DRAPER®

2025

ANNUAL REPORT

NXT IN ACTION

Our nation's security and prosperity demand truly transformative solutions. To ensure we can deliver what's needed, we are on a 10-year journey of possibility. A journey we call Draper NXT.

Building on our legacy of engineering excellence, we've put NXT in action — making us bolder, faster, and more innovative.

Bringing us closer to our north star, Draper NXT propels us forward. It drives our teams to leverage ingenuity on every project and in every aspect of our operations. It underpins every decision and investment we make.

As one of the nation's trusted partners, Draper NXT embodies our commitment to scale our mission impact, empower the next generation of scientists and engineers, and stand ready to deliver mission outcomes to defend democracy around the globe.

This is NXT in action.

DRAPER NXT™

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CHAIRMAN OF THE BOARD

AMR A. ELSAWY
CHAIRMAN OF THE BOARD

To undertake the role of Chair of Draper's Board of Directors is a great honor. As a mission-focused company, our legacy is steeped in excellence and innovation with a reputation for solving critical national security problems. I am privileged to have the opportunity to help guide our innovation factory into the next chapter.

Draper's fiscal year 2025 (DFY25) marks three years into a transformation we call Draper NXT: a comprehensive vision for future growth that will scale our impact in support of national security.

Credit for this progress — and my deepest gratitude — goes to my predecessor, former Draper Chairman, David Shedd. Under his exceptional leadership, we articulated the Draper NXT vision and embarked on the journey with enthusiasm and determination.

As this annual report reflects, DFY25 demonstrated the early results of our commitment to that journey. Already, we have expanded our ability to deliver exquisite engineering solutions for our customers and for the nation. We made significant investments in our people and infrastructure, strengthening our capacity for delivering critical capabilities. We further advanced innovations for our strategic systems and space programs, including Draper's precision gyroscopes, accelerometers, microprocessors, and atomic clocks — engineering the next generation of these technologies to counter 21st century threats.

Our exceptional people and teams make our accomplishments possible. Collectively, their ingenuity, expertise, and devotion to the mission enable Draper to deliver on our commitments, earn our customers' trust, and serve the nation well.

I am deeply proud of the achievements this year and pledge my ongoing support to our Board of Directors, Executive Leadership Team, and employees as we continue the Draper NXT journey together. I also look forward to helping our President and CEO Jerry Wohletz and the entire Draper team succeed.

JERRY M. WOHLETZ, Ph.D
PRESIDENT AND CHIEF EXECUTIVE OFFICER

A MESSAGE FROM
DRAPER PRESIDENT & CEO

In a time of technological acceleration and geopolitical complexity, Draper's role as a trusted agent for national security systems has never been more critical. As our industry faces rapid change, we remain focused on the fundamentals of innovation to seize and preserve the advantage of technological surprise for our nation's warfighters.

Our strength of focus derives from our commitment to the vision we call Draper NXT — a transformative journey guided by the call to scale our mission impact in support of the nation's most strategic mission outcomes.

Fiscal year 2025 marked a pivotal phase in that journey, as we marked three years of cumulative growth — including a 43 percent increase in revenue and 37 percent increase in headcount. Nearly 48 percent of our current staff joined Draper in the last three years, signifying truly unprecedented growth at a time when our retention rate remains at 95 percent.

Even as we celebrate historic milestones, we are building on this momentum. Draper's workforce is stronger than any time in our 90+ year history. Our nationwide footprint continues to expand, with new campuses in Florida, Utah, and Massachusetts that bring Draper's expertise closer to the customer and to the robust talent pools necessary to drive our innovation factory. At the same time, strategic investments in manufacturing readiness allow Draper to deliver the quality and exquisite solutions our customers demand.

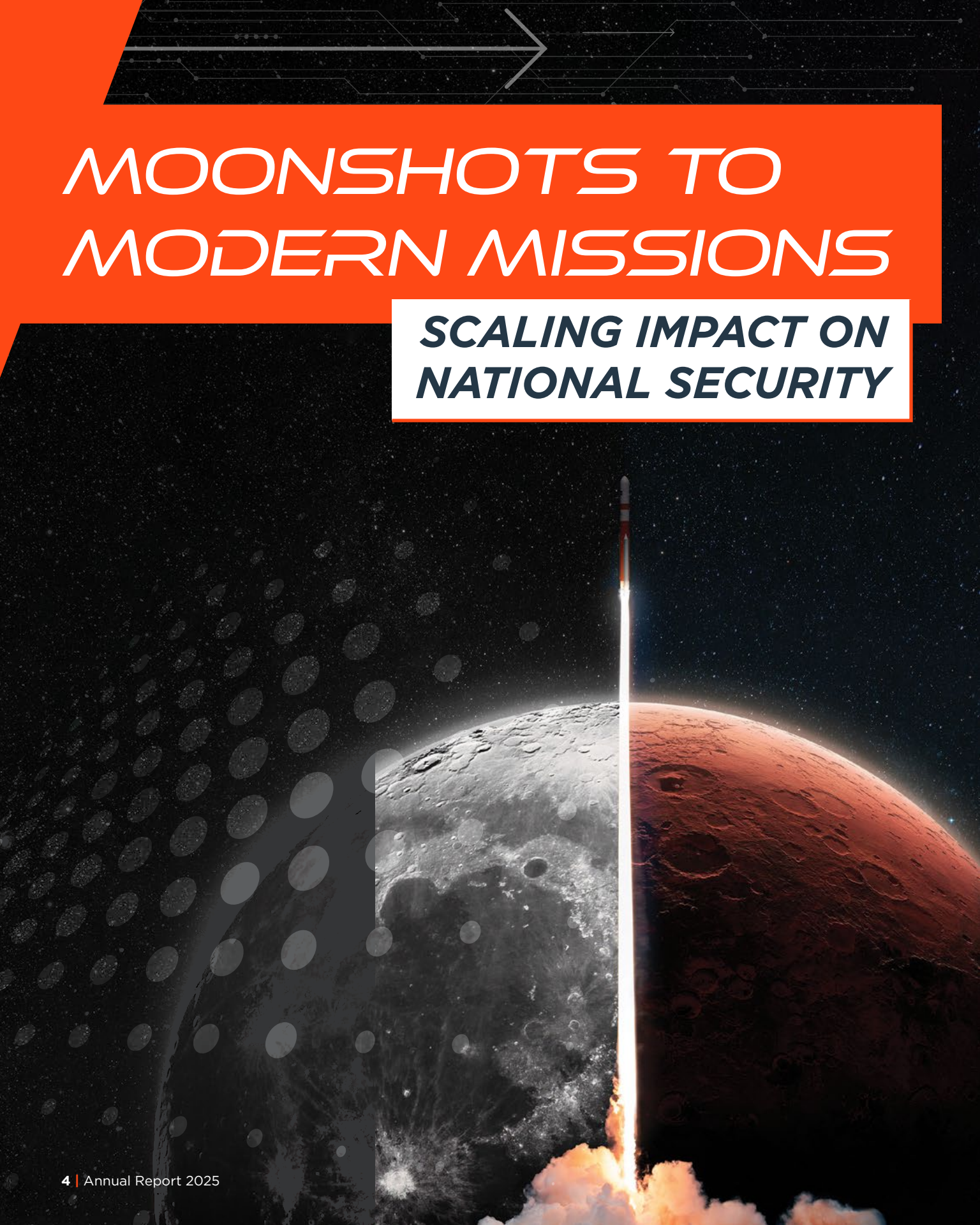
We recognize that transformation is not just about expansion. It is about discipline, execution, and continuous improvement. To reap the benefits of greater capacity, we are optimizing business systems to drive efficiency and continuing to foster a dynamic, mission-focused culture. Our long-standing commitment to education remains a guiding principle, as we continue to invest in the next generation of engineers, scientists, and innovators who will shape the future of national security.

