RADA
ELECTRONIC INDUSTRIES LTD.

Innovative Defense Electronics

RADA Electronic Industries Ltd. (Nasdaq: RADA)

Yossi Ben Shalom, Chairman

September 2016

COMPANY OVERVIEW

RADA ELECTRONIC INDUSTRIES LTD.

NASDAQ
RADA

MARKET CAP
$19m
as of Sept 16, 2016

100
EMPLOYEES

2015 SALES
$15m

We are a ***defense electronics*** *contractor specializing in the development, manufacture and sale of:*

☑ ***ground-based tactical radars***

☑ ***avionics & inertial navigation systems***

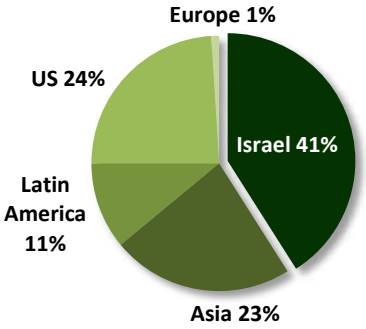
Significant experience *founded 1970; IPO 1985*

HQ: ***Israel****; sales:* ***Israel; US, Asia, Latam, Europe***

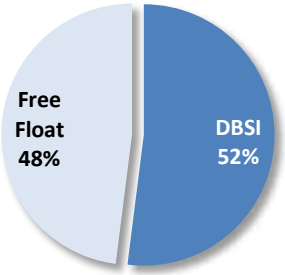
Turnaround in legacy business *(avionics)*

Growth engine: radars

Geographic breakdown
FY2015 % of revenues



Shareholders
At YE2015

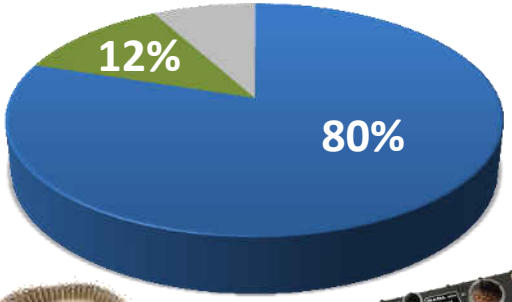


PRODUCTS & TECHNOLOGIES

RADA ELECTRONIC INDUSTRIES LTD.

Growth Engines

TACTICAL RADAR*
12%



AVIONICS*
80%

Legacy Leadership

Mini-Tactical Multi-Mission AESA Radars for the Maneuver Force

Applications

Counter-drone system of systems;
Active protection of combat vehicles;
Hostile fire locators;
All-threat air surveillance;
Border surveillance;

Digital recorders, Avionics Systems and Upgrades & Inertial Navigation Systems for Manned and Unmanned Aircraft;

Applications

Mission data recordings
Avionics upgrades
ISR upgrades
Mission & display computers
Weapon management systems
Build-to-Spec/Build-to-Print units for manned platforms & UAVs

*As a % of FY2015 revenues; the other category is 8%.

RADARS: OPERATIONAL MISSIONS

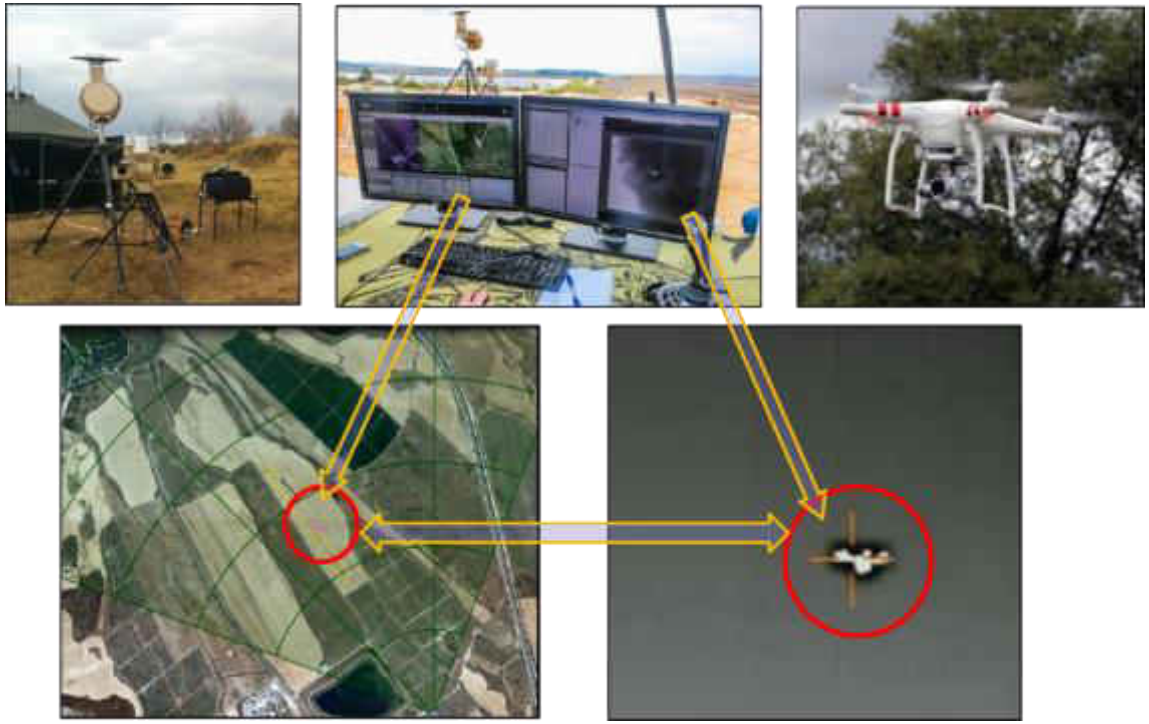
https://www.youtube.com/watch?v=S-t6Az6AEDs

