Focus; Fix; Grow - ONE Ultra

London
23 January 2020
Key takeaways from today…

<table>
<thead>
<tr>
<th>Team</th>
<th>Enhanced team, capable and relevant experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategy</td>
<td>Clarity and a plan to deliver</td>
</tr>
<tr>
<td>Market</td>
<td>Good momentum and opportunity</td>
</tr>
<tr>
<td>Growth</td>
<td>Strong technology base, aligned with demand, winning business, healthy order book</td>
</tr>
<tr>
<td>Resilience</td>
<td>Visibility, platform/customer diversity</td>
</tr>
<tr>
<td>Performance</td>
<td>Opportunities to accelerate growth, improve delivery and efficiency over time</td>
</tr>
<tr>
<td>Returns</td>
<td>Emphasis on value creation, cash generation and EBITA ROIC</td>
</tr>
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</table>

...ONE Ultra is a really exciting opportunity
What we are going to cover...

<table>
<thead>
<tr>
<th>The team</th>
<th>Ultra, the background and opportunity</th>
<th>Simon Pryce, CEO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Focus</td>
<td></td>
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<tr>
<td>Fix; Grow</td>
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<table>
<thead>
<tr>
<th>Market dynamics</th>
<th>Richard Cashin, Strategy Director</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maritime</td>
<td>Thomas Link, SBU President</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Intelligence &amp; Communications</th>
<th>Mike Baptist, SBU President</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other specialist businesses</td>
<td>Richard Cashin Strategy Director</td>
</tr>
<tr>
<td>First Impressions</td>
<td>Jos Sclater, CFO</td>
</tr>
<tr>
<td>Future aspiration</td>
<td>Simon Pryce, CEO</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Technology showcase</th>
<th></th>
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</thead>
</table>
The team...
Enhanced team...

Simon Pryce
CEO
Appointed: 2018

Jos Sclater
CFO
Appointed: 2019

Richard Cashin
Strategy Director
Appointed: 2019

Steve Izquierdo
HR Director
Appointed: 2018

Louise Ruppel
General Counsel & Co Sec
Appointed: 2019

Thomas Link
Maritime SBU President
Appointed: 2018

Mike Baptist
Intelligence & Communications SBU President
Appointed: 2007

...supporting strong operational leadership
Ultra, the background and opportunity

Simon Pryce
CEO
Beginning 2019, plenty of potential…

<table>
<thead>
<tr>
<th>Status</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technology</td>
<td>Areas of domain expertise, but wide range of technology/capability, thinly spread</td>
</tr>
<tr>
<td>Culture</td>
<td>Local autonomy, poor collaboration, internal competition, tactical</td>
</tr>
<tr>
<td>People</td>
<td>Strong engineering talent, weaker functional capability and limited investment in people</td>
</tr>
<tr>
<td>Strategy</td>
<td>Electronics Holdco (?), short term revenue, margin, EPS focus</td>
</tr>
<tr>
<td>Markets</td>
<td>Cyclical, positive tailwinds</td>
</tr>
<tr>
<td>Operations</td>
<td>Site based BU, financial oversight, weak integration, under-invested in IT infrastructure, processes and systems</td>
</tr>
<tr>
<td>Performance</td>
<td>Some delivery issues and negative surprises</td>
</tr>
<tr>
<td>Capital/ resource discipline</td>
<td>Weak…£500m invested 2012-18 in flat markets, no revenue growth, margin and material ROIC decline</td>
</tr>
</tbody>
</table>
We’ve spent 2019 developing a vision for ONE Ultra…

1. Define what we do and how we create value
2. Identify where we can deliver parenting advantage
3. Review portfolio to align with value creation potential
4. Create a vision for ONE Ultra
5. Build a strategy aligned to our vision
6. Design the organisation to support strategic delivery

...and a roadmap to deliver its potential
This is what we’re trying to achieve in phase one…

<table>
<thead>
<tr>
<th>Culture &amp; talent</th>
<th>Operating model</th>
<th>Operational improvement</th>
<th>Infrastructure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Right culture &amp; people to succeed</td>
<td>Organisation fit for delivery</td>
<td>Common, and improved high-level processes</td>
<td>Technology supporting collaboration</td>
</tr>
<tr>
<td>Enhance functional capability</td>
<td>Increased IR&amp;D to enhance technology base</td>
<td>Efficient deployment of our critical resources / shared services</td>
<td>Improved MIS to support more effective decision making</td>
</tr>
</tbody>
</table>

…making progress, increasing the pace
Focus…
Creating a cohesive solutions provider

<table>
<thead>
<tr>
<th>What we do</th>
<th>We are a trusted partner in the key elements of mission critical &amp; intelligent systems:</th>
</tr>
</thead>
</table>
| What we specialise in | • Applications engineering  
• Signal and data capture/processing  
• Signal, data and RF transmission, analytics and interpretation  
| | • Specialist encryption  
• Sub-systems integration  
• SWaP in harsh and regulated environments  
• Signature & power management |
| Where we operate | • Five eyes defence - maritime, communications and intelligence  
• Other defence where we can apply modular solutions  
• Other selected, highly regulated and harsh environment detection and control markets |
| How we will enhance value | • Accelerate growth  
• Operational efficiency  
• Value discipline |

...by focusing, fixing & growing
Why we exist?
Innovating today for a safer tomorrow.

Our vision
A leading partner delivering outstanding solutions to customers’ most complex problems in defence, security, critical detection & control.

Our values

Agile
We embrace change - adapting to the conditions and making decisions at the right level.

Sharing
We win as a team - sharing ideas and resources to achieve great things.

Performing
We are relentless about quality - we’re never satisfied until we’ve done what we said we’d do.

Innovating
We’re open and questioning - and we challenge each other to think in new ways.

Rewarding
We love to celebrate success - seeking out and rewarding positive contributions at every level.

Empowering
We trust and empower each other - acting safely, ethically and with integrity.
Our mission

**Employees**
Create a dynamic, inclusive and inspiring work environment that attracts, develops and retains the best diverse talent pool.