To our customers, employees, partners, and communities: thank you for your trust and dedication. The path forward requires focus, and we are prepared to meet the challenges ahead with strength and precision.

Together, we are shaping the future of freedom.

MOONSHOTS TO MODERN MISSIONS

SCALING IMPACT ON NATIONAL SECURITY



For more than 90 years, Draper has served as the nation's premier engine for innovation. Since our founding in 1933 as the MIT Instrumentation Laboratory, we have devoted our talents to helping solve the hardest technical challenges facing the United States. From guiding Apollo astronauts to the moon to advancing today's strategic defense technologies, Draper's journey is closely aligned with national priorities. Ours is a story of continuous evolution — and, as of 2025, newly accelerating momentum.

Our early breakthroughs in inertial navigation laid the foundation for Draper's enduring role in national security. During World War II, we developed the Mark 14 Gunsight, which revolutionized naval targeting. In the 1960s, Draper engineers and staff united in support of the nation's highest scientific priority, designing the guidance system that enabled astronauts to land on the moon and safely return. That moment has long stood as a symbol of our impact in service of the nation.

Since then, Draper has engineered solutions to mission-critical challenges that span military, intelligence, and other national security applications. In the Cold War era, our work on the Polaris missile program helped establish a secure and credible nuclear deterrent — a mission that continues today without interruption. Our contributions in microelectromechanical sensors and corresponding hardware enable the nation's precision weapons, global positioning systems (GPS), biothreat defenses, and warfighter health.

Draper led the U.S. military's explorations into autonomous technologies for uncrewed land, air, and sea missions. Our underlying frameworks for evaluating autonomous modules and for mission planning and execution are still in use today, powering vital missions under programs of record. Draper's breakthroughs in GPS-independent navigational technologies and algorithms guide airdrops, strategic weapons, lunar landers, and aerial drones — enabling mission precision even in complex and contested environments. Integrated into our suite of tactical communications tools, these navigational systems deliver a decisive advantage to warfighters at the tactical edge, as well as law enforcement, security, and emergency response personnel.

These technologies — and countless others Draper developed across the decades — represent major feats of engineering innovation. They also represent strategic advantages for the U.S. and our allies.

Today, Draper is stronger than ever. Our team has grown to more than 2,500 employees, the highest in our 90-year history. As an engineering and innovation company, we know that people are the engine of Draper's momentum. Their ingenuity, deep expertise, and commitment to national service drive our every success. Draper teams collaborate closely with customers across our 12 campuses, which include advanced research, testing, and production facilities that are true national assets we manage in service of our nation and our customers.

Our growth reflects the burgeoning demand for Draper's expertise and the urgency of our vision, which we call Draper NXT. That vision drives our investments in the talent, infrastructure, and technology it takes to serve ever-evolving national security missions. This is an intentional journey of growth. As a mission-driven nonprofit, we focus on long-term impact and bold ideas, ensuring that we remain a trusted partner to the nation.

From moonshots to modern missions, our story is one of enduring purpose and relevance. As we expand into new frontiers, Draper remains steadfast in our commitment to serve the nation through innovation, integrity, and impact. ↗

CORPORATE UPDATE

As an independent nonprofit engineering company, Draper answers only to our customers. As their mission priorities evolve and expand, so do we. Our growth in Draper Fiscal Year 2025 (DFY25) — in staff, infrastructure, and capabilities — exemplifies this commitment, ensuring our ability to deliver innovative national security solutions in a rapidly changing world. In the third year of the transformative journey we call Draper NXT, we gained momentum on all fronts, celebrating major milestones and energizing our teams to stay the course.

Scaling mission impact

With Draper NXT, we are on a 10-year journey to expand our mission impact as the premier national security nonprofit company. Achieving this goal requires investments in our people, technology, facilities, tools, and infrastructure, all while maintaining competitive prices. In DFY25, investments relative to revenue were 14.7 percent, positioning Draper to achieve our long-term goal of 15 percent ahead of schedule.

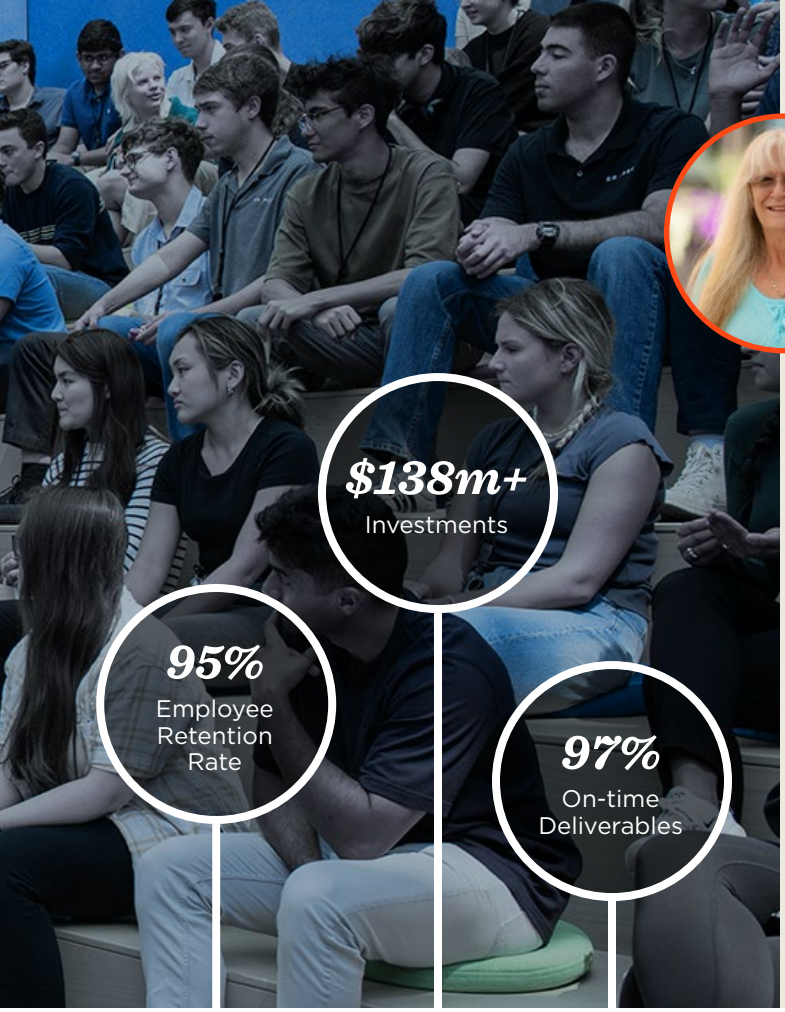
For Draper, strong growth is a measure of our impact today and a driver of our impact in the future. Key investments this year included major expansions and upfitting across our 12 campuses. We broke ground on a new campus on Hill Air Force Base, continued construction of our Strategic Enhanced Ground Test Facility (SEGTF) in Titusville, FL, and launched efforts with the University of Massachusetts at Lowell (UMass Lowell) to further expand our microelectronics research and development (R&D) and production capacity. Together, these investments will significantly strengthen our capacity to support aerospace and defense customers.

