Investor teach-in

QinetiQ Group Plc

An introduction to QinetiQ’s international businesses

13 September 2018
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<th>Agenda</th>
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International growth is a key part of our strategy

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<tr>
<th>Vision</th>
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<tr>
<td>The chosen partner around the world for mission-critical solutions, innovating for our customers’ advantage</td>
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<table>
<thead>
<tr>
<th>Strategy</th>
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<tbody>
<tr>
<td><strong>UK</strong></td>
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<tr>
<td>Lead and modernise the UK Defence Test &amp; Evaluation enterprise, by working in partnership with Government and prime contractors</td>
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<table>
<thead>
<tr>
<th><strong>International</strong></th>
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<tr>
<td>Build an international company that delivers additional value to our customers by developing our home countries, creating new home countries and exporting</td>
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<tr>
<th><strong>Innovation</strong></th>
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<tr>
<td>Invest in and apply our inherent strengths for customer advantage in defence, security and critical infrastructure markets</td>
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<tr>
<th>Value proposition</th>
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<tbody>
<tr>
<td>Capability Generation &amp; Assurance</td>
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<tr>
<td>Threat Representation</td>
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<tr>
<td>Operational Readiness</td>
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Our UK business supports our international growth ambitions

• Long Term Partnering Agreement (LTPA) with UK MOD
  - 25-year contract running until 2028, c.£300m pa revenue

• Trusted to deliver critical skills and facilities to enable generation and assurance of national defence capabilities
  - e.g. submarine and warship signature measurement
  - Attracts international customers from US, France, South Korea, Taiwan & Turkey
  - Advise other nations on how to modernise and upgrade their facilities

• £1bn amendment in December 2016 to modernise and deliver world-class air ranges and test aircrew training
  - Investment recovered over life of contract
  - Attract further UK, international and industry users
We have a large addressable market to pursue

- **Focus on core offerings**
  - RDT&E\(^1\) + Training: integrated capability generation & assurance
  - Services & Products: distinctive
  - Technology: disruptive

- **Focus on target markets**
  - Primary sectors: Defence, Security, Critical Infrastructure
  - Home countries: UK, US, Australia
  - Selected new countries in Europe, Middle East and Asia-Pacific

- **Addressable market > £8bn pa: significant growth potential**
  - Increasing share in existing markets
  - Leveraging strengths into attractive near-adjacent markets

Driving campaigns, joint ventures & acquisitions

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\(^1\) RDT&E = Research & Development and Test & Evaluation.
Significant international opportunity, encouraging early progress

- Revenue from International customers grown from £158m in FY16 to £226m in FY18 through organic & inorganic growth
  - International revenue grown from 21% to 27% in two years
  - More than doubled revenue in the Middle East FY17-18

- Two acquisitions successfully integrated, performing well and accelerating our international growth
  - Third acquisition due to complete in Autumn 2018
  - Attractive pipeline of further bolt-on opportunities but maintaining discipline on pricing

- Focus on international revenue growth key part of Group level management incentivisation

Long-term ambition to grow international revenues to 50% of Group
Today’s speakers

International
Iain Farley

- Joined QinetiQ in 2016 as Managing Director, International
- 25 years experience in the upstream oil and gas industry in a range of engineering, project management, business development, management and executive roles
- Operator and service company experience at Expro Group, Mobil, Schlumberger

QinetiQ Australia
Greg Barsby

- Joined QinetiQ as Managing Director Australia in 2014
- 20 years’ experience in Defence and Defence industry, working within both small and global businesses, and serving in the Australian Army
- Previous experience leading the Asia Pacific Defence & Government services division of KBR

QinetiQ North America
Jeff Yorsz

- President of QinetiQ North America since January 2015
- Served as Senior Vice President of Industrial Operations at Metrologic Instruments, Inc.
- Former Strategic Business Unit Director for Northrop Grumman Corporation
International strategy and progress

