

Oklahoma &

Population: 4,019,800 | Area: 181,195 km² | GDP: \$215B





OKLAHOMA
OFFERS A STABLE
PRO-BUSINESS
ENVIRONMENT



PRAGILE
PROTECTIVE PAD WHEN
DRKING IN BELLMOUTH

OKLAHOMA IS
CENTRALLY
LOCATED



OKLAHOMA IS A
CONSITITUTIONAL
RIGHT-TO-WORK
STATE

#2

Lowest Cost of Doing Business

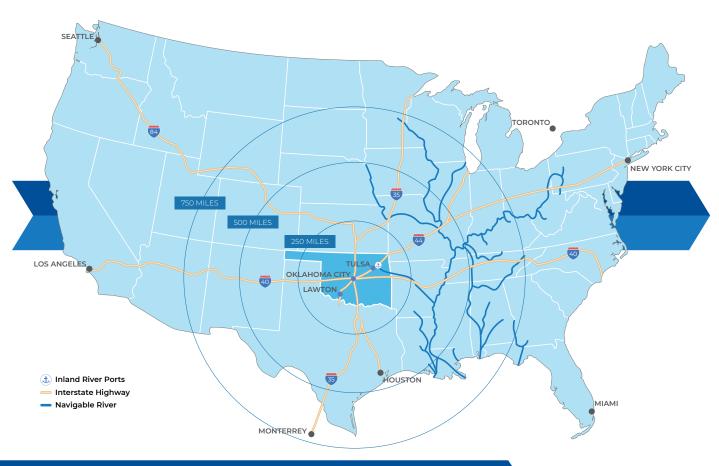
CNBC America's Best States for Business, 2022 #4

Lowest Corporate Tax Rate in the U.S

State Business Tax Climate Index Tax Foundation, 2023 17%

Lower Energy Costs Than the National Average

Energy Information Administration



Location & Transportation Network

In the U.S., it doesn't get any more central than Oklahoma.



133

public-use airports, including two international airports — 94% of Oklahoma's population is within a 30-minute drive of a jet-capable airport.



99 million people within
500 miles — Oklahoma has a
population of approximately
4 million, with nearly 1.5 million in the
Oklahoma City metro and over 1 million in
the Tulsa metro.



intersecting interstate highways offering access to every corner of the country.



inland ports, including one of

including one of the largest, most inland, ice-free river ports in the U.S.



Equidistant

from New York, Los Angeles, Mexico City and Toronto

Oklahoma Aerospace Industry Overview

Aerospace companies find success operating in Oklahoma — and for good reason. The state is a major hub for MRO, flight training, defense operations and manufacturing.

The Two Largest MRO Facilities in the World

The American Airlines Maintenance and Engineering Center, the largest commercial MRO, employs more than 5,500 in Tulsa; the Oklahoma City Air Logistics Complex at Tinker Air Force Base is the largest air depot maintenance facility for the U.S. Department of Defense and employs approximately 26,000.

120,000+

Employees

More than 120,000 Oklahomans are employed and defense industries.

Aerospace Entities

More than 1,100 aerospace entities including manufacturers, military and others.

Supply Chain

Oklahoma vs. the Competition

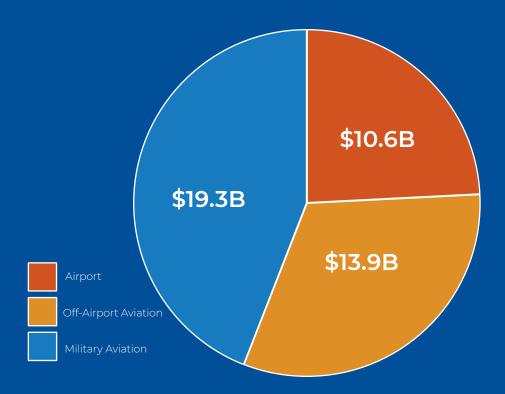
See how Oklahoma stacks up against other aerospace locations.