Customer satisfaction is another critical measure of our impact. Our program managers seek feedback monthly across five dimensions: technical, cost, schedule, quality, and management. During DFY25, we raised our on-time deliverable rate to 97 percent, which helped boost our customer satisfaction scores to an average across all five business areas of 4.1 on a scale of 1 to 5. This exceeded our corporate objective of greater than or equal to 3.5 and set the bar for the coming year.

To build a bridge between program development and delivery of high-quality products to our customers, Draper launched our new Operations function. Its purpose is to manufacture and deploy Draper's high-value, high-technology products with optimal efficiency to meet our customers' needs. We also successfully delivered nine of our first 10 business tools to help modernize our innovation factory.

Growing our leaders

Our business and scientific leaders are a force multiplier, driving excellence across every project team. With a voluntary retention rate of 95 percent in DFY25, we exceeded



MaryBeth Williams

EMPLOYEE FEATURE

MaryBeth Williams began her Draper journey as a file clerk. Today, she oversees the procurement of consultants and contractors, ensuring our projects have the technical skills they need to serve the customer.

Across her tenure, Williams witnessed Draper's exponential growth — from a single building in Cambridge's Kendall Square to a nationwide operation. She takes great pride in her role supporting truly historical advances in technology, particularly in Space Systems.

"Draper NXT is moving us into a world of exciting possibilities," she said. "I'm eager to see what problems we'll solve next."

Draper's objective of 90 percent — demonstrating that Draper is an employer of choice

To continue growing our workforce, in DFY25 we invested in targeted initiatives to recruit and retain top talent — fostering rewarding careers and creating a supportive people-always culture across the organization. We added 377 staff members year-to-date, increasing our capacity in Biotechnology, Electronic, Space, and Strategic Systems. In September 2024, we launched a 15-month leadership development program with a cohort of 20 individuals. Participants tackled real issues facing the company, generating tangible business value as they learn.

To further bolster Draper's culture, we strengthened key partnerships focused on community and corporate engagement. For example, our employees logged 1,666 Draper-funded volunteer hours for causes they support. At the corporate level, we matched more than $308,000 in employee contributions to dozens of nonprofits in communities where our people live and work. We also invested in our nine employee resource groups (ERGs), deepening their engagement with our business strategy.

In addition, our mentorship program saw enrollment of over 500 employees in DFY25. Empirical data and internal benchmarks affirm that Draper's investments in these domains yield significant returns in employee retention, organizational resilience, and reputational capital, while simultaneously strengthening our ability to address the geopolitical and societal risks our customers face.

Pioneering mission-driven innovations

To serve our customers' most vital missions, Draper maintains equal focus on delivering technologies needed today while anticipating the critical national security systems of tomorrow. In DFY25, we achieved $100M in Science and Technology (S&T) contracted research and development (CRAD) programs that aligned with Draper's technology strategy and defined high-impact areas for expansion, including quantum sensor research.

Across the organization, we are maintaining and expanding stewardship of critical national security technologies. In DFY25, we introduced formal opportunity reviews to ensure strategic alignment between our innovation

investments and the evolving needs of our customers. These reviews help Draper identify and prioritize innovation technology areas while supporting business growth.

Draper also made two strategic hires to form the foundation of a new Threat Informed Operational Analysis group within Engineering and establish an initial focus on Strategic Systems. In addition to developing the required infrastructure, the Operational Analysis group completed its first set of analyses to support critical shaping and capture activities. By helping inform our customers of current and future threats, Draper aims to help the nation anticipate and respond to the rapidly evolving national security landscape.

Enhancing corporate governance

Corporate governance provides the framework for how Draper manages all operations and ensures transparency and accountability. Clear policies enable us to apply risk appropriately and ensure decisions reflect our values and strategy. On February 14, 2025, Draper launched our new Operational Framework (OF) to formally organize Draper's actions, which are driven by customer requirements. The OF defines our governance model, business structure, and ethical standards, and it ensures leadership receives timely, accurate information for oversight. The OF encompasses 12 sub-policies spanning all operations — from program execution to support functions like Finance, Talent, Security, and IT — and are reviewed annually. These policies clarify our governance and drive transparency, compliance, and operational efficiency — while balancing the interests of shareholders, employees, customers, suppliers, and the community.

One of the 12 OF policies is Life Cycle Management (LCM), a suite of policies guiding projects from a business-winning opportunity through program execution with a total of 14 phase reviews. The LCM framework ensures strategic alignment and qualifies risks and opportunities to ensure that we scale our mission impact and deliver on our customer commitments. This policy applies to all Draper employees and partners, establishing clear guidelines for business winning, execution, phase reviews, and supplier due diligence.

Among other things, our growth depends on having a mature, Lean Six Sigma manufacturing capability. In DFY25, we established an Operations function to work with Engineering and Quality functions to lead this effort and drive continuous improvements in quality, efficiency, and on-time

delivery. First-year results included incorporating Six Sigma methodology, implementing Statistical Process Controls in our microelectronics fabrication facility and Advanced Packaging Facility (APF), and preparing for AS9100D certification — the international standard for quality management in aviation, space, and defense. We also made major investments in manufacturing readiness, beginning efforts to integrate Design for Manufacturing (DFM) and Design for Test (DFT) principles across our R&D programs. When fully implemented, DFM and DFT will ensure new Draper designs are optimized for manufacturability, testing, efficiencies, cost, quality, and mission value.

Deepening our role as trusted innovation partner

Our influence in the industry continues to make an impact, as Draper's leaders are often called upon to inform national strategies. Working across the Executive and Legislative branches of the government, several of our leaders participated or presented at forums to highlight our scientific discoveries and engineering solutions in the national security space. Through ongoing engagement with national leaders, we actively track evolving mission needs and shifts in strategic focus. These insights enable Draper to continuously validate our vision, ensuring every technology investment directly supports national imperatives.

In addition to thought leadership, we made significant investments in our innovation ecosystem. For example, our Guidance, Navigation, and Control (GNC) Academy added courses in radiation-hardened electronics and strategic software engineering — vital capabilities for our nation's current and future strategic systems. As of DFY25, more than 90 engineers completed the academy's rigorous course work, gaining critical expertise in strategic and space systems.

Under Draper NXT, the opportunities we create for students, military personnel, and veterans contribute to solving real-world problems in national security. As of DFY25, our Draper Scholars™ program grew to 99 graduate students from 18 participating academic institutions. The program added the University of Utah and Utah State University as a partner launching relationships essential to our Clearfield, UT, operations.

Draper's Internship/COOP program hired 248 students in DFY25, supporting the continued development of our future workforce. Of those students, 93 percent were hired into technical roles in Engineering, Operations, and Supply Chain and Program Management. In DFY25, we expanded our partnerships with colleges and universities across the nation, resulting in 66 percent of new hires coming from schools outside the Cambridge/Boston region. Additionally, as part of our workforce expansion, we leveraged the Department of Defense (DOD) SkillBridge program to bring active-duty personnel into our programs to share operational insights and gain valuable industry experience. We also welcomed 160 students from MIT's Beaver Works Summit Institute. Beaver Works is a challenging and prestigious STEM program designed for high-achieving students entering their senior year of high school. Students participated in an intensive four-week program, led by Draper employees and focused on STEM-skill development through hands-on, workshop-style courses.

Together, these programs enable Draper to accelerate delivery even as we generate a robust pipeline of talent to serve future roles — as Draper employees, military leaders, public servants, and other vital positions.