**Customers**
To partner with customers, delivering innovative solutions that create “win-win” outcomes for all parties.

**Suppliers**
Develop group-wide partners with like-minded values that provide best-value solutions, technical innovation and support mutual success, fairness and respect.

**Communities**
To conduct business in an ethical, safe and sustainable way, acting as a positive force and making an active contribution to our communities.

**Shareholders**
Deliver outstanding through-cycle value for shareholders, through effective execution of Ultra’s strategy.
Creating value for all stakeholders…

<table>
<thead>
<tr>
<th>Employees</th>
<th>Customers</th>
<th>Suppliers</th>
<th>Communities</th>
<th>Shareholders</th>
</tr>
</thead>
<tbody>
<tr>
<td>Winning culture</td>
<td>Supplier of choice</td>
<td>Long-term partnering approach</td>
<td>Clear ESG strategy</td>
<td>Clear strategy</td>
</tr>
<tr>
<td>Investing in people</td>
<td>Delivering on commitments</td>
<td>Focus on total cost of supply</td>
<td>Managed environmental impact</td>
<td>Parenting advantage</td>
</tr>
<tr>
<td>Strengthened capability</td>
<td>Agile, flexible &amp; responsive</td>
<td></td>
<td>Ethical, safe, sustainable behaviour</td>
<td>Managed risk taking</td>
</tr>
<tr>
<td>Diversity &amp; inclusion</td>
<td>Investment &amp; innovation</td>
<td></td>
<td>Community contribution</td>
<td>Disciplined resource allocation</td>
</tr>
</tbody>
</table>

...with clear measures defining success
Delivering parenting advantages...

Greater opportunity:
- People
- Enhanced innovation
- Strategic relationships
- Technology sharing
- Capital discipline

Greater efficiency:
- Better utilisation
- Improved functional operating models
- Scale benefits
- Efficient processes
- Best practice sharing

...for enhanced performance
Organisation evolution from 2021…

...supporting strategic execution
Fix & Grow…
Solid progress on Fix initiatives…

- **Culture & talent**
  - VMV and cultural transformation
  - Aligning people, development & reward to strategy
  - HR process standardisation and IS

- **Operating model**
  - Organisation redesign, functional evolution
  - Capability mapping, role specification and matching
  - Objectives, measures, goals definition, alignment, deployment

- **Operational improvement**
  - Process improvement accelerating
  - Risk focussed commercial management
  - IR&D investment/innovation/discipline/oversight

- **Infrastructure**
  - IT infrastructure investment
  - MIS/data architecture
  - Application and infrastructure standardisation

...costs taken within business, good payback
Grow: Parenting advantage already delivering new programmes...

Canadian Surface Combatant
Technology sharing:
Canada
Australia
U.K.
U.S.A.
(Total cumulative value could be worth > $500m)

Radar Systems
Technology investment:
$101m IDIQ for Submarine navigation radar

MK 54
Technology investment:
Over $88m cumulative value with 3 option years remaining

Orion Radio IDIQ
Innovation:
Second large order under $500m IDIQ for $30m, more potential

...confidence in direction of travel
Attractive growth dynamics in key markets…

Richard Cashin
Strategy, M&A and Business Development
We focus on ‘Five Eyes’ Maritime and Intelligence & Communications defence

Maritime Defence

2018 market: £5.1bn

- Underwater expendables
- Sonar systems
- Signature management & power systems
- Radar systems

C4ISTAR-EW

2018 market: £3.1bn

- Communications
- C2 & Intelligence
- Cyber
- Specialist Radio Frequency

Specialist businesses

- Commercial aerospace
- Nuclear power generation
- Ballistics identification

...large and growing markets

Source: Ultra, Roland Berger, official US contracting data, industry publications, SDI
Significant US presence...

Core defence revenue split (2018):

- **Mainland Europe**: 8%
- **RoW**: 15%
- **North America**: 60%
- **UK**: 17%

**Resilient revenue base**

- Top ten contracts accounted for 12% of 2018 revenue
- Top ten platforms accounted for 18% of 2018 revenue

US Department of Defence budget

- **US Military Expenditure (FY00-FY20)**
- **US Military Expenditure (FY14-FY19)**

...the largest global defence market – with a strong tailwind
Market growth driven by threat environment

Maritime defence
- 5 year CAGR: 3-5%

C4ISTAR-EW
- 5 year CAGR: 4-6%

Specialist businesses
- 5 year CAGR: 2-4%

- Threat environment / adversary balance
- Technology leapfrog
- Platform extension / upgrade (short term need vs long term affordability)
- Evolving focus:
  - Interoperability / multi-domain capability
  - Data & information
  - Agile command & control
  - Denied / contested domains
  - Complex simulation
- Developing practice:
  - Innovation challenge and COTS
  - Contracting / procurement
  - Teaming
  - Security / assurance across supply chain

- Strong positions on 787 & JSF
- Life extensions on nuclear power installations
- Relentless and global increase in gun crime

...good visibility over the next three years

Source: Ultra, Roland Berger, official US contracting data, industry publications, SDI
Strategic Business Unit strategies

SBU Presidents
Maritime

Thomas Link
SBU President
A Maritime focused…

Core capabilities

- Experts in maritime mission systems, and application engineering solutions provider in sonar, radar, expendables, signature management, and naval power systems
- Providing transducers/sensors, data capture/telemetry, processing, and maritime mission-centric integrated solutions including support
- A trusted & strategic partner for low Size, Weight, and Power (SWaP) equipment and systems in the maritime defense domain

Revenue by category (2018)

By customer type

By end-user country

By offering

… multi-mission solutions provider
A clear strategic focus…

Strategic themes

• Develop core offerings and propositions for Five Eyes Nations while leveraging those products for all customers future needs