State	Labor Intensive Mfg. New Firm Tax Rank & Effective Rate	Capital Intensive Mfg. New Firm Tax Rank & Effective Rate	HQ New Firm Tax Rank & Effective Rate	Unit Labor Cost (Aerospace Mfg.)	Corporate Income Tax Rates (Jan. 2022)	Cost of Living Index	Avg. Electricity Price- Industrial Cents/kWh
Oklahoma	1 st 2.2%	6 th 6.7%	2 nd 8.1%	\$97,273	4.00%	85.8	5.50
Alabama	7 th 5.3%	14 th 9%	4 th 9.1%	\$97,462	6.50%	88.1	6.33
California	45 th 18.7%	45 th 25.4%	35 th 19.9%	\$120,695	8.84%	137.6	14.82
Colorado	49 th 21.9%	50 th 33.5%	40 th 21%	\$144,532	4.55%	104.6	8.01
Florida	36 th 14.8%	42 nd 24.5%	28 th 16.9%	\$108,119	5.50%	102.8	7.65
Georgia	6 th 5.2%	20 th 11.2%	29 th 17.6%	\$102,052	5.75%	88.6	6.49
Kansas	3 rd 3%	2 nd 3%	24 th 15.7%	\$86,242	7.00%	87.5	7.38
Missouri	4 th 5%	27 th 12.3%	22 nd 15.2%	\$113,108	4.00%	89.1	7.11
New York	19 th 10%	7 th 7.1%	50 th 33.5%	\$86,503	7.25%	134.5	6.34
South Carolina	10 th 7.5%	39 th 22.2%	25 th 15.9%	\$102,975	5.00%	94.3	6.07
Texas	40 th 17%	48 th 28.3%	36 th 20%	\$116,101	0.00%	92.5	6.12



Aerospace Industry Economic Impact

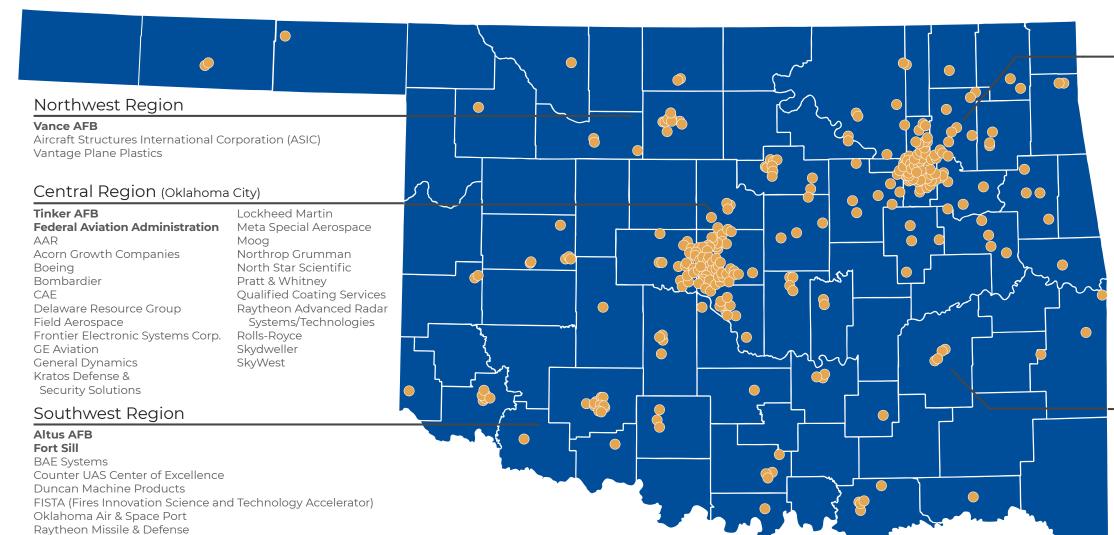
Aerospace and Defense is Oklahoma's second largest sector with an economic impact approaching \$44 billion annually. Additionally, aerospace is one of the state's fastest-growing industries.





Oklahoma's Aerospace Cluster Map

Oklahoma's aerospace and defense clusters are comprised of 1,100+ entities, including manufacturers, MRO, research and development, military and others.



Northeast Region (Tulsa)

Tulsa Air National Guard

Ferra Aerospace Malone's CNC Machining Orizon Aerostructures American Airlines MRO BizJet (Lufthansa Technik) Consolidated Turbine Specialists FlightSafety Intercontinental Jet Service Corp. L3Harris Lufthansa Technik MST Manufacturing NORDAM Spirit AeroSystems Skyway36 Droneport TAT/Limco Valence Surface Technologies Vertical Aerospace WHI Global WindShape, Inc

Southeast Region

McAlester Army Ammunition Plant

AERO Component Repair Choctaw Defense Choctaw Nation Daisy Ranch Enviro Systems King Aerospace





AAR











































6

Aerospace Assets



National Weather Center

The NWC is the largest confederation of federal, university and private sector weather and climate research, education, operational and public outreach organizations on the planet. The Norman facility is the headquarters for severe storm tracking and prediction across the U.S.