To support innovative start-ups with disruptive technologies of value to national security, in FY25 we announced DraperSPARX™, a unique program that connects forward-thinking companies with Draper's seasoned technical experts and advanced laboratories. DraperSPARX focuses on mission-critical domains, including biotechnology, electronic systems, strategic systems, and space systems. By mentoring the next generation of entrepreneurs, we aim to support the rapid evolution of early-stage technologies into the field-tested prototypes that meet the rigorous specifications of national security missions

Beyond delivering immediate solutions, Draper plays a key role in forecasting future requirements, helping our customers anticipate technologies they will need to maintain superiority in an increasingly complex security landscape. Our proactive approach ensures Draper remains a trusted partner for innovative solutions to our nation's critical challenges in strategic, electronic, biotechnology, and space systems.

GETTING AHEAD OF WHAT'S NXT

As the Draper NXT vision propels us forward, we will continue to invest in our people and expand our footprint to reach the ambitious goal of doubling our workforce by 2033. In the coming year, we will focus on consistency through employee training and knowledge sharing, business systems integration, and refined measures for program health and customer satisfaction. For our every initiative, mission impact remains the north star, guiding and driving growth to maintain our position as a trusted agent for U.S. national security systems.

ENGINEERING TECHNOLOGY

At Draper, applied innovation is our foundation and our future. The vision outlined under Draper NXT ensures our technology R&D efforts are tightly aligned to customer needs. This includes our investments in internal R&D (IRAD), which for DFY25 totaled $29 million.

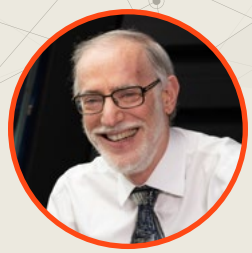
Advanced packaging and hardened microelectronics

Under a mix of targeted CRAD and IRAD efforts, Draper devised novel approaches to miniaturizing electronics and achieving greater resilience, particularly for strategic systems. We reinvigorated R&D efforts in direct bond interface methods to increase the functional density of electronics. We also leveraged our expertise in communications and GPS technologies to integrate sensors, electronic warfare technologies, and position, navigation, and timing (PNT) capabilities into vanishingly small systems that are accurate, reliable, and survivable.

Assured PNT, precision sensors, and quantum technology

In DFY25, Draper advanced our portfolio of technologies that provide navigational alternatives to global positioning systems (GPS), integrating advanced sensors and algorithms into a unified, flexible platform capable of high performance even under harsh environmental conditions.

To provide next-generation GNC for Strategic and Space Systems, Draper is also advancing our inertial sensor technology, pushing boundaries in micro-electronic-mechanical (MEMS)-based sensors to achieve higher performance and dynamic range, while reducing size and increasing performance.



Philip Hattis

EMPLOYEE FEATURE

As a doctoral student studying hypersonics, Philip Hattis came to Draper via the program known today as Draper Scholars. His first project: GNC software for the human flight control system on the Space Shuttle.

Decades later, that expertise enabled Hattis to bridge a critical gap when NASA began human-rating the Orion vehicle — a process the agency hadn't done since completion of the Shuttle design.

Over the years, Hattis has mentored dozens of Draper Scholars on hypersonics, GNC, and systems engineering. "We've learned a lot of hard lessons at Draper," he said. "A significant part of my job is making sure that knowledge is passed on."

As we further miniaturize quantum sensors, Draper is engineering in robustness for use in contested operational environments. We are developing optical quantum clocks that maintain accuracy for days without a GPS update. Additionally, we continue to advance our quantum gravimeter technology, reducing size and improving accuracy of our sea-tested prototype.

Space systems technology

As space missions enter a new era, Draper is broadening our R&D activities, including advancing efforts in power system technology, sensors for reliable space domain awareness, and radiation hardening. These and other technologies in our portfolio are crucial for future operations that range from very low earth orbit (VLEO) to cis-lunar missions and beyond.

Biosystem technologies

Under multiple ongoing CRAD and IRAD projects, Draper bioengineers continue to mature novel solutions for biothreat monitoring. In DFY25, this work focused on accelerating the discovery of microbes capable of detecting chemical, biological, and other environmental threats. We also advanced Draper's revolutionary platform for end-to-end evaluation of medical countermeasures. Our approach integrates multiple organ system models to study the efficacy of candidate treatments, overcoming the limitations of animal testing and providing a safer, faster, and lower-cost alternative to human trials.

To accelerate these and other efforts, Draper invested in the development of bioinformatics tools powered by artificial intelligence (AI). For example, we are using AI-enabled tools that predict three-dimensional protein-folding structures to design bioengineered sensor systems.

Elevating manufacturing readiness

To help accelerate the transition of Draper's designs to the field, we created an Operations organization to enhance readiness levels for manufacturing and integrate the principles of Design for Manufacturing (DFM) and Design for Test (DFT) into our R&D programs. This exemplifies our approach to what's known as "dual use by design," which prioritizes commercially viable solutions for adoption or customization for national security applications.

GETTING AHEAD OF WHAT'S NXT

Even as we define and pursue our Draper NXT technology roadmap, we are reimagining — and preparing for — what lies beyond.

Guided by our Draper NXT vision, we continue to advance critical technologies across our portfolio, while also working to identify new disruptive solutions.

Often embedded with our customers, our engineers understand their technology challenges and can identify and anticipate unmet needs. By combing this deep institutional knowledge with a culture optimized to surface fresh ideas, Draper is uniquely positioned to deliver the advantage of surprise for our nation's warfighters and maintain U.S. technological leadership in all domains.

STRATEGIC SYSTEMS

For 70 years, Draper has served as a steward of GNC capabilities for the nation's strategic deterrence. In DFY25, we met important milestones toward modernizing guidance systems for the U.S. Navy and increased support for the U.S. Air Force. Propelled by our Draper NXT vision, we also made significant investments in the capabilities necessary to design, develop, and sustain the strategic systems of the future.

Accelerating the pace of the U.S. Navy's Trident Program

As the prime contractor for the Trident II D5 missile guidance system, Draper leads guidance sustainment and modernization across the Navy's ballistic missile submarine fleet. In DFY25, we continued to work closely with Navy warfighters to produce and deploy the MK 6 MOD 1 system, which is designed to provide credible deterrence into the 2040s. To date, more than 85 percent of the fleet carries the MK 6 MOD 1, with the remainder planned for completion by fall 2025.

In parallel with these efforts, Draper is designing the next-generation MK 8 boost guidance system, which is slated for deployment in the late 2030s. In August 2024, the MK 8 successfully completed its System Concept Review, the first major design review of the Life Extension 2 Guidance Program, highlighting its modular architecture, advanced sensors, and new guidance system concepts.

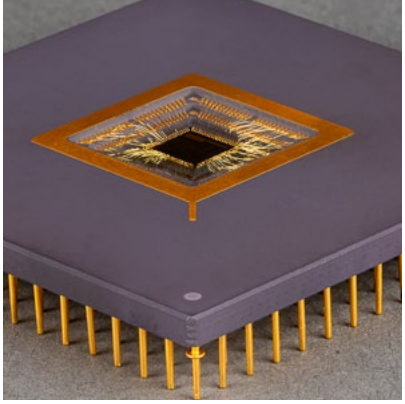
Steven Croopnick

EMPLOYEE FEATURE

In 1960, Steven Croopnick took Doc Draper's introductory course on inertial guidance systems. A year later, he accepted a part-time job in what was then known as the Instrumentation Lab — launching a storied career in reliability engineering.