• Grow market share in the US

• Organise and develop resources and teams to deliver our strategic objectives

• Increased focus on after-market support

• Additional investment to accelerate strategic objectives

…building market share in growing markets
## Underwater Expendables

### Core Propositions

#### Sonobuoys
- Global supplier of A-Size, G-Size sonobuoy production

#### Countermeasures
- Primary supplier in the five-eyes of sonar and torpedo countermeasures

#### Sonobuoys related systems
- Global supplier of sonobuoy receivers
- Sonobuoy processor and pod development Unmanned ASW Systems

### Key Customers

...low cost production excellence
### Market Attractiveness

**Market Drivers / Disruptive Changes**
- Increasing competition in US sonobuoy market
- Countermeasure future requirements in development, but budgets not yet defined
- Future UAV platforms proliferating, but US program of record currently non-existent

**Key Opportunities**
- Current US sonobuoy production
- Future USN development contracts
- Current USN countermeasures and NGCM

### Growth Potential

**Well positioned**
- ERAPSCO JV is sole-source provider of all current US sonobuoys
- Significant countermeasure development and production
- Effective sole source for sonobuoy receivers

**Focus**
- Investing for independent buoy production
- Strategic engagement with customer community

### Market Outlook

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<tr>
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<tbody>
<tr>
<td>£356m</td>
<td>2-3%</td>
<td>Strong</td>
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</table>

*Niche < 10%, Developing 10% - 25%, Strong > 25%
Sonar Sensors & Systems

Core Propositions

**Hull Mounted Sonar Systems**
- Submarine/ship bow/hull transducers
- Frigate / Corvette hull-mount sonar systems (HW & SW)
- Torpedo nose & specialty transducers

**Towed Sonar Systems**
- Towed array modules for surface ships, submarines, USVs, & UUVs
- Detection & localization solutions plus soft-kill countermeasures and interface to third-party hard kill platform
- Ship-borne ASW systems

**Persistent Sonar Systems**
- Long-endurance sonar sensors and systems for permanent emplacement or long-term deployment

Key Customers

- BAE SYSTEMS
- United States Navy
- Ministry of Defence

... a significant opportunity
## Market Attractiveness

### Market Drivers / Disruptive Changes
- US/UK investing for permanent & deployable systems
- Non-US customers focus on subsystem vs. equipment
- Growing submarine threats from Russia, China, N. Korea
- Top tier navies exploring active torpedo detection/hard kill

### Key Opportunities
- Canadian Surface Combatant program
- Australian SEA5000 Future Frigate
- US FFG(X) future frigate
- US AN/SLQ-25E Nixie
- UK active SSTD

### Growth Potential
- ISS fuses data from all ship sensors
- Experienced with all current US torpedoes
- Primary producer of 53C hull mount transducer
- Recognized expertise in towed torpedo defense

## Market Outlook

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<tr>
<td>£698m</td>
<td>4.0%</td>
<td>Developing</td>
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</table>

*Niche < 10%, Developing 10% - 25%, Strong > 25%
Signature Management & Power Systems

**Core Propositions**

**Signature Management**
- Primary supplier for signature management for UK submarines

**Power Management**
- Supplier of naval power conversion & control equipment to US ships, submarines, & USVs

**Hybrid Electric Propulsion**
- Cruise propulsion supplier for UK naval platforms

**Key Customers**

- **GENERAL DYNAMICS**
- **BAE SYSTEMS**
- **Ministry of Defence**

...niche technical capabilities
Signature management & power systems specialism…

**Market Attractiveness**

**Market Drivers / Disruptive Changes**
- Increasing ASW focus drives investment in signature management
- Threat submarines accelerating US/UK submarine programs
- Electrification of platforms offers considerable opportunity in Hybrid Electric Propulsion

**Key Opportunities**
- UK Signature Management & Main Static Convertor
- US Virginia Class Submarine Circuit D
- SSNR Main Static Convertor & Electric Cruise Propulsion

**Growth Potential**

**Well positioned**
- Only turnkey signature management supplier in US
- Teamed for sole High Temperature Superconducting Degaussing offering
- Sole source for UK submarine MSC/ECP

**Focus**
- Enhanced marketing approach to further coordinate Signature Management offering
- Solidify unique position in High Temperature Superconducting Degaussing
- Migrate unique UK technology into US

**Market Outlook**

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<tr>
<td>£115m</td>
<td>3.5%</td>
<td>Strong</td>
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*Niche < 10%, Developing 10% - 25%, Strong > 25%

…with technology transfer potential
Radar Systems

Core Propositions

**Navigation and Surface Search Radar Systems**
- Developer of advanced detection algorithms for small targets in high-clutter environments
- Provider of Next Generation Surface Search Radar (NGSSR) to US Navy for surface ship deployment
- Provider of BPS-17 submarine surface search radar systems

Key Customers

...innovation led market entry
Emerging position in radar systems

Market Attractiveness

Market Drivers / Disruptive Changes
- Recent USN demand for modernized surface search radar replacement
- USN budget for innovative improvements
- US market highly competitive with many primes

Key Opportunities
- NGSSR export for non-US customers
- BPS-17 submarine radar
- Land-based drone detection

Growth Potential

Well positioned
- Proven attack periscope detection
- Near term opportunities reflect US urgent need

Focus
- Execution excellence retains customer confidence
- Invest to establish base in phased array radar

Market Outlook (Navigation and Surface Search only)

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<tbody>
<tr>
<td>£61m</td>
<td>2.3%</td>
<td>Developing</td>
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...with significant potential
Maritime - executing a clear strategy…

<table>
<thead>
<tr>
<th>Underwater Expendables</th>
<th>Sonar Sensors &amp; systems</th>
<th>Signature Management &amp; Power Systems</th>
<th>Radar Systems</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Grow sonobuoy market share</td>
<td>• Expand US presence in areas of technology strength</td>
<td>• Expand Signature and Power Management global market share about market growth</td>
<td>• Successful deployment of Next Generation Surface Search Radar (NGSSR) in USN</td>
</tr>
<tr>
<td>• Develop independent, US qualified sonobuoy designs</td>
<td>• Continue to grow our US transducer market</td>
<td>• Establish a position in USN for Hybrid Electric Propulsion</td>
<td>• Extend capability to related applications</td>
</tr>
<tr>
<td>• Additional opportunities in Torpedoes &amp; Countermeasures</td>
<td>• Grow our non-US Five-Eyes HMS market</td>
<td>• Grow our non-US Five-Eyes HMS market</td>
<td>• Pursue export opportunities for NGSSR</td>
</tr>
</tbody>
</table>