National Severe Storms Laboratory

NOAA's National Severe Storms Laboratory in Norman conducts research on both cold and warm season hazardous weather events, and collaborates with both OU and OSU to characterize severe storms using UAS.





Oklahoma Air & Space Port

One of only 12 licensed U.S. spaceports — the only one in unrestricted airspace. The facility features a launch corridor with a northwest (Polar) trajectory and contains 6 commercial aircraft hangars (100,000 sq. ft.) and a 13,503 x 300 ft. primary runway.



FAA Mike Monroney Aeronautical Center

The Mike Monroney Aeronautical Center, located in Oklahoma City, provides critical products and services that touch all aspects of aviation. The center directly supports the safe and efficient operations of the national and international aviation system, and trains 76,000 students annually.

#1

Drone Readiness
Mercatus 2022

UAS Key Assets & Test Sites

Unmanned systems and advanced air mobility are key priorities. The state's 3 research universities, Oklahoma State University (OSU), the University of Tulsa (TU) and the University of Oklahoma (OU), are setting themselves apart nationally through degree programs, facilities, research, grants and more, with emphasis on environmental sensing, defense and weather prediction.

- · Choctaw Nation Daisy Ranch
- Chilocco
- Kessler Atmospheric and Ecological Field Station
- Muldrow Army Heliport
- Oklahoma Air & Space Port
- Osage Nation Ranch
- OSU Unmanned Aircraft Flight Station and BVLOS Corridor
- Skyway36
- Unmanned Systems Development Center



UAS Graduate Degree Programs

The nation's first graduate (MS and PhD) degree programs in unmanned aerial systems engineering at a research university (OSU).



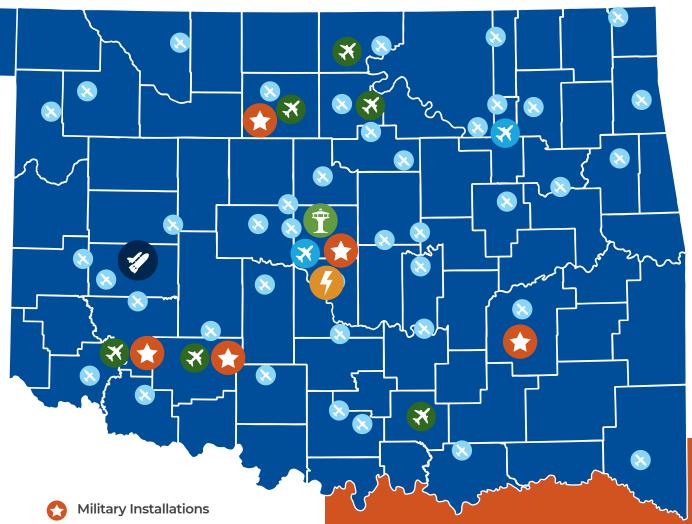
Unmanned Systems Research Institute

OSU is home to the Unmanned Systems Research Institute (USRI) which accesses expertise across the university, combining cutting edge product development with academic knowledge and resources to create unique solutions to critical problems. USRI was the first in the U.S. to receive approval from the FAA to fly an unmanned fixed-wing aircraft swarm within national airspace.



Choctaw Nation Daisy Ranch

Daisy Ranch is a 44,000+ acre site for the development of a UAS RDT&E site and an industrial park. Here, the Choctaw Nation is hosting its BEYOND program, a partnership with the FAA and other industry partners to safely test and validate advanced UAS operations.



- Space Port
- FAA Center
- FAA Center
- Mational Weather Service
- International Airports
- Commercial Airports
- Jet-Capable Runways



square miles of UAS test sites

— Army's preferred partner for UAS and Counter-UAS Research, Development, Test & Evaluation "Since announcing Kratos' operations were expanding to Oklahoma in 2018, our investment here has continued to pay off. Not only did all of the pieces fit what we were looking for then, but, from the Burns Flat space port to a growing and highly skilled workforce, Oklahoma has continued to offer even more benefits and resources ideal for defense and aerospace companies located here."