One of Draper's foremost experts on reliability, Croopnick still mentors Draper engineers as they tackle the constantly evolving challenges of strategic systems engineering.

"The threats to our national security are enormous," he said. "New employees need perspective on the importance of the national security mission, customer requirements, and the engineering solutions we deliver."



As an outcome of the review, the Navy selected Draper to lead development of an Integrated Avionics Package (IAP) to improve size, weight, and power, while also increasing overall affordability of the LE2 program. Draper engineers are currently developing an early prototype of the MK 8 IMU and IAP. In November 2024, the prototype successfully completed its preliminary design review.

Driving technology readiness for Golden Dome

Draper is rapidly maturing the strategic, radiation-hardened inertial measurement unit (IMU) for the Missile Defense Agency's Next Generation Interceptor (NGI). Currently in low-rate production, this critical technology is projected to enter full-rate production in 2026 as Draper prepares a six-to-tenfold quantity increase driven by Golden Dome for America (GD4A). Our advanced IMU is a foundational technology that could have an impact for multiple components of the GD4A's system of systems.

Expanding our role with the U.S. Air Force

Working with the Air Force Nuclear Weapons Center, Draper continues to sustain our legacy accelerometer for the Minuteman III missile. Our engineers conduct extensive testing to re-create and characterize errors, deriving valuable insights to extend the lifespan of the fleet and inform future system designs.

Drawing on our experience with strategic GNC development for the Navy, Draper stands ready to support the modernization of our nation's land-based intercontinental ballistic missile fleet under the Air Force's Sentinel Program. In DFY25, we pursued IRAD projects that resulted in two contracts for the U.S. Air Force to execute risk-reduction programs focused on strategic radiation-hardened electronics for the Sentinel program.

To expand our capacity to support Sentinel and other critical needs, Draper is building a 30,000-square-foot campus on Hill Air Force Base designed to meet Intelligence Community Directive (ICD) 705 standards, including TEMPEST considerations. Not only will our newest campus provide direct proximity to key aerospace and defense customers, it also facilitates partnerships with Utah's highly ranked university engineering programs.

Guiding the future of hypersonic missiles

In December 2024, Draper's hypersonic navigation software performed exceptionally well on the Navy's second end-to-end flight test — and first live-fire event — under the Conventional Prompt Strike (CPS) program. The test demonstrated the exquisite precision of our navigation software. In a testament to our performance, the Navy awarded Draper a $308 million contract in March 2025 to continue providing CPS with specialized engineering in inertial navigation measurement and analysis.

A national asset for strategic systems development

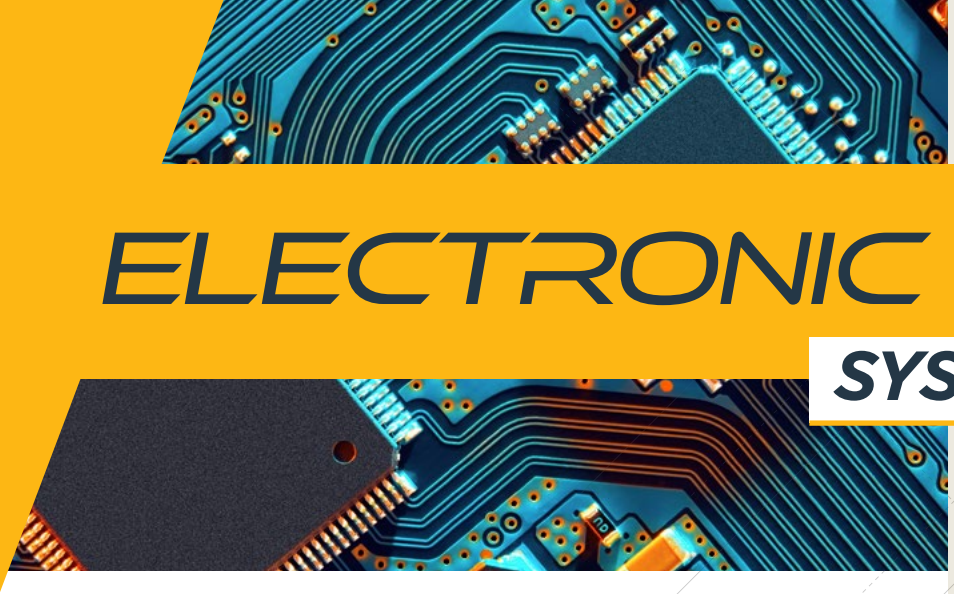
A key pillar of Draper NXT is a commitment to bringing the work to the customer. In DFY25, construction of our Strategic Enhanced Ground Test Facility (SEGTF) in Titusville, FL, continued on schedule. When fully operational in 2028, the facility will provide unmatched ground test capabilities to validate and characterize the performance of strategic systems, ensuring they deliver the accuracy, reliability, and survivability required.

GETTING AHEAD OF WHAT'S NXT

As a trusted design agent for strategic systems, Draper maintains a watchful eye on the future.

To outpace our adversaries, we continue to invest and innovate in breakthrough approaches and technologies — including GNC solutions, sensors, resilient processing and memory, and radiation-hardened electronics, as well as advanced approaches in digital engineering and enhanced ground test development.

Our commitment, always, is to the customer and to our shared mission of safeguarding our country and the warfighter by promoting global stability through uncontested deterrence.



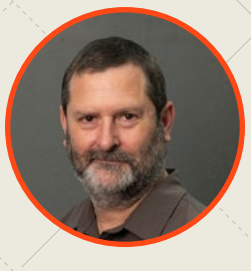
ELECTRONIC SYSTEMS

National security systems demand a wide range of highly specialized electronics capable of the highest performance under the harshest conditions. As one of our nation's most trusted suppliers, Draper serves defense and intelligence customers, as well as commercial companies that rely on secure microelectronics components.

A trusted supplier of specialized microelectronics

As the demand for domestic advanced chip packaging accelerates, Draper stands ready as a long-trusted supplier to deliver for national security customers.

Early in FY25, we announced a significant expansion in our production capacity, resuming full operations at our APF in St. Petersburg, FL, and presented its mission-critical capabilities at the Government Microcircuit Applications & Critical Technology Conference (GOMACTech). The APF is a Defense Microelectronics Activity (DMEA)-certified foundry manufacturing center. Designed for classified manufacturing, the facility also enables early architecture exploration, rapid software development and system validation, efficient die and package co-design, and improved manufacturing and reliability.



Richard Elliott

EMPLOYEE FEATURE

As a co-op student, Richard Elliot helped test Draper's 10 pendulous integrating gyroscope accelerometer (PIGA) that guided the Trident missile. He credits this hands-on opportunity as inspiring a career-long focus on inertial technology and microelectromechanical systems (MEMS).

Across his tenure, Elliott has guided dozens of co-op students, interns, Draper Scholars, and mentees. He views these programs as key to transferring knowledge to the next generation of engineers — enabling Draper to continue driving innovation for national security.

"It's hard to find new hires who already understand inertial technology," he said. "Draper's education programs are key to our culture, and they're necessary for the specialized work we do."

Draper also took major steps this year to ensure a strong pipeline of innovators and technicians to fuel our leadership in defense-grade electronics. We completed the first phase of our future facility at the UMass Lowell campus, where we are partnering to establish a pre-eminent electronics research center. Our experts are collaborating with UMass Lowell faculty and administrators to define a forward-looking curriculum that will prepare future generations of innovators in electronics engineering.