Iain Farley
Managing Director – International
Established businesses

Home Countries:
• United States
• Australia

Subsidiaries:
• QinetiQ Target Systems
• Commerce Decisions

Emerging businesses

• Canada
• Sweden
• Middle East joint ventures
• Regional Sales & Marketing Offices – UAE, Malaysia

Export sales and campaigns

• UK-based Export Sales Team
• Strong UK Government support and relationships (UK DSO)
• Network of global resellers
• UK defence prime relationships

Core Businesses – Organic Growth

Seeding, Positioning for Growth

Product Sales and Services

*Subject to completion
We help our customers modernise or develop their defence capabilities

<table>
<thead>
<tr>
<th>Modernise defence capability</th>
<th>Develop indigenous defence capability</th>
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<tbody>
<tr>
<td>• Legacy, outdated infrastructure</td>
<td>• Have equipment but need support integrating it</td>
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<tr>
<td>• New sophisticated platforms</td>
<td>• Looking for a “customer friend” and technical support</td>
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<tr>
<td>• Complex threat environments to test and train against</td>
<td>• Creating competitive operational readiness</td>
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<tr>
<td>• Looking for innovative technical solutions, commercial models and operational efficiencies</td>
<td>Example regions:</td>
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<tr>
<td></td>
<td>• Middle East</td>
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<tr>
<td></td>
<td>• South East Asia</td>
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<td>Example regions:</td>
<td></td>
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<tr>
<td>• Five Eyes (UK, US, Canada, Australia, New Zealand)</td>
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<tr>
<td>• Western Europe</td>
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Tailor our offer to maturity of defence capability
Focused approach to a range of growing defence markets

**Modernise**

- **UK**
  - Modernise and transform UK defence and security capability

- **5 Eyes**
  - Expand into 5 Eyes leveraging UK assets/capability and building in-country capability

- **Europe**
  - Position as Europe’s leading RDT&E partner through collaborative projects & in-country capability

**Defend**

- **Asia/Middle East**
  - Support indigenous capability development via local partners/JVs and selective investment

**Prioritisation**

- ✓ Existing customer relationships
- ✓ UK Government support
- ✓ Customer appreciation of Value Proposition
- ✓ Market dynamics & defence spending
- ✓ Opportunity to grow at pace
- ✓ Sustainable growth potential

**Tier 1 Priority Markets**

- Australia, Germany, KSA and US

**Tier 2**

- Canada, Qatar, France, Sweden and UAE

**Tier 3**

- India, Japan, Malaysia
  - South Korea and Turkey

*Defence budget growth rates 2018-2023:
- +0.5%
- +2.0%
- +1.8%
- +3.9%*
We use our range of services and products to enter new markets…

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**QinetiQ’s unique integrated proposition**

Integrated Capability Generation & Assurance

- Enhanced Test & Evaluation Capabilities
- Range Modernisation

**Test & Evaluation Modernisation**
- Strategic partner
- Co-invested
- IP creation

**Research & Development**
- Contracted R&D
- Experimentation & Innovation

**Distinctive Services**
- Test & Evaluation
- Operational Training
- Rehearsal & Trials
- Value added services
- Advice, intelligence, information systems, protection, unmanned systems, space systems

**Engineering & Advisory Services**
- Pre-acquisition
- Engineering Support
- Commerce Decisions
- Leveraging UK MOD track record
- Independent “Customer Friend”
- Technical consulting and professional services

**Product Sales**
- UK Export Sales
- QTS Targets
- QNA, OptaSense
- Using products to seed new markets
- Develop brand awareness
- Establishing new relationships

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Accelerated through Local Partnerships, M&A, JVs, Campaigns and G2G relationships
... and then focus on increasing our value proposition

- **Product Sales**
  - **Engineering & Advisory Services**
  - **Distinctive Services**
    - **Research & Development**
  - **Test & Evaluation Modernisation**
  - **Integrated Capability Generation & Assurance**

- **Australia**
  - Professional services
  - Major Service Provider (MSP)
  - Coastguard Fleet Renewal Future Fighter Capability Programme