* Excludes ‘other’ offering

*building market share in growing markets*
Questions & Break

Please use the microphone for the webcast
Break for 10 Minutes
Intelligence & Communications

Mike Baptist
SBU President
Secure multi-domain C3I solutions provider…

C3I = Command & Control, Communications, Intelligence

Core capabilities

- Experts in multi-domain Command & Control (C2), Intelligence, Communications, Encryption and specialist RF technologies, delivering Interoperability and Information Advantage.
- World leading tactical radios and airborne datalinks with advanced waveforms, evolving through the use of artificial intelligence/machine learning (AI/ML)
- Proven C2 and situational awareness system solutions, further enhanced through the application of AI/ML and cross-domain intelligence capabilities
- Trusted supplier of classified military Crypto and Key and Management that underpin our Cyber hardened communication solutions
- High integrity, small SWaP application specific RF sensor & flight instrumentation solutions and Electronic Warfare / Radar Test Systems

2018 Revenue by category

By customer type

- Military (air) 28%
- Military (naval) 23%
- Military (land) 5%
- Military (joint) 44%
- Commercial 9%
- Other 12%

By end-user country

- North America 19%
- UK 29%
- RoW 31%
- Cyber 7%
- Communications 12%
- Specialist RF 9%

By offering

- Specialist RF 31%
- C2I 21%
- Communications 29%
- Cyber 9%

...delivering information advantage
A clear strategic focus

**Strategic themes**

- Develop our core capabilities for our home markets, and exploit these interoperable solutions within NATO to grow our market share.

- Focus on Tier 3 Product / Solutions to application specific problems, and Tier 2 System / Sub-System Solutions where we have domain knowledge and offer significant value within the solution.

- Transform to a Strategic Business Unit with market focused Operating Business Units with efficient & effective systems & processes.

- Increased investment in innovation and disruptive technologies to differentiate our offerings and drive long term growth.

- Develop long term strategic relationships to leverage our position & relationships with key customers.

...building market share in growing markets
## Core Propositions

### Tactical Radios (ORION)
Multi-channel, multi-band tactical radio systems based on 4G, 5G and AI/ML network technologies.

### Communications Pod (REAP)
Airborne pod for manned or unmanned aircraft for radio communications between theatre command & edge users.

### Specialised Data Links
Secure, long range airborne communication of ISR, C2 and telemetry data.

### Key Customers
- [National Defence](#)
- [U.S. Army](#)
- [Marines](#)
- [Navy](#)
- [General Dynamics](#)
- [Raytheon](#)
- [Thales](#)

...assured connectivity in challenging environments
Market leading position in upper tier tactical radios

### Market Attractiveness

**Market Drivers / Disruptive Changes**
- US DoD’s review of tactical communications networks
- Critical dependency on US defence budgets
- Disruptive change from AI/ML-based cognitive radio systems and advanced (5G) commercial technologies

**Key Opportunities / Platforms**
- ORION – US Army TRILOS for upper-tier ITN
- ORION – USMC MRC-142 and USN ATCS
- ORION – US Army TRILOS Mobile for mid-tier ITN
- REAP – US Air National Guard development

**Market Outlook**

<table>
<thead>
<tr>
<th>Addressable market size</th>
<th>Market CAGR (2020 – 2029)</th>
<th>Current Market Share*</th>
</tr>
</thead>
<tbody>
<tr>
<td>£912m</td>
<td>2-3%</td>
<td>Niche</td>
</tr>
</tbody>
</table>

*Niche < 10%, Developing 10% - 25%, Strong > 25%

### Ultra Positioning

**Well Positioned**
- US Army TRILOS Program of Record (sole source)
- Flexible multi-channel Software Defined Radio
- Unique waveform library for legacy & future interoperability
- Secured US Air National Guard REAP launch customer

**Focus**
- Capturing upper-tier market position into US
- Secure a position in the mid-tier of the US Army’s networks
- Advanced mesh waveforms leveraging AI/ML and 5G
- Establishing REAP as a leading airborne communications pod

...significant additional opportunities
**C2 & Intelligence**

**Core Propositions**

**Command & Control Systems (ADSI)**
Real-time, network centric command, control and integrated intelligence system for situational awareness, battlespace and tactical data link network operational management.

**Multi-Domain Intelligence Systems (MDIS)**
AI/ML Information Advantage processing and distribution for National and Tactical Users.  
AI/ML Multi-Domain visualization solutions.

**Key Customers**

...multi-domain real-time information
**Proven Command & Control solutions**

### Market Attractiveness

**Market Drivers / Disruptive Changes**
- Improved visualisation from distilled data into information
- Integration of AM/ML decision making information
- Drive to use national / strategic intelligence at the tactical edge
- Cross domain information security

**Key Opportunities / Platforms**
- USAF RAIN
- USAF Shelter Growth
- US MDA – MDIS
- USN LM Aegis Ashore

### Ultra Positioning

**Well positioned**
- Proven pedigree and widely deployed ADSI System
- Highly differentiated functionality
- USAF sponsor for first to market application of RAIN

**Focus Areas**
- Investing in the development and application of AI/ML & Big Data Analytics
- Improved UI/UX for cross domain visualisation functionality
- Establishing first to market capabilities

### Market Outlook

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<th>Addressable market size</th>
<th>Market CAGR (2020 – 2029)</th>
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<td>3 - 4%</td>
<td>Developing</td>
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*Niche < 10%, Developing 10% - 25%, Strong > 25%*

...positioned to benefit from application of AI/ML
## Core Propositions

### Crypto & Key Management

Type 1 / High Grade multi-domain deployable Link and IP crypto solutions. For US & UK Sovereign, NATO interoperability and allies national requirement solutions.