Freedom of navigation for vital missions

National security missions often bring our nation's warfighters into environments where conventional navigation technologies may be compromised. To ensure their freedom of movement, Draper develops positioning, navigation, and timing (PNT) technologies capable of guiding human and autonomous systems under all conditions.

This year, we further matured our pioneering anywhere, anytime, any-threat (A^3PNT) navigation technologies. Draper is manufacturing our Skymark system for celestial navigation for use on U.S. Navy destroyer-class ships, with a scale-up in production expected in the coming years. We also are adapting this game-changing technology for aircraft applications, conducting engineering and development with a view toward customers' production needs.

GETTING AHEAD OF WHAT'S NXT

As the threat landscape continues to evolve, Draper NXT propels us to increase the impact of all our research, design, and production efforts. We are committed to serving as the nation's trusted design agent and supplier for highly specialized, secure electronics that are optimized for defense and intelligence missions.

To deliver on this commitment, we will further advance our manufacturing readiness and grow our production capacity. This includes targeted hiring and training, continuous process improvement, and construction of our future MEMS laboratory at UMass Lowell.

At the same time, we will power the next generation of navigational instruments by producing a miniaturized IMU that outperforms current systems at the same size, weight, and power. Planned R&D efforts include adapting Skymark to additional navigational challenges and developing technologies that can derive positional information from cameras, as well as magnetic and gravitational sensors.

Together with other Draper innovations, these technologies will help guide and secure our nation's military and intelligence systems — by ground, sea, air, and space — wherever the mission demands.

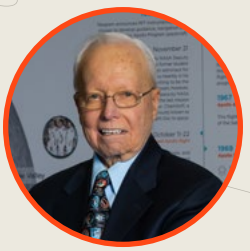
SPACE SYSTEMS

From the earliest CORONA and Apollo missions, Draper has pushed the boundaries of technology and enabled monumental achievements in space exploration. Our capabilities in GNC, as well as fault-tolerant computing and software, helped define the first Space Age. Today, we continue to support our nation's rapidly evolving space missions, providing unparalleled expertise to enable technologies and mission systems for space domain awareness, long-duration propulsion, and crewed spaceflight.

Fueled by Draper NXT, we are pressing ever forward to explore the cosmos. Working alongside partners in government, academia, national laboratories, and industry, Draper leads and supports engineering R&D to ensure continued U.S. leadership in space.

New frontiers in commercial lunar missions

As a prime contractor for NASA's Commercial Lunar Payload Services (CLPS), Draper leads a team responsible for the CP-12 mission, which aims to deliver scientific equipment to the Schrödinger basin to study tectonic activity, heat flow, and electrical conductivity on the far side of the moon.



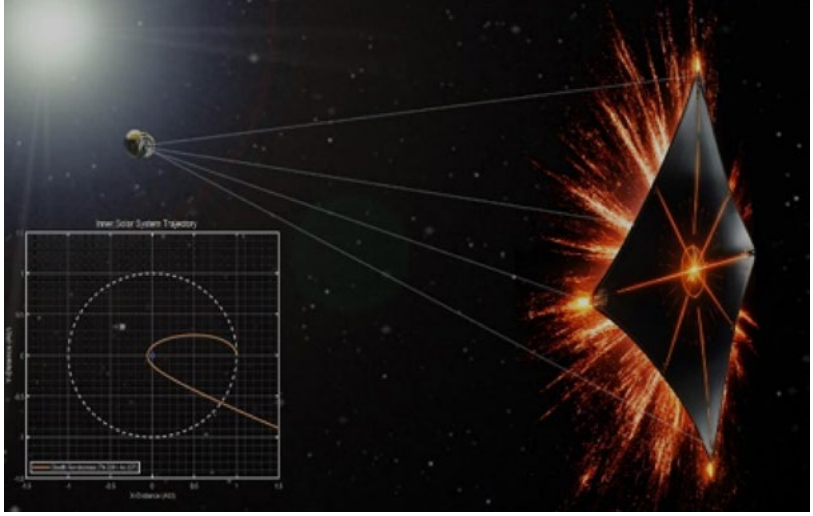
Peter Kachmar

EMPLOYEE FEATURE

Across his 60-year career, Peter Kachmar has supported several of Draper's most well-known projects. He helped to develop the rendezvous system that brought astronauts back from the moon, enabled the Space Shuttle to dock with Skylab, and returned scientific samples from Mars.

Kachmar's satisfaction comes from seeing the impact of his efforts on the customer's mission. "Everything I've touched has flown," he said.

Propelled by Draper NXT, Kachmar continues to deliver innovation in service of national interests. "At Draper, we do things no other organization can," he said. "In the end, we're really working for the American people."



The success of our mission requires exacting technology for navigating safely to the landing site. To enable this level of precision, we leveraged our Draper Multi-Environment Navigator (DMEN) as a test platform for key lunar landing algorithms. In DFY25, DMEN successfully completed two test flights: One on Astrobotic's Xodiac rocket lander and another on Blue Origin's New Shepard NS-29. As a result, DMEN achieved a technology readiness level (TRL) of 6/7 for lunar descent terrain relative navigation and a TRL of 4/5 for shadow-based hazard detection.

Engineering the return of humans to the moon

As a member of the Blue Origin National Team, Draper is contributing to the development of a sustainable human landing system (HLS) for the Artemis V moon mission. With our support, the HLS will ferry astronauts between the orbiting Gateway space station and the lunar surface.

In August 2024, we hosted a familiarization session at our Cambridge campus for the HLS Crewed Lander Piloted Simulations. The session enabled NASA Crew and Flight Operations personnel to provide early feedback on simulated manual control operations that will support training for the piloted phases of the Artemis V mission.

In January 2025, Blue Origin's New Glenn reusable rocket successfully executed its inaugural mission, NG-1. Guided by Draper flight avionics, New Glenn achieved orbit on its first attempt — a critical milestone in the advancement of NASA's Artemis missions, as well as commercial space and U.S. Space Force missions.

Engineering the future in space power and propulsion

Space power is the backbone of exploration, defense, and commercial activity beyond Earth. Among the major technological obstacles are the limitations of solar power in deep space and the finite capacity for carrying fossil fuel onboard a spacecraft.

To tackle this challenge, our work includes a program to design and manufacture a small high reliability power source. In DFY25, the program completed builds of pre-production hardware and started to provide units for integration into the larger system.

In addition, under an Innovative Advanced Concepts award from NASA, Draper developed a revolutionary concept capable of dramatically faster speeds over long distances. Presented in Fall 2024, our Thin Film Isotope Nuclear Engine Rocket (TFINER) is propelled by the conservation of momentum from the exhaust comprised of the byproducts of nuclear decay. The concept relies on thrust sheets coated with radioactive isotopes, which can be optimized to suit a variety of mission payloads. As the coating decays, alpha particles are released, enabling the spacecraft to travel as much as four orders of magnitude faster than conventional thrust technologies.

In May 2025, Draper received a Phase II award to further develop the TFINER concept, with a view toward enabling deep space travel and thus greatly expanding research opportunities and other missions.

GETTING AHEAD OF WHAT'S NXT

As U.S. priorities in space continue to evolve, Draper remains committed to solving the immense challenges of space domain awareness, space infrastructure, and new frontiers in exploration.

Our engineering teams will continue to provide unmatched expertise to the space industry in GNC, resilient and reliable electronics, avionics and computing, high-performance sensing, and specialized subsystems. Leveraging these and other highly specialized capabilities, Draper is well positioned to design and deliver the next generation of space systems and solutions in support of defense, intelligence, civil, and commercial missions.