- Steve Fendley
PRESIDENT, UNMANNED SYSTEMS DIVISION
KRATOS DEFENSE & SECURITY SOLUTIONS INC

Oklahoma's Defense Industry

Oklahoma has been a key player in the defense and homeland security industry since World War II. With the largest DOD air depot, a central location and strong military presence, Oklahoma offers defense companies the expertise and strategic advantage necessary for success.



\$19 billion

in economic activity workers in military from military aviation

72,000+

aviation

5 Military Installations

- Tinker AFB
- Vance AFB
- Fort Sill
- Altus AFB
- McAlester Army Ammunition Plant
- 7 National Guard assets 2 Air National Guard campuses and 5 Army National Guard complexes

Oklahoma Aerospace & Defense Institute (OADII)

OADII brings together the full range of the University of Oklahoma's capabilities and resources to provide holistic solutions addressing aerospace, defense, and global security challenges.

FISTA Innovation Park

Located in Lawton, Okla. just minutes from Fort Sill, the Fires Innovation Science & Technology Accelerator (FISTA) is a high-security acceleration hub for the nation's top defense contractors, academic institutions and innovators. With an on-site STEM lab, the FISTA offers space for collaboration, experimentation and execution with feedback and testing from the nation's most comprehensive base of soldiers, training, and development.

Top Defense Contractors Operating in Oklahoma

- Aviation Training Consulting, LLC
- **BAE Systems**
- Berry Aviation
- Boeing
- Booz Allen Hamilton
- Delaware Resource Group
- **Dynetics**
- FlightSafety
- GE
- Kratos Defense
- L3Harris
- Lockheed Martin
- Moog Inc.
- Northrup Grumman
- Pratt & Whitney
- Raytheon Technologies
- SAIC
- Vertex

Veterans & Federal Agencies

Affordable places for Veterans (OKC #6, Tulsa #9), Veterans United Home Loans, Feb. 2020

Veterans account for 9% of Oklahoma's population.

Oklahoma has a significant presence of Federal Agencies, including the FAA and training for the U.S. Postal Service.

United Nations fighter pilots from around the world visit Oklahoma for critical training with NATO allies.

"Oklahoma has a strong, proud military presence, a robust aerospace ecosystem, and a sensible business environment. Boeing enjoys a meaningful partnership with Oklahoma's federal delegation, the state, the City of Oklahoma City, Tinker Air Force Base, community leaders and non-profit organizations. Each of these critical factors support our positive outlook for continued multi-year business and employment growth in the state."

- Todd Pauley
DIRECTOR, GOVERNMENT OPERATIONS
THE BOEING COMPANY

















Oklahoma's Aerospace Workforce

Oklahoma aerospace companies employ more than 120,000 aerospace and defense professionals, including engineers, sheet metal mechanics and skilled pilots.

In Oklahoma, we epitomize hard work as a way of life. Representatives from higher education, school districts and technical training partner with leaders from key industry sectors and civic organizations to create the framework that is moving Oklahoma's workforce model to a top 10 status. Having a talented, easily accessible workforce is a key component to the success of any business. We have the tools, resources and business-friendly policies in place to help your business hire a qualified workforce – and sustain it.

Our workforce services can help your business find the skilled workers you need now and develop a pipeline of talent for the future.

Preparing a Workforce for the Future

In Oklahoma, aerospace education starts early. Recognizing the need for a skilled workforce in the aerospace and aviation industry, many Oklahoma high schools offer aviation curriculum developed by the Aircraft Owners & Pilots Association (AOPA). The Oklahoma Aeronautics Commission offers the fouryear "You Can Fly" curriculum free to schools committed to providing high quality aviation STEM pathways for students and creating a future workforce for Oklahoma companies. The state also provides schools and organizations with Aerospace & Aviation Education Grants to support learning programs that have a direct application to aerospace and aviation for primary through post-secondary education.



Aerospace Industry Wage Profile Wages in Oklahoma's Aerospace & Defense sector are more than 30% lower than

the national average.

