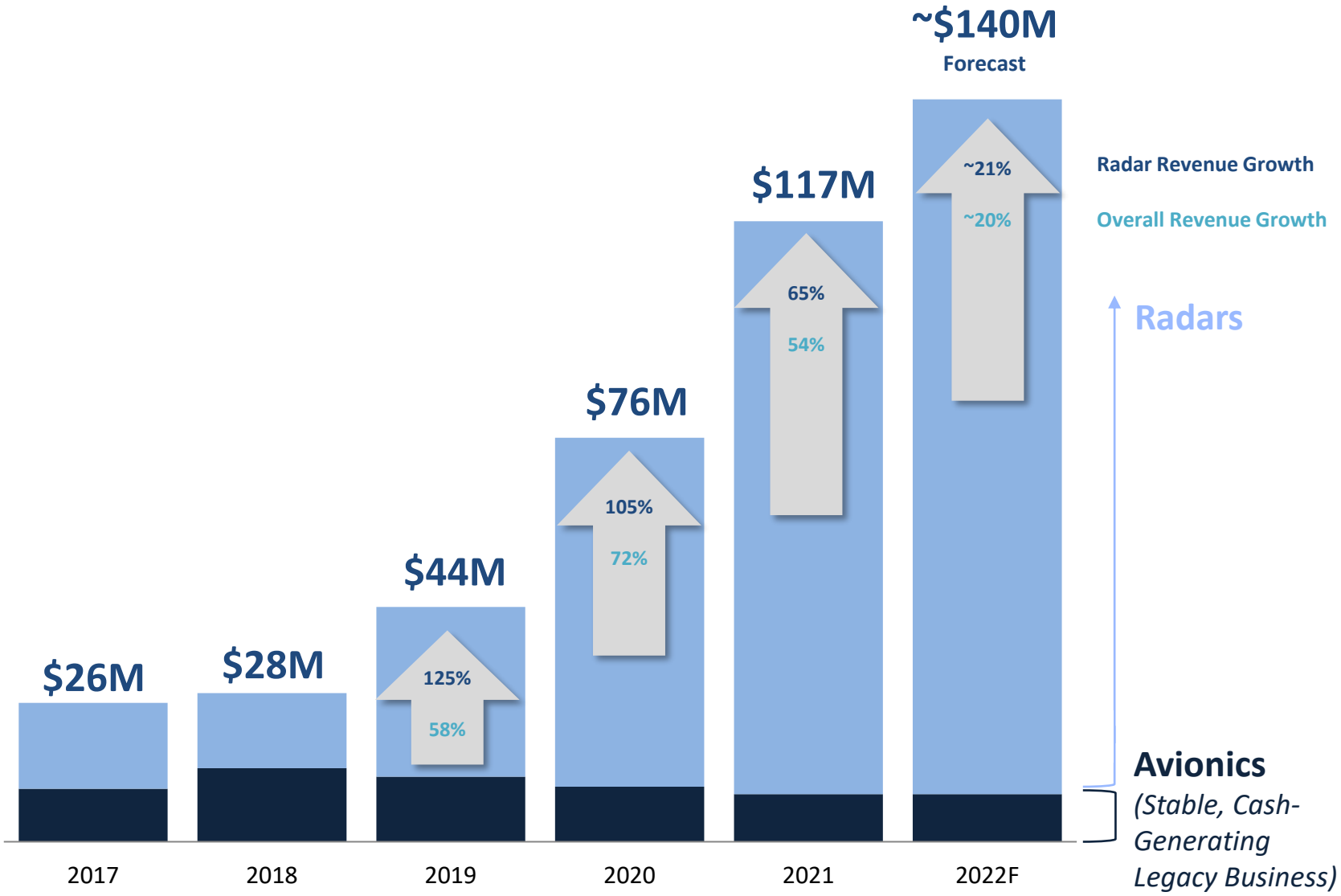

Strategic Growth Goals

- 2019 Organic Growth Goal: Cross $100M in 3 years achieved in 2021
- Current Organic Growth Goal: Cross $250M in 3-4 years
- Inorganic Growth: Incorporated in 2022 strategy

Profitability

- Stabilizing operating expenses ➡ **operating leverage in the business model**
- **Gross margin** improvements: 37% (2020) ➡ 40% (YTD* 2021)
- **EBITDA margin** growth: 13% (2020) ➡ 23% (YTD* 2021)

*9 months to Sept 30, 2021

Growth Trajectory

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- **TAM is $6bn**
  - Only touched 10% of our addressable market so far
  - APS, which is 50% of the TAM, will start in 2023
- **RADA is *the* technology leader**
  - Continued R&D investment
  - Accompanied by the RADA inside go-to-market strategy
- **Key current US programs**
  - IM-SHORAD (600+ radars)
  - GBAD (400+ radars)
  - Bradley APS (650+ radars)
- **Strong global growth in demand**
  - 2024 ROW revenue expected to be similar to US revenue
- **Aim to capture lion's share of TAM over next 5-10 years**

Investment Summary

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Technology

- ☑ Proprietary, software-defined, fully operational
- ☑ Unique performance/price proposition
- ☑ Continued leadership via R&D investments
- ☑ Investing in leading-edge AI capabilities

Customers

- ☑ Addressing diversified $6B+ market over next decade
- ☑ Initial orders delivered to key customers
- ☑ Robust pipeline
- ☑ US presence and capacity, gearing towards serial production

Performance

- ☑ Very strong growth in new and emerging markets
- ☑ 2021 revenue of $117m (+54% YoY); 2022 expected revenue of ~$140m (+20% YoY)
- ☑ Operating leverage in business model improving margins
- ☑ Net cash $87M (Sep. 2021)

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WE MAKE SENSE