BIOTECHNOLOGY SYSTEMS

At Draper, biologists and engineers work side by side to design and develop purpose-fit solutions for sensing and assessing biothreats, detecting diseases, and accelerating the development of medical countermeasures to chemical, biological, radiological, and nuclear (CBRN) threats.

Fueled by Draper NXT, our team grew by 40 percent this year, creating greater capacity to serve defense, intelligence, health, and private-sector customers.

Laying the groundwork for a human digital twin

Under a $34.1 million effort on behalf of the Defense Threat Reduction Agency (DTRA), Draper is advancing our microphysiological systems (MPS) as part of the Evaluation of Treatments using High-throughput Multi-Organ Systems (ETHOS) program. ETHOS seeks to enable prediction of disease progression, as well as evaluation of medical countermeasures (MCM) against high-priority biological threats, such as biosafety level 3 agents.

By integrating immune components with lung, liver, and kidney organ models, Draper is helping lay the groundwork for a human digital twin — a dynamic, data-driven model of human physiology that can be used to simulate health outcomes, personalize treatments, and improve readiness for emerging threats.

This work leverages Draper's advanced MPS platform, which combines our PREDICT96™ tissue culture platform and multiple organ-on-a-chip models

Jeffrey Borenstein

EMPLOYEE FEATURE

Before he became Draper's chief scientist for bioengineering, Jeffrey Borenstein had to catch up with the latest advancements in the field of biology. The trained physicist took night classes to augment his deep expertise in MEMS so he could help tackle novel problems in tissue engineering.

That interdisciplinary approach is emblematic at Draper. It's also key to realizing the Draper NXT vision.

"Draper NXT is about moving our technologies from proof of concept to end users," said Borenstein. "Our goal is to speed up the transition to the field where they can impact the mission."

with advanced biological and analytical methods. Our goal is to replicate complex biological responses in a controlled, scalable system, supporting a holistic and responsive digital representation of the human body, which is essential for future applications in defense, precision medicine, and biodefense strategy.

Draper is also continuing to advance MCM technologies on behalf of the Biomedical Advanced Research and Development Authority (BARDA). This year, BARDA expanded our work to include filoviruses such as Ebola.

Advancing surveillance and detection

Natural and engineered pathogens present significant risks to military, public, and environmental health, as well as food safety, and economic and political stability. To bolster our nation's defense, Draper is engineering first-of-a-kind technologies for detecting and monitoring endemic, emerging, and engineered pathogenic threats.

In DFY25, we undertook efforts to transition our sophisticated computational pipeline for identifying virus countermeasures, which was developed with funding from the Intelligence Advanced Research Projects Activity (IARPA), to a technology development partner. By predicting protein-to-protein interactions, including antigen-antibody binding behavior, this tool has immense potential for accelerating the development of diagnostics and vaccines for viral pathogens.

Under a separate effort, Draper is developing a bioinformatics tool to accelerate the discovery of engineered microbes to detect threats from a safe distance — also known as standoff detection. This work also leverages advances in synthetic biology to enable a novel concept of operations (CONOPS) for remote sensing for DOD.

Revolutionizing healthcare for warfighters and civilians

Our nation's warfighters face an elevated risk for post-traumatic stress disorder (PTSD), major depressive disorder, and other mental health conditions. To assess such conditions, healthcare providers have long relied on self-reporting, which is often unreliable. In October 2024, Draper announced a novel technology to provide an objective and comprehensive view of a patient's mental health.

Using advanced sensors, analytics, and machine learning, the system collects real-time data on heart rate, skin responses, eye movements, and other physiometric indicators of mental health. Draper's approach marks a significant step forward in mental health care — potentially improving detection and monitoring of a patient's mental health and enabling more personalized treatment plans.

The following month, the Advanced Research Projects Agency for Health (ARPA-H) awarded Draper $3 million to develop a bioengineered model of human pregnancy. Our biotechnology experts will create interacting tissue models of the placenta, as well as a model of fetal heart development. Ultimately, these models could revolutionize healthcare during pregnancy by eliminating the risks associated with drug safety testing in humans, while also eliciting results that are more relevant to human health than animal model studies.

GETTING AHEAD OF WHAT'S NXT

In the coming year, our Biotechnology Systems team anticipates continued growth — in size and capabilities — as we advance the Draper NXT vision.

Our MPS platform has tremendous potential for studying health hazards unique to military personnel and space crews, such as radiation and radio frequency exposure. We also will begin to create digital twins — dynamic, software-based models of human organ systems — using data generated by our models.

As we pursue these and other advanced biotechnologies, Draper NXT will guide our every effort as we help our customers shape a better future. ↗

FINANCIAL STATEMENTS

June 27, 2025
and June 28, 2024

REPORT OF INDEPENDENT AUDITORS

To the Board of Directors of The Charles Stark Draper Laboratory, Inc.

Opinion

We have audited the accompanying financial statements of The Charles Stark Draper Laboratory, Inc. (the "Company"), which comprise the statements of financial position as of June 27, 2025 and June 28, 2024, and the related statements of activities, and of cash flows for the years then ended, including the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of June 27, 2025 and June 28, 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Draper 2025 Annual Report, but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

PricewaterhouseCoopers LLP

Boston, Massachusetts
September 29, 2025

PricewaterhouseCoopers LLP,
101 Seaport Boulevard, Boston, Massachusetts 02210
T: (617) 530 5000, www.pwc.com/us

Statements of Financial Position

June 27, 2025 and June 28, 2024

ASSETS	2025	2024
Current assets		
Cash and cash equivalents	$ 88,749,418	$ 138,043,109
Accounts receivable, net of provision for expected credit losses of $3,238,117 and $2,335,664 in 2025 and 2024, respectively	79,643,363	73,761,582
Unbilled contract costs and fees, net of allowance of $4,534,147 and $2,151,322 in 2025 and 2024, respectively	83,330,772	60,161,814
Other current assets	28,729,692	24,580,240
Total current assets	280,453,245	296,546,745
Long-term investments	270,233,382	206,973,280
Prepaid pension benefits	51,393,714	43,415,998
Property and equipment, net	282,860,069	254,334,284
Operating lease right-of-use assets	15,989,613	15,741,917
Total assets	$ 900,930,023	$ 817,012,224
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued contract costs	$ 75,003,929	$ 58,984,925
Accrued compensation and related expenses	41,385,097	41,385,097
Current portion of notes payable	1,055,900	2,257,555
Current portion of bonds payable	3,340,000	3,240,000
Other accrued expenses	6,479,668	5,383,145
Total current liabilities	132,330,217	111,250,722
Accrued post-retirement benefits	-	715,182
Notes payable, long-term	400,828	1,456,727
Bonds payable, net of deferred financing costs	83,389,245	86,685,476
Operating lease liabilities, long-term	14,090,309	15,259,169
Deferred revenue and other long-term liabilities	65,259,321	49,104,447
Total liabilities	295,469,920	264,471,723
Net assets without donor restrictions	605,460,103	552,540,501
Total liabilities and net assets	$ 900,930,023	$ 817,012,224