Description	Current Jobs (2021)	Entry- Level Wages	Experienced -Level Wages	Okla. Avg. Hourly Earnings	National Avg. Hourly Earnings
Aerospace Engineers	1,196	\$37.08	\$59.16	\$50.09	\$59.34
Aircraft Mechanics and Service Technicians	4,905	\$23.24	\$29.89	\$27.41	\$33.30
Aircraft Structure, Surfaces, Rigging, and Systems Assemblers	1,167	\$17.82	\$28.48	\$22.26	\$26.64
Architectural and Engineering Managers	2,048	\$51.93	\$78.81	\$69.93	\$76.50
Avionics Technicians	741	\$26.51	\$29.67	\$27.12	\$33.59
Computer and Information Systems Managers	3,547	\$44.14	\$72.81	\$59.54	\$78.02
Computer Numerically Controlled Tool Operators	3,729	\$14.43	\$22.95	\$19.15	\$22.23
Computer Programmers	1,389	\$27.82	\$47.09	\$38.34	\$46.17
Computer Systems Analysts	3,616	\$29.27	\$49.18	\$42.57	\$49.36
Electrical Engineers	1,844	\$36.93	\$59.95	\$48.54	\$52.05
Electrical, Electronic, and Electromechanical Assemblers, Except Coil Winders, Tapers, and Finishers	1,977	\$14.16	\$19.38	\$17.62	\$19.07
Engineers, All Other	2,186	\$36.41	\$59.49	\$46.93	\$53.51
Industrial Engineering Technologists and Technicians	824	\$23.18	\$37.24	\$31.17	\$29.51
Industrial Engineers	2,134	\$36.63	\$49.15	\$45.57	\$45.83
Industrial Machinery Mechanics	4,650	\$22.13	\$29.92	\$27.16	\$28.29
Industrial Production Managers	1,543	\$36.22	\$60.57	\$52.21	\$56.17
Information Security Analysts	1,180	\$29.52	\$49.34	\$42.67	\$54.44
Inspectors, Testers, Sorters, Samplers, and Weighers	6,300	\$16.54	\$26.33	\$21.61	\$21.82
Logisticians	3,947	\$29.28	\$46.16	\$38.38	\$38.09
Machinists	4,566	\$17.80	\$27.75	\$22.53	\$23.61
Materials Engineers	288	\$25.09	\$49.08	\$41.20	\$49.02
Mechanical Engineers	2,406	\$35.21	\$48.72	\$43.61	\$46.98
Miscellaneous Assemblers and Fabricators	11,504	\$14.08	\$21.16	\$17.76	\$18.21
Software Quality Assurance Analysts and Testers	1,377	\$15.45	\$37.34	\$29.91	\$46.95
Structural Metal Fabricators and Fitters	838	\$17.95	\$23.56	\$21.69	\$22.06
Training and Development Specialists	4,252	\$18.32	\$32.07	\$27.89	\$32.81
Welders, Cutters, Solderers, and Brazers	10,528	\$17.50	\$23.77	\$22.21	\$23.46

The Pathway to Your Talent Pipeline

From elementary through higher education, Oklahoma's education system supports the development of aerospace and defense talent. Here's a look at a few programs available to grow the state's aerospace workforce.



Higher Education Supports Aviation & Aerospace

9

Oklahoma colleges and universities offer aerospace degrees and certifications 1st

university in the nation with a PhD program focused on UAS design at Oklahoma State University 4,857

average aerospace and engineering program completions in Oklahoma every year

The University of Oklahoma offers an Executive MBA in Aerospace & Defense.
Students from companies like Boeing, Northrup Grumman, Raytheon, Booz Allen Hamilton, Pratt & Whitney, and Southwest Airlines, as well as active duty military and veterans are previous and current participants.



Oklahoma's Aerospace Degrees Are on the Rise

The Oklahoma Aerospace Institute for Research and Education was launched in 2021 by Oklahoma State University to support partnerships between university, commercial, military and governmental agencies to help generate high-tech jobs and cutting-edge research.

With aerospace being one of the state's key industries, degrees in aerospace and aviation are increasing, year over year.



18,000+

projected aerospace-related degree completions 2022-2026



#1

OU Best College for Aviation - FlyingMag.com



Oklahoma's CareerTech Network

Oklahoma's CareerTech has the ability to respond quickly to the aviation industry's need to develop skilled workers through specialized training programs and facilities located across the state.