- **Canada**
  - Aerial, land and maritime targets

- **Qatar**
  - Land pre-acquisition support
  - Future Navy transformation programme

- **Germany**
  - EIS aerial training

- **Mine Warfare Maintenance Facility DTSG Workshop**
  - R&D – Federal agencies
  - Range modernisation

- **DTSG Workshop Professional services**
  - Major Service Provider (MSP)
  - Coastguard Fleet Renewal Future Fighter Capability Programme

13 September 2018
Supporting Canada to modernise its defence capabilities

• “Strong. Secure. Engaged.”
  Enacting defence policy
  – Doubling of Capital Projects by 2021 ($4B to $8B)
  – Capacity shortage to stand-up Project Management Offices (PMOs)
  – Priorities include Air, Land & Sea range modernisation to 5th generation

• Government of Canada – Coast to Coast Facilities Review
  – Consolidation of under-utilised laboratories and test facilities

• Government’s Innovation Agenda
  – Leveraging the Innovation Stimulus Funding Framework
  – Most innovation programmes have funding reserved for defence

QinetiQ’s Current Capabilities
- 90+ employees, 5 locations
- Advisory, QTS, OptaSense and Commerce Decisions
- Cost Engineering to Canada
- Export QTS products globally

Our Track Record
- Coastguard Fleet Renewal Plan
- Technical advisory services
- Future Fighter Capability programme.
- QTS target sales
- Procurement advisory support

Our Opportunities
- Products
- Pre-acquisition advice & PMO
- Facilities management / operations
- Managed UAV services
- Range modernisation / management
Supporting Qatar to develop its own defence capabilities

• To be the chosen partner for Qatar MOD assuring operational and commercial advantage for Qatar
  - JV with Barzan Holdings (Qatar MOD) in October 2017
  - Headquartered in Qatar Science & Technology Park
  - Opportunities to support major defence procurement programmes and other critical national projects
  - Over $30m contracts secured to date with projects activities in Qatar

<table>
<thead>
<tr>
<th>Land Opportunities</th>
<th>Maritime Opportunities</th>
<th>Air Opportunities</th>
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</table>
| • Pre-acquisition and procurement support for Land programmes  
  • Land test & evaluation | • Future Navy Transformation Programme | • UAS Advisory Services, Operating Framework, Air Space Management & Training Support |
QinetiQ Target Systems, accelerating the delivery of our strategic priorities…

Overview

• QTS is a world-leading provider of threat emulation
• Products supported with international field service capability honed on military ranges
• Founded in 1984, 180 employees
• Ashford, Kent, UK and Medicine Hat, Alberta, Canada
• Acquired in Dec 2016 for £57.5m from Meggitt
• Over 40 international customers

Financials

![Revenue and EBITDA chart]

Products/Services

• Unmanned air, land and surface vehicle targets used for live-fire training and weapon systems test and evaluation
• Bespoke configuration and payloads to suit customers requirements

Aerial Targets
- Banshee Jet
- Snipe
- Mosquito
- Snyper
- Air Launched Supersonic Target (ALST)

Naval Targets
- Barracuda
- Hammerhead
- Sprite
- Towed targets

Land Targets
- Badger
- Towed Targets
- Helicopter Pop-up
...integrating well and performing in line with our expectations

Strategic rationale

• Strengthens our world leading test, evaluation, training and rehearsal offering through the integration of threat representation with our existing capabilities

• Meets increasing global demand for realistic threat representation to validate defence and security capabilities against current and future threats

• International presence – generates 90% of its revenue from outside the UK selling to over 40 countries

• Introduction of QTS targets into future UK training and rehearsal exercises through LTPA

• Opens new routes to market to accelerate QinetiQ’s international growth

• Establishes a design and manufacturing capability in Canada

Progress

• Launch of Ground & Air Launched Supersonic Target (ALST) – emulation of latest high-dive, sea skimming missiles

• Performance enhancement of Jet Banshee

• Long-term five year contract with the Dutch Navy

• Framework contract with the US Target Management Office (TMO) to introduce QTS products onto US ranges