FIPS Accredited network Edge encryption and Hardware Security Modules (HSMs) solutions.

NATO standard key delivery and management solutions.

### Classified Projects

Covert solutions for the most demanding applications.

---

## Key Customers

…trusted supplier for over 60 years
### Market Attractiveness

**Market Drivers / Disruptive Changes**
- Crypto modernisation and quantum resistant solution
- Funding in the UK market has been slow to be allocated
- NCSC heavily influencing UK market
- Demand for high data rate IP crypto

**Key Opportunities / Platforms**
- ECU RP Additional Devices
- Typhoon Crypto Development & Production
- Securing cloud operations with Edge Encryption

### Ultra Positioning

**Well positioned**
- Established lead in UK High Grade Link / Tactical Crypto
- US Type 1 single chip crypto development programme
- Quantum safe FIPS accredited Edge Encryption
- Non-ITAR solutions

**Focus**
- Grow NATO market with our proven Link Cryptos
- High data rate IP Crypto development
- Complete US Type 1 single chip crypto development
- Establish position on US military cloud based operations

### Market Outlook

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<td>5 – 6%</td>
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*Niche < 10%, Developing 10% - 25%, Strong > 25%*
 Specialist RF (Radio Frequency)

### Core Propositions

#### Tactical RF Products
High integrity, small SWaP Radar Altimeters, Rugged Datalinks and IFF Systems for UAVs, space launch applications, munitions & targets.

#### Missile Flight Instrumentation
Leading provider of high integrity flight instrumentation and termination systems for the missile, UAV & target applications.

#### EW Test Systems
Highly specialised in market-leading, multi-spectral threat and countermeasure simulators.

---

### Key Customers

- Lockheed Martin
- Boeing
- General Atomics
- Raytheon
- FMV
- Hensoldt

---

...niche multi-spectral RF product & systems
Specialist in multi-spectral RF technologies

**Market Attractiveness**

<table>
<thead>
<tr>
<th>Market Drivers / Disruptive Changes</th>
<th>Well Positioned</th>
</tr>
</thead>
<tbody>
<tr>
<td>• New specialist platforms under-development (ie hypersonic)</td>
<td>• Track record on current platforms</td>
</tr>
<tr>
<td>• Drive for autonomous flight safety systems operations</td>
<td>• Pedigree in ruggedised, high G, small SWaP</td>
</tr>
<tr>
<td>• Autonomous flight operations</td>
<td>• Good long term relationships with US Primes</td>
</tr>
<tr>
<td>• GPS denied all weather environment sensors</td>
<td></td>
</tr>
<tr>
<td>• Autonomous flight operations</td>
<td></td>
</tr>
<tr>
<td>• NEWEG (Next EW Emitter Generator) – Open architecture</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Key Opportunities / Platforms</th>
<th>Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Trident Test Kits</td>
<td>• Continued R&amp;D for established product line refresh</td>
</tr>
<tr>
<td>• Autonomous Flight Safety System</td>
<td>• Strategic customer relationships for next gen capabilities</td>
</tr>
<tr>
<td>• Precision Strike Sensor Core (PSSC)</td>
<td>• First to market on new autonomous capabilities</td>
</tr>
<tr>
<td>• UK AWC (JANUS)</td>
<td></td>
</tr>
</tbody>
</table>

**Market Outlook**

<table>
<thead>
<tr>
<th>Addressable market size</th>
<th>Market CAGR (2020 – 2029)</th>
<th>Current Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>£444m</td>
<td>1-2%</td>
<td>Niche</td>
</tr>
</tbody>
</table>

*Niche < 10%, Developing 10% - 25%, Strong > 25%*

...established long term relationships on key programmes
Intelligence & Communications - executing a clear strategy…

<table>
<thead>
<tr>
<th>Communications</th>
<th>C2 &amp; Intelligence</th>
<th>Cyber</th>
<th>Specialist RF</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Capture the US DoD upper-tier of the tactical radio market</td>
<td>• Expand ADSI’s deployment within the US and NATO</td>
<td>• Exploit our existing Crypto capabilities throughout NATO</td>
<td>• #1 supplier of missile telemetry over the period of the plan</td>
</tr>
<tr>
<td>• Secure a position in the US Army’s mid-tier tactical radio market</td>
<td>• Establish a leading position for the application of AI/ML to military C2 solutions</td>
<td>• Secure a position within the DoD for hardware based Edge crypto technology for cloud access</td>
<td>• Invest in the development and expand our autonomous systems solutions (RALT, FTR and uIFF)</td>
</tr>
<tr>
<td>• Establish REAP as a leading airborne communications pod</td>
<td>• First to market for the RAIN “National to Tactical” cross-domain intelligence capability</td>
<td>• First to market for high data-rate IP crypto within NATO</td>
<td>• First to market for Precision Sensor Strike Core (PSSC)</td>
</tr>
<tr>
<td>• Secure a position on a next generation fighter aircraft integrated communications solutions</td>
<td></td>
<td></td>
<td>• Expand into the US market for EW Test Systems</td>
</tr>
</tbody>
</table>

Combine our core capabilities to offer our customers unique value propositions

…building market share in growing markets
Other specialist businesses
Other specialist businesses...

**Other critical detection & control businesses**

- **2018 revenue**
  - Maritime: 30%
  - I&C: 42%
  - CDC: 28%

- **2018 profit**
  - Maritime: 33%
  - I&C: 19%
  - CDC: 48%

- **2018 revenue**
  - Forensic Technology: 53%
  - Energy: 19%
  - PCS: 27%

- **2018 profit**
  - Forensic Technology: 63%
  - Energy: 25%
  - PCS: 12%

**Background**

All technology rich critical detection and control:

- Energy (previously in Aerospace & Infrastructure)
- Precision Control Systems (PCS) (previously in Aerospace & Infrastructure)
- Forensic Technology, FT (previously in Communications & Security)

- Less opportunity for parenting value
- Further strategy development to do

Numbers restated to exclude Airport Systems, divested on 1 February 2019, reporting change from 1 January 2021

...with value potential
Questions?