29

technology center districts

6

technology centers with aerospace-focused certification, training and testing **59**

campuses statewide

CareerTech covers all aspects of aircraft maintenance, repair and overhaul (MRO), aircraft manufacturing and supporting industries, and can customize any of their courses to meet a particular industry's need to include incorporation of the company's standards.



Aerospace-Related Programs

Over the next five years, Oklahoma CareerTech projects more than 10,000 graduates from its aerospace-related programs.

Description	2015- 2016	2016- 2017	2017- 2018	2018- 2019	2019- 2020	2020- 2021	2020- 2022
Aerospace Maintenance Pathway (A&P Mechanics)	203	207	211	215	220	286	270
Aerospace Sheet Metal Technician	115	50	55	60	65	62	13
Production Pathway (Machinists)	256	261	266	272	277	220	219
Programming & Software Development Pathway (Software)	38	39	40	40	41	61	69
Welding & Metal Fabrication Pathway (Metal Workers)	741	756	771	786	802	653	665



"Oklahoma CareerTech is a leader in pipelining high school and post-secondary students to aerospace careers via strategic partnerships. Their efforts are helping provide the required workforce for aerospace businesses in the state."

- Ryan Goertzen
VICE PRESIDENT WORKFORCE DEVELOPMENT
AAR

Incentive Programs

Oklahoma has some of the lowest tax rates and some of the best tax incentives in the nation. With some incentives, businesses can choose between a cash incentive or a tax credit package, and in some cases, qualifying businesses can take advantage of both programs. The following are incentives often utilized by aerospace companies.



5% of payroll

covered when creating new full-time positions, above Oklahoma employees average wages



Free Analysis

The Oklahoma Team helps identify all state and local incentives applicable to each project.



\$5,000

individual tax credit for eligible engineers employed in the aerospace industry

Quality Jobs Program

Cash payments of up to 5% of new payrolls for up to 10 years

- \$2.5 million annual payroll within 3 years of start date
- · Create new full-time positions
- Pay new Oklahoma employees average wages above the state index wage

Small Employer Quality Jobs Program

Cash payments of up to 5% of new payrolls for up to 7 years

- Qualifying small employer (500 employees or less)
- · Create new full-time positions
- Pay new Oklahoma employees average wages above the state index wage

21st Century Quality Jobs

Cash payments of up to 10% of new payrolls for up to 10 years

Create 10 new full-time positions within 3 years

- Pay average wage of at least \$120,071 annually (wage threshold can be lower if 300% of the average county wage)
- · Requires 50% out-of-state sales

Investment/New Jobs Tax Credit Package

Provides growing manufacturers with a substantial tax credit based on either an investment in depreciable property or on the addition of full-time-equivalent employees engaged in manufacturing, processing or aircraft maintenance.

- · Choice of tax credit based on investment or new employees
- 5-year state tax credit on the greater of 1% per year of investment in new depreciable property or \$500 per new job
- Credit doubles to 2% or \$1,000 per employee in Enterprise Zones or for investments of \$40 million

Business Expansion Incentive Program

Annual cash payments

- · Helps existing companies expand in Oklahoma
- · Targets major capital investments in depreciable items like equipment and buildings
- Qualifying companies may choose between direct cash payments or payments that service private bonds

Engineer Workforce Tax Credit for Aerospace

Employer Benefits

New engineer graduates

50% tax credit for reimbursed tuition costs for first 4 years of employment

Hire Oklahoma graduates

• Up to 10% of wages paid during first 5 years of employment (Maximum of \$12,500 per employee annually)

Hire non-OK graduates

• Up to 5% of wages paid during first 5 years of employment Maximum of \$12,500 per employee annually)

Employee Benefits

Engineers currently employed in aerospace industry are eligible to receive individual tax credit up to \$5,000 per year for 5 years.

> Training for Industry Program

A program of Oklahoma's CareerTech System, the Training for Industry Program (TIP) provides low-to no-cost training for virtually most industry sectors. Whether the company is new to Oklahoma or an expansion, TIP offers services, including: training needs assessment and customized training program; training provided on-site or alternate locations; training delivered through local CareerTech centers throughout Oklahoma; reimbursement of training costs and more.

Five-Year Ad Valorem Exemption

A qualifying company can be exempt for 5 years from ad valorem taxes upon completion of new or expanded facilities. This incentive is available for manufacturing, research and development, warehouse and distribution, and certain computer/data processing services, refineries or aircraft repair companies.