• New customers in both Korea and Japan

• Local manufacture of Banshee aerial targets in India for delivery to the Indian Air Force and Navy

• Performance ahead of original acquisition case
EIS Aircraft Operations will accelerate international growth…

Overview

- Provider of mission-critical airborne training services, systems integration and aircraft modification for special missions
- Customers: German Armed Forces (the Bundeswehr) and United States Air Force Europe (USAFE)
- Founded in 1999, 56 employees
- Located in Kiel, Monchengladbach, and Emden in Germany
- €70 million consideration, expected to complete Autumn 2018
- Expected revenues of €23-25m and EBITDA c.€6m for calendar year 2018

Financials

<table>
<thead>
<tr>
<th></th>
<th>Revenue (€m)</th>
<th>EBITDA (€m)</th>
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<tr>
<td>FY15</td>
<td>14.8</td>
<td>2.6</td>
</tr>
<tr>
<td>FY16</td>
<td>18.6</td>
<td>3.3</td>
</tr>
<tr>
<td>FY17</td>
<td>20.2</td>
<td>5.0</td>
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N.B. December year end

Products/Services

Airborne Services
- Operational air-to-air training and forward air controller services
- Red Air Support
- Highly skilled and military educated pilots
- 14 leased Pilatus aircraft

Special-mission aircraft modification
- Systems integration (SI) of aircraft with intelligence surveillance reconnaissance (ISR) capabilities and special mission equipment
- Significant SI and design capabilities

MRO & Product Solutions
- Maintenance, Repair and Overhaul (MRO)
- MRO certifications
- Authorised service centre for Pilatus, Pratt & Whitney, and Honeywell Avionics
- Oxygen Systems
...and enhances our defence operational training offer

Strategic rationale

- Aircraft Operations has a strong track record and further growth potential
  - Delivers airborne training services using Pilatus aircraft at a substantially reduced cost compared with jet-engine aircraft alternatives
  - Complementary core activities; the business modifies special mission aircraft that are used to provide enhanced training services
  - Sustainable and growing end markets driven by increasing demand for cost-effective training
- Accelerates QinetiQ’s international growth strategy
  - Establishes a test and evaluation and engineering services capability in Germany
  - Enhances access to the broader European defence market
  - Aircraft Operations will also benefit from QinetiQ’s wider access to international markets such as the Middle East
- Strengthens QinetiQ’s capability integration, threat representation and operational readiness offering to customers
  - Enhances QinetiQ’s live and synthetic training capabilities, supporting its focus on defence operational training
  - Complements QinetiQ’s test aircrew training and engineering services
  - Supplements QinetiQ’s acquisition of Meggitt Target Systems in 2016 to provide both manned and unmanned airborne test and training services

Opportunity

- Development of strategic partnership with Pilatus for European after-sales modification of PC-9 and PC-12 aircraft
- Introduction of EIS services through QinetiQ Middle East joint venture companies
- Acceleration of special mission aircraft modification activity for the German Bundeswehr
- Defence Operational Training
Why we will succeed internationally

UK credibility

• UK MOD is one of the most respected defence departments in the world
• UK only country to transition its RDT&E capabilities to the private sector
• Ability to leverage QinetiQ's experience in providing world-class T&E, trials and training capabilities through the LTPA

Unique market position

• Independence from defence primes
• “Customer friend” capability
• Sole provider of Integrated Capability Generation & Assurance services
• Ability to de-risk and optimise the cost of a capability development programme
• Proven track record of establishing partnerships with world renowned universities and SMEs
• Building on our heritage, our unique science and technology track record and world leading, independent, subject matter experts

Commitment, investment, M&A, leadership

• Clearly defined value proposition building upon our core strengths and unique industry positioning
• Clear strategy and business plan gives us the tools to make the right choices:
  − Targeted markets
  − Market access – range of services
  − How we invest – disciplined approach to organic and inorganic investment
• Driven through campaigns, joint ventures and acquisitions
QinetiQ Australia