Please use the microphone for the webcast
First Impressions

Jos Sclater, CFO
Making good progress…

<table>
<thead>
<tr>
<th>2019</th>
<th>Current</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technology</td>
<td></td>
<td>Building on areas of domain expertise, improved focus and investment case development/management, improving technical engagement with customers</td>
</tr>
<tr>
<td>Culture</td>
<td></td>
<td>New vision, mission, values being launched in Q1, investments to support collaboration</td>
</tr>
<tr>
<td>People</td>
<td></td>
<td>Strong engineering talent, improved functional capability, VMV focussed people strategy being executed, org design and associated changes effective 1/1/2021</td>
</tr>
<tr>
<td>Strategy</td>
<td></td>
<td>Defined, organising and resourcing to deliver</td>
</tr>
<tr>
<td>Markets</td>
<td></td>
<td>Cyclical but with positive tailwinds</td>
</tr>
<tr>
<td>Operations</td>
<td></td>
<td>Improved operational oversight, goal alignment, IT investment, process and system standardisation accelerating</td>
</tr>
<tr>
<td>Performance</td>
<td></td>
<td>Increased customer focus and better delivery discipline</td>
</tr>
<tr>
<td>Capital/ resource discipline</td>
<td></td>
<td>Improved investment discipline/decision making, more disciplined capital allocation</td>
</tr>
</tbody>
</table>

...a year into our transformation
A more disciplined approach to capital allocation …

- Asset light, high capital return model driving strong free cash flow
- Organic investment
- Fix & Operational improvement, Deliver growth
- Inorganic M&A investment
- To accelerate strategy delivery only if generates additional value
- Sustainable through cycle dividend
- c.2x through cycle cash/earnings cover
- Excess through-cycle capital return
- Only if can’t be deployed in a value creative way

1.5x to 2.5x net debt (inc. pension / IFRS16) to EBITDA ratio

...supporting strategic delivery
Future aspiration

Simon Pryce, CEO
What you should expect from ONE Ultra...

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>Medium term</th>
<th>Longer term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth</td>
<td>Robust underlying market, converting strong order book</td>
<td>Good visibility for continued growth, out-perform underlying core markets</td>
<td>Threat environment likely to outweigh affordability concerns</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Out-perform underlying core markets</td>
</tr>
<tr>
<td>Resilience</td>
<td>Strong visibility</td>
<td>Share gain potential, breadth of prime and programme exposure</td>
<td>Defence cycle exposed, but longevity of contracts, no prime or programme dependency, share gain potential.</td>
</tr>
<tr>
<td>Self-help and delivery</td>
<td>Increased R&amp;D, continued process and infrastructure investment and strategy/organisation implementation costs, broadly stable margins</td>
<td>Parenting advantages contributing, continuing process, infrastructure and improvement investments, broadly stable margins</td>
<td>Potential for margin improvements</td>
</tr>
<tr>
<td>Returns</td>
<td>&gt; 18% EBITA ROIC</td>
<td>&gt;18% EBITA ROIC</td>
<td>&gt;20% EBITA ROIC</td>
</tr>
<tr>
<td>Cash flow and capital allocation</td>
<td>Some fix and growth investment, operating cash conversion 60-75%</td>
<td>Further fix and growth investment, operating cash conversion 80-90%</td>
<td>Through cycle operating cash conversion 90-100%</td>
</tr>
</tbody>
</table>

...an exciting opportunity and future
### Key takeaways from today…

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Team</strong></td>
<td>Enhanced team, capable and relevant experience</td>
</tr>
<tr>
<td><strong>Strategy</strong></td>
<td>Clarity and a plan to deliver</td>
</tr>
<tr>
<td><strong>Market</strong></td>
<td>Good momentum and opportunity</td>
</tr>
<tr>
<td><strong>Growth</strong></td>
<td>Strong technology base, aligned with demand, winning business, healthy order book</td>
</tr>
<tr>
<td><strong>Resilience</strong></td>
<td>Visibility, platform/customer diversity</td>
</tr>
<tr>
<td><strong>Performance</strong></td>
<td>Opportunities to accelerate growth, improve delivery and efficiency over time</td>
</tr>
<tr>
<td><strong>Returns</strong></td>
<td>Emphasis on value creation cash generation and ROIC</td>
</tr>
</tbody>
</table>

**ONE Ultra is a really exciting opportunity**
Questions?

Please use the microphone for the webcast
Technology Showcase

One stand per Strategic Business Unit

Drinks served in bar area
Appendices
Energy - A leader in sensors & systems for nuclear and industrial applications

Safety-critical, nuclear qualified instrumentation and control technologies

- Sensors qualified to operate regulated nuclear plants
- 60-year spares and repairs market
- Experts in safety-critical design, reactor physics and materials science
- Designed-in to the UK AGR fleet and the global Westinghouse AP1000 fleet
- On 200 reactors including UK submarines and 500 nuclear facilities world-wide
- Sole instrumentation and control partner of NuScale for their Small Modular Reactor (SMR)
- Growth drivers include continued SMR development, participation in new-build reactors and investment in technology for new reactor designs
Forensic Technology - The world leader in ballistic identification solutions

Integrated Ballistics Identification System (IBIS)

- Intellectual Property in algorithms that compare digital, microscopic, bullet image data
- Pioneers of automated ballistics identification 25 years ago
- Experts in big data comparison and machine learning algorithms
- Firearm subject matter experts
- IBIS provides the US Bureau of Alcohol, Tobacco, Firearms & Explosives’ National Integrated Ballistic Information Network (NIBIN)
- 84% market share: in 79 countries, 359 agencies and 435 locations world-wide
- Growth drivers include:
  - Objective identification for evidence in court
  - Continued globalisation of installed base
  - Increased functionality, driving greater service and support revenue

Key Customers
Precision Control Systems - A leader in harsh & safety-critical environments, serving civil aerospace and military land and air