New Market Tax Credits

A federal incentive created to spur private investment in low-income urban and rural communities, investors receive a 39% federal tax credit.

Other Incentives

- Oklahoma's 39 Native American tribes participate with communities and companies in their tribal jurisdictions.
- Each community in Oklahoma typically has local incentives available to companies expanding in or relocating to their city.
- Several aerospace companies and airport properties were designated Federal Opportunity Zones and potentially have additional state level benefits for qualified companies.

Oklahoma Aerospace Exports to the World

Aerospace exports from Oklahoma have grown by 43% since 2014. Oklahoma exports to 180 countries with a real GDP of \$195 billion. In 2022, exports of aircraft, aircraft engines and parts totaled approximately \$570 million. Aerospace exports is one of Oklahoma's top three export categories.



43% > \$568M

Aerospace exports from Oklahoma have grown by 43% since 2014.

In 2022, exports of aircraft, aircraft engines and parts totaled about \$568 million.

International Trade & Investment

- Major sources of foreign investment in Oklahoma include Canada, the United Kingdom, Japan, Germany, France, Switzerland, Ireland, Australia, Mexico, Sweden Belgium and Italy.
- The largest international employers in the state are companies headquartered in Mexico, France and Ireland.
- 39% of all FDI jobs in the state are in the manufacturing sector
- In the past 5 years, Oklahoma's FDI employment has increased 8% while the state's overall private-sector employment has increased 3%.

Top Oklahoma Export Categories

Oklahoma exports to 180 countries with a real GDP of \$195 billion.

		Business Establishments in Oklahoma						Employn	nent in Oklahon	na
*	Canada				76	2706				
	United Kingdom				66	4615				
	Japan				66	3240				
	Germany				63	5712				
	France				54	5914				
+	Switzerland				38	2773				
	Ireland				22	5523				
*	Australia				18	1142				
	Mexico				17	6766				
+	Sweden				15	2510				

Source: Wiser Trade

Committed to Growing Aerospace

In 2018, the state proved its commitment to the aerospace and defense sector by passing legislation to create Oklahoma ACES. Led by the Oklahoma Aerospace & Defense Team with the Oklahoma Department of Commerce, ACES has resources dedicated to developing and growing the state's aerospace industry.





Department of Defense

ACES has ongoing conversations with military partners such as Tinker Air Force Base to address roadblocks in the base's vendor process. ACES is actively working with these partners to dissolve barriers to entry and increase supply chain opportunities for Oklahoma companies.



Business-to-Business & Hiring Events

The team facilitates B2B events to help Oklahoma companies become suppliers to commercial operations as well as the U.S. DoD and prime contractors. ACES also coordinates hiring events across the state to facilitate connections between companies and potential employees.

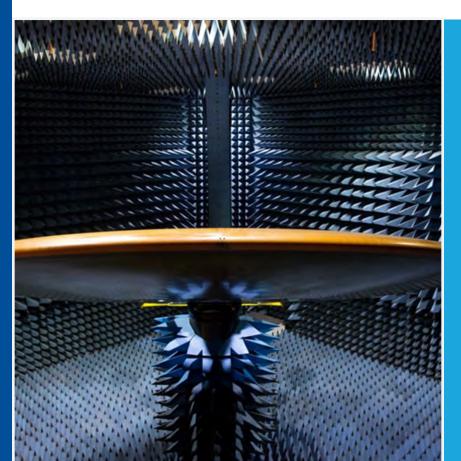


Through the supply chain platform, Connex Oklahoma, Oklahoma's aerospace team works alongside the Oklahoma Manufacturing Alliance to help Oklahoma manufacturers find new suppliers and diversify their businesses.



Trade Show Support

The Commerce A&D Team leads national and international trade show delegations, providing an opportunity for Oklahoma companies that may not have the budget to attend on their own to display and meet with potential customers at some of the most highly attended industry events.



"NSS chose the state of Oklahoma as the site of our expansion because of the favorable business environment and the availability of personnel and other resources that benefit aerospace companies."

- Dr. James Stamm
CEO OF NORTH STAR
SCIENTIFIC CORPORATION





OKcommerce.gov/aerospace

900 N. Stiles Ave. Oklahoma City, OK 73104 405-815-6552 | 800-588-5959