Greg Barsby
Managing Director
QinetiQ Australia – a key partner to Australian defence

Overview

- 380 employees, majority in specialist technical roles
- Located in Canberra, Adelaide, Melbourne, Brisbane, and Sydney
- Recently appointed by the Capability Acquisition and Sustainment Group (CASP) as one of only four Major Service Partners – capable of delivering larger, longer-term and more integrated work packages
- Delivered 3rd year of record orders
- Successfully leveraging strategic acquisition of RubiKon

Capabilities / Products

Advisory Services
- Project Management
- Acquisition Support
- Integrated Logistics Support
- Business Advisory

Engineering Services
- Structural Integrity
- Explosive Ordnance
- Design and Prototype
- Software Design and Development

Test & Evaluation
- Mine Warfare Maintenance Facility
- Test and trials planning and management
- Specialist test equipment and facilities

Financials

Customers

Defence
- Capability Acquisition and Sustainment Group
- Defence Science and Technology
- Australian Navy, Air Force and Army
- Defence Aviation Safety Authority

Government
- Victorian Police Force
- Australian Government Department of Home Affairs
- Australian Border Force
- Queensland Government

Industry
- Thales
- Airbus
- Boeing
- Leonardo
- Lockheed Martin
Core contracts and capabilities well aligned to support Australian Defence growth

**Aerospace**
- Prime contractor for the acquisition & introduction of Maritime Intelligence, Surveillance and Reconnaissance Capability (P-8A Poseidon aircraft & MQ-4C Triton Unmanned Aerial System)
- Partner to the Defence Aviation Safety Authority for Aircraft Structural Integrity

**Explosive Ordnance**
- Partner to CASG Explosive Materiel Branch for explosive ordnance engineering support
- Long-term Defence partnership to operate Mine Warfare Maintenance Facilities at HMAS Waterhen in Sydney

**DST**
- Long-term Defence partnership operating engineering prototype and design workshops at Fishermans Bend, Melbourne
- Strategic Research Alliance
- Solid ongoing T&E growth opportunities leveraging critical UK capability

**Preferred Partner**

**Organic Growth**

**Competitive Position**
Australian defence spending over AUD$200bn

Government support for Defence industry

Key developments

- Cross party support for defence and defence industry in Australia
- AUD$200bn defence budget for 2016-2026
- Defence expenditure is expected to see sustained growth of at least 3% to 4% a year over the remainder of the decade
- Current projections suggest spending will rise by 13% between 2017 and 2021 in real terms
- Strengthening government industrial policy: First Principles Review, SMART Buyer, export strategy, national ship building policy, AU Space Industry Bill (Clark Report)
- Move toward fewer but larger consolidated contracts
- New Major Service Provider contract model changes industry competition and partnering process
- Test & Evaluation and certain areas of engineering identified as critical to sovereign capability

"Like the United States, Australia is prepared to pay for its security, as well as play its part in strengthening its longstanding alliance with the US"

– Marise Payne, Australian Minister for Defence

QinetiQ capabilities are well aligned with Australian Defence aspirations

Source: Jane’s Defence
Leadership team experienced in growing Australian defence businesses

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<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Experience</th>
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</table>
| Greg Barsby     | Managing Director               | • 20 years’ experience in Defence and industry  
|                 |                                 | • Former owner of a Defence training business  
|                 |                                 | • Former leader of APAC division of KBR Defence and Government services business |
| George McGuire  | Operations & Delivery           | • Ret. Commander Royal Australian Navy  
|                 |                                 | • Former Manager at CEA Technologies and Fujitsu |
| Lindsay Pears   | General Manager Strategy        | • Former Managing Director Saab Systems  
|                 |                                 | • Former Special Advisor to Department of Defence |
| Raydon Gates    | Australian Board Non-executive Director | • Ret. Rear Admiral Royal Australian Navy  
|                 |                                 | • Former Chief Executive Lockheed Martin Australia |
| Margaret Staib  | Australian Board Non-executive Director | • Ret. Air Vice Marshal Royal Australian Air Force  
|                 |                                 | • Former CEO Airservices Australia |
| Mark Skidmore   | Australian Board Non-executive Director | • Ret. Air Vice Marshal Royal Australian Air Force  
|                 |                                 | • Former CEO of Civil Aviation Safety Authority |