RADARS: OPERATIONAL, COMBAT PROVEN

https://www.youtube.com/watch?v=jgcFUAhzMqE

COUNTER-DRONE SYSTEM-OF-SYSTEMS

- ☑ *Segment expected to proliferate*
- ☑ *Conducted numerous successful demonstrations in last 2 years*
- ☑ *Part of the RAFAEL Drone-Dome solution*



SELECTED CUSTOMERS & PARTNERS

RADA ELECTRONIC INDUSTRIES LTD.

IDF

FACH

IAF

US NAVY

FAP

Elbit Systems

IAI Israel Aerospace Industries

RAFAEL ADVANCED DEFENSE SYSTEMS LTD.

LOCKHEED MARTIN

BOEING

DRS Technologies A Finmeccanica Company

C4ATS

HAL

EMBRAER

MNT

elt

indra

RADA Positioning for Growth:

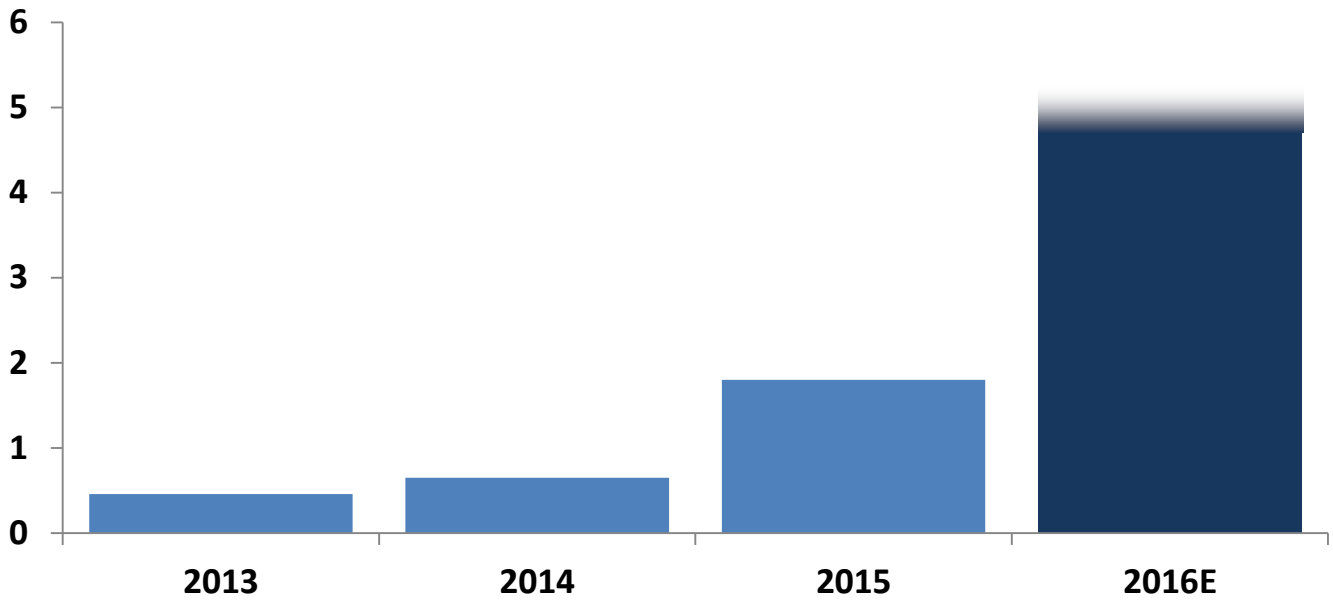
Exceptional tactical-grade capabilities at significantly **lower prices** in Radar markets