Application-engineered safety- and mission-critical electronic systems in:
- Data and power management
- Position sensing and control
- Stores ejection and management
- Highly regulated industries
- Niche technologies
- Single-sourced positions on many civil and military platforms
- Harsh environments requiring flawless reliability
- ITAR and ITAR-free solutions
- Growth drivers include positions on current platforms and continued investment in technology for future ‘more electric’ civil and military applications

Key Customers
<table>
<thead>
<tr>
<th>Acronym</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADSI</td>
<td>Air Defense Systems Integrator</td>
</tr>
<tr>
<td>AGR</td>
<td>Active Guard and Reserve</td>
</tr>
<tr>
<td>AI/ML</td>
<td>Artificial Intelligence / Machine Learning</td>
</tr>
<tr>
<td>ASW</td>
<td>Antisubmarine Warfare</td>
</tr>
<tr>
<td>ATCS</td>
<td>Amphibious Tactical Communications Systems</td>
</tr>
<tr>
<td>C2I</td>
<td>Command, Control &amp; Intelligence</td>
</tr>
<tr>
<td>C3</td>
<td>Command, Communication and Control, including Cyber</td>
</tr>
<tr>
<td>C4ISTAR-EW</td>
<td>Command, Control Communications, Computers, Intelligence, Surveillance, Acquisition &amp; Reconnaissance - Electronic Warfare</td>
</tr>
<tr>
<td>CSC</td>
<td>Canadian Surface Combatant</td>
</tr>
<tr>
<td>ECU RP</td>
<td>End Crypto Unit Replacement Programme</td>
</tr>
<tr>
<td>EW</td>
<td>Electronic Warfare</td>
</tr>
<tr>
<td>FIPS</td>
<td>Federal Information Processing Standards</td>
</tr>
<tr>
<td>FTR (Page 48)</td>
<td>Flight Termination Receiver</td>
</tr>
<tr>
<td>HMS</td>
<td>Hull Mounted Sonar</td>
</tr>
<tr>
<td>HSM</td>
<td>Hardware Security Modules</td>
</tr>
<tr>
<td>IAMD</td>
<td>Integrated Air and Missile Defence</td>
</tr>
<tr>
<td>IDIQ</td>
<td>Indefinite-delivery/indefinite-quantity contract</td>
</tr>
<tr>
<td>IFRS</td>
<td>International Financial Reporting Standards</td>
</tr>
<tr>
<td>Acronym</td>
<td>Definition</td>
</tr>
<tr>
<td>---------</td>
<td>------------</td>
</tr>
<tr>
<td>IP</td>
<td>Intellectual Property</td>
</tr>
<tr>
<td>IR&amp;D</td>
<td>Internal research and development</td>
</tr>
<tr>
<td>IS</td>
<td>Information systems</td>
</tr>
<tr>
<td>ISR</td>
<td>Intelligence, Surveillance, and Reconnaissance</td>
</tr>
<tr>
<td>ISS</td>
<td>Integrated sonar system</td>
</tr>
<tr>
<td>ITAR</td>
<td>International Traffic in Arms Regulations</td>
</tr>
<tr>
<td>ITN</td>
<td>Integrated Tactical Network</td>
</tr>
<tr>
<td>MIS</td>
<td>Management Information Systems</td>
</tr>
<tr>
<td>MDIS</td>
<td>Multi-Domain Intelligence Systems</td>
</tr>
<tr>
<td>MSC/ECP</td>
<td>Main Static Converter / Electric Cruise Propulsion</td>
</tr>
<tr>
<td>NATO</td>
<td>North Atlantic Treaty Organization</td>
</tr>
<tr>
<td>NCSC</td>
<td>National Computer Security Center</td>
</tr>
<tr>
<td>NGSSR</td>
<td>Next Generation Surface Search Radar</td>
</tr>
<tr>
<td>OBU</td>
<td>Operating Business Unit</td>
</tr>
<tr>
<td>ORION</td>
<td>Ultra ORION is a family of multichannel, multiband, point-to-point (PTP), point-to-multipoint (PMP) and mesh radio systems.</td>
</tr>
<tr>
<td>PCS</td>
<td>Precision Control Systems</td>
</tr>
<tr>
<td>PSSC</td>
<td>Precision Strike Sensor Core</td>
</tr>
<tr>
<td>RALT</td>
<td>Radar Altimeter</td>
</tr>
<tr>
<td>Acronym</td>
<td>Definition</td>
</tr>
<tr>
<td>---------</td>
<td>------------</td>
</tr>
<tr>
<td>REAP</td>
<td>Rosetta Echo Advanced Payloads</td>
</tr>
<tr>
<td>RF</td>
<td>Radio Frequency</td>
</tr>
<tr>
<td>ROIC</td>
<td>Return on Invested Capital</td>
</tr>
<tr>
<td>SBU</td>
<td>Strategic Business Unit</td>
</tr>
<tr>
<td>SOCOM</td>
<td>United States Special Operations Command.</td>
</tr>
<tr>
<td>SSNR</td>
<td>Spectral Signal to Noise Ratio</td>
</tr>
<tr>
<td>SSTD</td>
<td>Surface Ship Torpedo Defence</td>
</tr>
<tr>
<td>SWaP</td>
<td>Size, Weight and Power</td>
</tr>
<tr>
<td>TRILOS</td>
<td>US Army network modernization programme, Terrestrial Transmission Line of Sight Radio</td>
</tr>
<tr>
<td>UAV</td>
<td>Unmanned aerial vehicle</td>
</tr>
<tr>
<td>UGV</td>
<td>Unmanned ground vehicle</td>
</tr>
<tr>
<td>UI/UX</td>
<td>User experience/User interface</td>
</tr>
<tr>
<td>uIFF</td>
<td>Micro identifier friend or foe</td>
</tr>
<tr>
<td>USAF</td>
<td>United States Air Force</td>
</tr>
<tr>
<td>USMC</td>
<td>United States Marine Corps</td>
</tr>
<tr>
<td>US MSA</td>
<td>United States Missile Defense Agency</td>
</tr>
<tr>
<td>USN S&amp;T</td>
<td>United States Navy Science and Technology</td>
</tr>
<tr>
<td>VDS</td>
<td>Variable depth sonar</td>
</tr>
<tr>
<td>VMV</td>
<td>Vision, Mission, Values</td>
</tr>
</tbody>
</table>
Ultra provides UW systems, C2 systems, degaussing, radar, data links, encryption, tracking & fire control systems for surface ships