Combined, the team have a total of more than 200 years experience in the Australian Defence market
Forward strategy, leveraging group capabilities into the Australian market

Expand our core business

Advisory Services and Acquisition Support
- Expand Structural Integrity
- Expand Explosive Ordnance and Air7000
- Growth through Major Service Provider contract
- Prime vendor opportunities

Growth markets

Integrated Training/Test & Evaluation/Ranges
- Engineering Infrastructure and Operations
- Expand Defence Science & Technology Support
- Complex Test & Evaluation Facilities
- Training/Test & Evaluation Range Operations

Secure larger, long term contracts in areas where we combine our deep technical expertise with owning and/or operating technical platforms or infrastructure
Track record of success – well positioned for future growth

- Refreshed strategy aligned with the group
- High impact operational leadership changes have raised the game of the entire organisation
- Renewed Australian Board, deep Australian Defence knowledge and experience
- Strategic Campaign approach delivering new business – focus on larger, longer term and more strategic contracts
- Growth resulting in new facilities in Brisbane, Canberra and Adelaide and increased footprint (200 - 380 employees)
- Complementing organic growth with RubiKon acquisition
- Strong orders, revenue and profit growth
QinetiQ North America

Jeff Yorsz
President – QinetiQ North America
QinetiQ North America (QNA)

Overview
- 300 employees
- Diversified, product based company with broad design, development, manufacturing, deployment capabilities
- Strong customer and product base formed over decades
  - Over 4,500 delivered robots
  - Over 20 years in maritime electromagnetic launch and recovery technology
  - Protection systems delivered for over 1,600 aircraft and 13,000 land vehicles
- Key customers U.S. Army, General Atomics, Lockheed Martin
- Business stabilized from FY17 following separation from QNA services and decreased DoD budgets following drawdown in Iraq and Afghanistan
  - Average 4% year over year growth rate since FY16, consistent quarterly performance

Financials

Capability

Product Design
- Research and Development
- High reliability product design with specialisms in Robotics, Maritime and control systems
- Government and Commercial expertise

Manufacturing
- 60k sq. ft of dedicated manufacturing space
  - Cross trained flexible staff
  - Utilize outside manufacturing partners

Product Lifecycle Services
- Partner with customers in field trials and specification development
- MRO services
- Handle component obsolescence and product upgrades

Products Areas

Unmanned Ground Vehicles (UGV)
- Small to Large IED Robots (e.g. Talon)
  - Controllers
  - Accessories
  - UGV remote control/autonomy systems
  - 45% of revenue

Survivability Products
- Passive RPG Protection Nets (Q-Net)
- Lightweight Aircraft Armor
- Acoustic Sniper Detection Systems
  - 20% of revenue

Maritime Products
- Advanced Launch and recovery control systems (EMALS/AAG controls)
- Undersea Comms, Sensors
  - and Robotics
  - 30% of revenues
Product focused, but strategy aligned to broader group

**Our goal is to be a world class defence product company providing innovative technical solutions, leveraged from our core expertise, for our government and commercial customers’ most challenging problems**

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<tr>
<th>United States</th>
<th>Outside United States</th>
<th>Innovation</th>
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<tr>
<td>• Focus on US defence market for QNA sales and for supporting QinetiQ Group sales</td>
<td>• Leverage our position as the preferred provider of specific US military equipment to penetrate international military markets</td>
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<tr>
<td>• Maintain leadership in unmanned systems with broad based product offering ranging from small robots to large vehicle control and accessories</td>
<td>- Unmanned ground systems</td>
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<tr>
<td>• Expand Maritime business beyond aircraft launch and recovery equipment to include UUVs comms and custom products</td>
<td>- Survivability systems</td>
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<tr>
<td>• Defend and expand air and land armour area</td>
<td>- Maritime systems</td>
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<td></td>
<td>• Utilize wider QinetiQ global presence to enter attractive markets</td>
<td>• Innovate product offerings with focus on customer needs</td>
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<td></td>
<td>• Continue to improve product development process</td>
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<td></td>
<td>• Grow customer funded R&amp;D to advance our technology, explore new customer problems, improve and expand our competitive offerings</td>
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<td></td>
<td></td>
<td>• Develop partnerships with industry and academia</td>
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# QNA Leadership