- ☑ *Strong partnerships and customer relationships: ability to **tailor products** and services to **customer requirements***
- ☑ *Customers procure equivalent-capability systems from RADA versus competitors at a dramatically **lower prices***
- ☑ *Technology development targeting a **higher price/performance** class*
- ☑ *Compact technology providing high performance and adaptable to multiple applications*

RADARS – REVENUE GROWTH

RADA Revenues from Radars

US$ millions



☑ *Currently in serial production of over 80 radars*

RECENT UPDATES

- **Financial results:** Q2 revenues of $3.0m (down 27% YoY; up 13% QoQ) ; operating loss of $954k
- Announced $11m of new orders in 2016 and **resumption in backlog growth**
- Announced **follow-on avionics orders of $2m** for ground debriefing stations
- **Announced $2m follow-on order** for airborne recorders and avionics for aircraft and helicopters (manned & unmanned)
- **Part of IMI APS for Export Programs,** under contract for demonstration vehicles
- **Will provide advanced radar system to Artis** for its Iron Curtain active protection system
- **Announced the selection by leading Asian Cou**ntry Air Defense for **UAV detection;** expected initial order of ~$7M
- **USA & India markets** starting to show revenues

FOCUS ON THE US MARKET

RADA ELECTRONIC INDUSTRIES LTD.

☑ *First radar sales were made to US customers as part of HEL R&D programs:*

BOEING

LOCKHEED MARTIN

US NAVY
MARINE CORPS

▶ ***GBAD DE OTM, MCWL***

☑ ***Potential market size for mini tactical radars*** *estimated at ~$1B over the next 10 years*

☑ ***Strategic partnership with DRS Technologies*** *("Americanization" of the radars)*

☑ *Performed over 10 demonstrations & tests (directly and thru partners)*

☑ *Good recent momentum with US Army*

MANAGEMENT

Yossi Ben Shalom – Executive Chairman

Co-founder of DBSI Investments; active chairman of a number Pointer Telocation, Shagrir, Car2Go; former active chairman of Scopus Technologies and Cimatron, both sold to US companies; and was involved in several turn arounds such as Nexus/Pointer and Cimatron/3D Systems.

Oleg Kiperman
CTO

With RADA since 1984, serving as manager of development programs, Director of Engineering from 2000 and CTO since 2007. From 1982 till 1984, served as a development team leader at Tadiran. Military service from 1977 to 1982 as a senior avionics engineer in the IAF.

Dov Sella
CEO

RADA's COO from 2003 until 2007, CBDO from 2007 till Nov 2016, CEO thereafter. Between 1982 and 1997, with Elbit Systems in various engineering & managerial senior positions in the airborne systems division. Fighter navigator in the IAF for six years.

Shiri Lazarovich
CFO

RADA's CFO since 2007 and controller since 2004. Prior, served as a manager in the accountant, assurance and business advisory services department of PriceWaterhouseCoopers in its Israeli branch.

DIRECTORS

MG (Ret.) Herzle Bodinger

Commander of the Israeli Air Force (IAF) from 1992 to 1996, after serving for over 30 years in various operational and command positions. With RADA since 1997; executive Chairman from 1998 till 2016 and CEO between 1998 and 2001.

BG (Ret.) Dr. Alon Dumanis

Outside director since 2015. CEO of Crecor B.V and the investment companies of the Dutch Docor group (subsidiaries of Van-Leer Foundation) till 2015; chairman of seven Hi-Tech portfolio companies, and board member of others. Former board member of Tadiran, El Al and others. Head of IAF Materiel Command from 1996 to 2000.

Israel Livnat

Director since 2016. Founder and Chairman of ANTEO Worldwide and board member of Mobilicom Ltd. Former President of the Security Group of NICE Systems, Ltd. Previously, CEO of Elta Systems, a global leader in C4I and radar solutions, and GM of MLM division of IAI.

Elan Sigal

Outside director since 2013. CFO of Landa Corporation since 2013. CFO of Objet Geometries Ltd from 2008 to 2012. CFO of RADA from 2004 to 2007. Management consultant with McKinsey & Co from 2000 to 2003. Fighter pilot in the IAF for 10 years.

MG (Ret.) Noam Tibon
Special Advisor

Advisor since 2015. Commander of the IDF Northern Formation from 2012 to 2015. 35 years of commanding service of Special Forces, Paratroopers, and the IDF joint command and academy. Top Israeli expert on counter terrorism, international advisor.

INVESTMENT HIGHLIGHTS

RADA ELECTRONIC INDUSTRIES LTD.

Turnaround	*Resumption in backlog growth; expectations that revenue growth will follow*
Growth Engine **Radar**	*Competitive pricing points underpinned by superior technology*
Stable Legacy **Avionics Business**	*Profitable avionics product line provides stable, cash-generating business*
Global Growing A&D Exposure	*Increased global sales channels span broad range of A&D geographic markets: Israel, U.S., Asia, Latin America and Europe*