Use case applications – Surface ship

1) Included within other propositions where sold as part of a wider system; 2) Combat Management System; 3) Platform data management system; 4) Display screens outsourced
Ultra provides UW systems, degaussing, nuclear safety systems, C2 systems, radar, tracking & fire control systems for submarines

Use case applications – Submarine

- **Nuclear safety systems**
  - Radiation monitoring
  - Energy

- **Radar systems**
  - Submarine Radar
  - OS

- **Sonar sensors & systems**
  - Hull Mounted Sonar (HMS)
  - CSS

- **Degaussing & signature management**
  - Onboard degaussing
  - EMS, PMES

- **EO tracking and fire control systems**
  - Weapons interfacing system
  - CSS

- **Command & control systems**
  - Data transport systems, MDLMS
  - CSS, ATS

- **Nuclear safety systems**
  - Nuclear reactor instrumentation & control
  - PMES, Energy

- **Torpedo defence & countermeasures**
  - Winch
  - CSS, OS, MS

- **Torpedo defence & countermeasures**
  - Towed acoustic countermeasures
  - CSS, OS

- **Power Management**
  - Solid state power control & conversion
  - PMES

- **Data links**
  - Tactical data links
  - CIS

- **Sonar sensors & systems**
  - Towed Arrays/Variable depth sonar (VDS)
  - CSS, MS

Use case applications – Submarine

1) Combat Management System; 2) Display screens outsourced
Ultra provides avionics, data links, encryption, detectors, sensors & controls, ice protection, sonobuoys and EW for military aircraft

Use case applications – Military fixed wing aircraft
Ultra's propositions for military helicopters comprise sonobuoys, sonobuoy receivers, data links and encryption. Use case applications – Military rotorcraft
Ultra offers avionics, dynamic harnessing, wing ice protection, position sensing and noise & vibration control for commercial aircraft.

Use case applications – Commercial aircraft

1) Also offered on business jets; 2) Turboprop platforms only
Ultra provides sub-assemblies that facilitate communication with airborne missiles and nose arrays for torpedoes

Use case applications – Airborne missile & Torpedo
Ultra provides safety critical sensors and nuclear safety systems, including wider radiation monitoring.

Use case applications – Nuclear power

- Sensors & Detectors
- Plant life extension & design support
- Battery back-up & power supplies
- Fibre-optics data links
- Nuclear Safety Systems
  - Radiation monitoring
  - Reactor control and instrumentation
  - Emergency Management
- Energy

Offered (inhouse) — Offered (outsourced)
Ultra provides power management, communication, HMI and weapon control equipment for military land-based vehicles

Use case applications – Other [Military vehicle]
Audio products
Portable acoustic hailing devices
USSI

Portable oxygen systems
PCS

Magneto inductive communications systems
MS

Land-based HMI
Soldier portable controllers / TEC
EMS

HMI
Handheld C4 device
EMS, PCS

Data links
HIDL
CIS

Data links
Tactical data link
CIS, ATS

UltraLYNX
PCS

For soldiers and UGVs, Ultra offers power management, communications and HMI equipment

Use case applications – Other [Soldier & UGV]
Ultra's propositions could also serve a wide range of applications on UAVs, including sonobuoys, data links and sensors.

Potential use case applications – UAVs

- Sonobuoys
  - Miniature sonobuoys, dipers, mission pods and ejection systems
  - CSS, MS
- Cockpit equipment
  - PCS, FEI, EMS
- Ice protection and detection
  - PCS
- Sensors and detectors
  - Energy
- Command and control
  - ATAS
- Data links
  - Airborne ISTAR equipment
  - ATS
- Sonobuoy receivers
  - Sonobuoy signal receivers / processing
  - FEI
- HiPPAG
  - PCS
- Land-based HMI
  - Soldier portable controllers / TEC
  - EMS
- Noise and vibration control
  - PCS
- Offered (inhouse)
- Offered (outsourced)

- Information assurance
  - Link encryption
  - CIS
- Data links
  - Tactical data links
  - CIS
- Data links
  - HiDL
  - CIS
- Position sensing and control
  - PCS
- EMS
- TEC

- Cockpit equipment
  - PCS, FEI, EMS
- Ice protection and detection
  - PCS
- Sensors and detectors
  - Energy
- Command and control
  - ATAS
- Data links
  - Airborne ISTAR equipment
  - ATS
- Sonobuoy receivers
  - Sonobuoy signal receivers / processing
  - FEI
- HiPPAG
  - PCS
- Land-based HMI
  - Soldier portable controllers / TEC
  - EMS
- Noise and vibration control
  - PCS
- Offered (inhouse)
- Offered (outsourced)
Ultra could expand its USV and UUV offering to include a range of sonar sub-systems and power management solutions.

Potential use case applications – USV / UUV

- **Sonar sensors & systems**
  - Sonar subsystems (Variable depth, vertical array, conformal array, mine detection)
  - OS, CSS, MS

- **Power management**
  - Hybrid drives / power dense motors
  - PMES
For stationary land-based applications, Ultra provides command & control systems, communications and electronic warfare equipment.

Use case applications – Other [Land-based]
Ultra also serves other non-defence platforms, incl. oil & gas rigs and ports, through propositions such as command & control and IA.

Use case applications – Other [Industrial]

1) Other industrial applications for sensors includes chemical plants, metals fabrication, high-end prototype vehicles and medical tools.
Ultra's information assurance and ballistic identification propositions do not serve applications based on traditional defence platforms.

Use case applications – Other [Virtual]