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<thead>
<tr>
<th>Name</th>
<th>Title &amp; Business Development &amp; Strategy</th>
<th>Experience Details</th>
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</table>
| Jeff Yorsz          | CEO and President                      | • 35 years' experience in Aerospace and Defence industry  
                        |                                               | • Former Strategic Business Unit Director for Northrop Grumman Corporation |                                                |
| Dr. Richard Wiesman | Executive Vice President and Chief Technology Officer | • 35 years’ experience with QNA on mobile robotic systems  
                        |                                               | • Professor of Practice in Mechanical Engineering at Massachusetts Institute of Technology |                                                |
| Kevin Bratton       | Chief Operating Officer                | • 30+ year’s financial and operations experience in multi-national organizations  
                        |                                               | • Former CFO at Strategic Diagnostics, Cytogen Corp, Metrologic Instruments |                                                |
| Michael Fry         | Vice President, Maritime Business Development & Strategy | • 30 years’ technical and business development in Maritime industry specializing in submersibles  
                        |                                               | • Former Program Director at Newport News Shipbuilding |                                                |
| Juan Hernandez      | Vice President, Land Systems Business Development & Strategy | • Retired U.S. Army Lieutenant Colonel and former Tank Battalion Commander  
                        |                                               | • 15 years’ experience in Senior Strategy/BD with General Dynamics, Curtiss Wright and Chemring |                                                |
| Thomas E. Mills IV  | Proxy Board Chairman                   | • Former CEO of Gichner Systems Group  
                        |                                               | • President at Kratos Defense & Security Solutions |                                                |

**Strong leadership team with extensive technical and commercial skills in US defence**
Our capabilities are well aligned with US defence investment priorities

- Maintaining defence advantage over global peers is an important driver in addressable US market

- Response calls for an increase in unmanned systems and inclusion of autonomy:
  “Every ground and rotary wing vehicle that the Army produces from now on … every single one of them, … has to be manned and unmanned, either autonomous or semi-autonomous,” – Army Chief of Staff Gen. Mark Milley – April 12, 2018

- This demand is well aligned with our capabilities and product offerings and drives our market opportunities

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<thead>
<tr>
<th>Unmanned Ground Systems</th>
<th>Survivability Products</th>
<th>Maritime Systems</th>
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</table>
| • Enhanced products, recapitalizing of existing assets and adding new assets to:  
  - Maximize soldier safety  
  - Act as a force multiplier  
  - Provide ISR capability  
  • Active and upcoming programs of record for all robot sizes and vehicles  
| • Recapitalization, upgrades, and lifecycle maintenance as well as new asset production driving need  
• Conflict affects demand  
• Needs:  
  - Lighter weights  
  - Easier installation  
  - Cost efficiencies  | • Total of 10 Ford class Carriers planned through GFY48  
• Growth of 80 new Navy ships  
• 3 Virginia class submarines per year  
• Clear US Navy roadmap for unmanned systems  
  - Maintaining subsea superiority  
• Need for better undersea networking and communication |
**Unmanned Ground Systems (UGS) – building on our established position**

<table>
<thead>
<tr>
<th>Established position</th>
<th>Differentiated offer</th>
<th>Significant opportunities</th>
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</table>
| QinetiQ is a leader in UGS and has strong relationships with key customers, built on 30 year’s of experience | Refreshed product line for large and small robots:  
- New Talon 5 released  
- Supports interoperability  
- Better mobility, video  
- New backpackable robot | Programs of record  
1. Won $44m R-CIS 1  
2. Won first stage of $429m CRS (I)  
3. Won Phase 1 CRS(H)  
Lost MTRS  
Continued sales of Talon and accessories  
Various customer R&D opportunities |
| Recent contract wins demonstrate customer recognition of our capabilities | Strong relationship with customers  
Large vehicle control systems developments  
Addition of CBRE accessories  
Partnerships in autonomy, weapons systems, large robots | |
| Over 4,500 robots including medium sized Talon and smaller Dragon Runner deployed worldwide | | |
| Remote controlled Bobcat (Minatour) used for mine clearance | | |
| MAARS ‘man in the loop’ weaponized robot | | |

**Route Clearance Interrogation System Type 1 (R-CIS 1)**
- Detects, interrogates and neutralises the full spectrum of Explosive Hazards (EH) while on the move
- Takes the soldier out of the EH Kill Zone during Route Clearance Operations
- **Value of $44m**

**Common Robotics System (Individual)**
- A man-packable (<25lbs), miniature, highly mobile, unmanned robotic system with advanced sensors and mission modules for dismounted forces
- Operators can quickly reconfigure for various missions by adding/removing modules and/or payloads
- Selected for Engineering, Manufacturing, Development phase
- **Value of up to $429m**

**Common Robotics System (Heavy)**
- Large size, vehicle transportable, common robotic platform capable of accepting various mission payloads
- Enhancing protection by providing increased standoff capability to identify, render safe and dispose of explosive ordnance and IEDs
- Won first early initial stages
- Potential for over 200 robots

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Survivability Products – enhancing our offer

Established position

• LAST Armor installed on over 1,600 aircraft across 40 different platforms
  - Effective, flexible installation, lightweight
• Q-Nets installed on over 13,000 platforms in active theatre
  - Most widely deployed RPG protection system
  - Lighter than competitive systems, low standoff, easily maintainable

Active developments

• Air armour advancements
  - 50% weight reduction
  - New armour kits
• Developing new Q-Net applications (e.g. Maritime, Fixed sites)
• Next generation Q-Net using advanced structures and materials
• Intensified business development efforts
  - Including rotary wing

Significant opportunities

• Continued strong air amour sales:
  - In last two years
  - On two new aircraft types
  - Two new kits retrofitted to old aircraft
  - Lockheed top performing supplier
• Actively testing on rotary wing aircraft
• Uplift in Q-Net sales
  - Next generation Q-Net testing
Maritime Systems – proven technology and innovation opening up new opportunities

**Advanced Naval Control Systems**
- Working as long-term subcontractor to General Atomics, we have designed and now produce the control systems for Electro Magnetic Launch Systems (EMALS) and Advanced Arresting Gear (AAG)
- EMALS/AAG opportunities:
  - US Carrier program
  - Spares/depot support
  - International sales

**Maritime Robotics & Communications**
- Our advanced R&D has created highly disruptive products in maritime robotics and communications, e.g. Dolphin
- Dolphin full duplex acoustic comms
  - NSWC Sonar Contract
  - Attritable Small Unmanned Underwater Vehicle

**Fleet Modernisation**
- These attributes combined now allow us to access further opportunities in fleet modernisation
  - Obsolescence redesign
    - Cradle Lock Controller Redesign w/Electric Boat
  - Technology insertion
  - New product development

Key part of large scale programmes

With advanced disruptive technology

Opens up further opportunities in modernisation
Track record of success – well positioned for future growth

- Leading technology and an inherent ability to innovate effectively
- Strong and highly respected team
- Long term relationships, trusted by our customers to deliver real deployable technology
- Clear strategy and focus on attractive niche markets
- Business turned around and now on growth footing – delivering 3 years of organic growth
- Significant opportunities in robotics, maritime systems and survivability
- Further international opportunities and ability to leverage broader QinetiQ footprint
Conclusion

Steve Wadey
Chief Executive Officer