Statements of Activities

June 27, 2025 and June 28, 2024

OPERATING REVENUES	2025	2024
Gross revenue	$ 942,243,216	$ 853,696,398
Other income	15,909	79,622
Total operating revenues	942,259,125	853,776,020
OPERATING EXPENSES		
Direct costs		
Subcontracts	180,540,548	182,523,844
Salaries and wages	209,299,826	188,813,631
Employee benefits	103,666,101	90,759,237
Materials, services, and rentals	85,452,458	68,352,278
Other; principally travel and equipment	76,265,163	64,251,981
Total direct costs	655,224,096	594,700,971
Indirect costs		
Salaries and wages	117,285,001	102,402,759
Employee benefits and vacations	44,884,671	39,794,267
Materials, services, and rentals	34,491,437	29,102,453
Depreciation and amortization	31,785,897	30,063,145
Facilities, communications, unallowables, and other	30,348,592	29,837,402
Total indirect costs	258,795,598	231,200,026
Total operating expenses	914,019,694	825,900,997
Increase in net assets without donor restrictions from operations	28,239,431	27,875,023
Non-operating gains (losses)		
Interest expense and fees	(4,596,288)	(3,910,246)
Investment return, net of investment costs	23,172,496	17,390,813
Other non-operating (loss) income, net	(2,660,871)	11,105,063
Other components of net period benefit costs	9,252,432	8,355,271
Other changes in pension and post-retirement benefits	(487,598)	6,549,269
Total non-operating gains (losses), net	24,680,171	39,490,170
Increase in net assets without donor restrictions	52,919,602	67,365,193
Net assets without donor restrictions, beginning of year	552,540,501	485,175,308
Net assets without donor restrictions, end of year	$ 605,460,103	$ 552,540,501

The accompanying notes are an integral part of these financial statements.

Statements of Cash Flows

June 27, 2025 and June 28, 2024

CASH FLOWS FROM OPERATING ACTIVITIES	2025	2024
Increase in net assets without donor restrictions	$ 52,919,602	$ 67,365,193
Adjustments to reconcile change in net assets without donor restrictions to net cash provided by operating activities		
Depreciation and amortization	31,645,234	30,119,670
Realized and net change in unrealized losses on long-term investments	(20,504,134)	(15,322,124)
Other changes in pension and post-retirement benefits	487,598	(6,549,269)
Loss (gain) on disposal of property and equipment	(5,000)	2,274
Other non-cash adjustments	3,036,129	3,843,739
Changes in operating assets and liabilities		
Accounts receivable	(5,881,782)	(15,062,127)
Prepaid pension benefits	(9,226,624)	(10,929,431)
Unbilled contract costs and fees	(23,168,958)	12,209,112
Other current assets	(4,149,451)	(7,897,679)
Deferred charges and other assets	43,769	444,800
Accounts payable and accrued contract costs	17,852,101	(3,327,410)
Accrued compensation and related expenses	4,542,617	11,224,470
Deferred revenue	15,888,022	(5,476,375)
Other accrued expenses	(5,833,656)	(4,267,180)
Net cash provided by operating activities	57,645,467	56,377,663
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property and equipment	(62,173,085)	(49,799,865)
Proceeds from sale of property and equipment	5,000	-
Timing differences on purchases and sales	(2,479,010)	7,040,308
Purchase of investment securities	(223,612,315)	(83,835,230)
Proceeds from sale of investment securities	186,817,807	76,654,924
Net cash used by investing activities	(101,441,603)	(49,939,863)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of debt	(5,497,554)	(5,400,771)
Net cash used by financing activities	(5,497,554)	(5,400,771)
Net increase in cash and cash equivalents	(49,293,690)	1,037,029
Cash and cash equivalents, beginning of year	138,043,109	137,006,080
Cash and cash equivalents, end of year	$ 88,749,418	$ 138,043,109
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest paid	$ 3,702,814	$ 3,881,521
Property and equipment in accounts payable and accrued contract costs	$ 8,659,656	$ 10,661,732
Lease liabilities from obtaining right-of-use assets	$ 3,283,025	$ 6,109,880

The accompanying notes are an integral part of these financial statements.

Notes to Financial Statements

1. Background and Summary of Significant Accounting Policies

Corporate Organization and Purpose

The Charles Stark Draper Laboratory, Inc. ("Draper") is a membership (nonstock), nonprofit Massachusetts Corporation. Draper engages in activities that contribute to the support and advancement of scientific research, technology and development, and in educational activities in the sciences and related subjects. Draper's customers are primarily agencies of the U.S. government.

Draper intends to continue to be exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In the event of either liquidation or dissolution of Draper, its net assets would be distributed to one or more charitable tax-exempt organizations or governmental agencies.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis and in accordance with accounting principles generally accepted in the United States of America.

Fiscal Year

Draper's fiscal year ("FY") ends on the Friday closest to June 30th. The fiscal year may result in the last day of a fiscal year falling on a date other than on June 30th. Approximately every fifth year, Draper's fiscal year will contain 53 weeks. There are 52 weeks in FY2025 and FY2024, respectively.

Capitalized Software

Certain costs, as they relate to purchased hardware, software, and implementation activities have been capitalized in accordance with Accounting Standards Codification ("ASC") 350-40, Intangibles – Goodwill and Other – Internal-Use Software.

Revenue Recognition

Revenue is presented under ASC Topic 606: Revenue from Contracts with Customers.

Draper delivers most of its services under contracts with the U.S. government, and subcontracts with other contractors engaged in work for the U.S. government, that continue for longer than one year. Generally, Draper's contracts with the U.S. government are subject to the Federal Acquisition Regulation ("FAR"), Defense Federal Acquisition Regulation Supplement ("DFARS") and other FAR supplements, Office of Management and Budget ("OMB"), and Cost Accounting Standards ("CAS"), which provide requirements and guidance on the structure of, and compliance with, contracts and types of costs that are allowable in establishing prices for the services provided under government contracts. Business with the U.S. government may be affected by changes in procurement policies, budget considerations, changing concepts of national defense, political developments abroad, and other factors.

Draper provides its services under variants of cost, fixed-price, and time-and-materials contract types. The nature of each contract and the services provided are evaluated when determining the revenue recognition method utilized for each contract.

Revenue on most of Draper's contracts is recognized over time as it performs contractual performance obligations because of the continuous transfer of control to the customer. For U.S. government contracts, this continuous transfer of control to the customer is supported by contractual clauses that allow the customer to unilaterally terminate the contract for convenience, pay Draper for costs incurred plus a reasonable fee, and take control of any work in process. Similarly, for non-U.S. government contracts, the customer typically controls the work in process as evidenced by contractual termination clauses and by Draper's rights to payment for work performed to date plus a reasonable fee.

For performance obligations satisfied over time, Draper recognizes revenue on a percentage-of-completion basis using a cost input measure of progress. The percent complete is based on the ratio of costs incurred to total estimated costs at completion (i.e., cost-to-cost). Revenue is recognized this way if circumstances are such that total profit can be estimated with reasonable accuracy and ultimate realization is reasonably assured. Contract modifications, including changes to estimates of transaction price, typically change currently enforceable rights and obligations, and are accounted for as a cumulative adjustment to revenue.

Some contracts contain milestone delivery dates with customer acceptance terms and clauses that allow the customer to unilaterally terminate the contract for convenience but exclude clauses to pay Draper for costs incurred plus a reasonable profit upon termination. For these contracts, Draper recognizes revenue at a point in time, that is, when the customer indicates its acceptance of the milestone delivery.

During FY2025 and FY2024, Draper recognized revenue of $942,252,593 and $853,695,784 over time and $6,532 and $80,236 at a point in time, respectively.

Recognizing revenue on long-term contracts involves significant estimates and judgments. The transaction price is the estimated amount of consideration Draper expects to receive for performance under its contracts with customers. Contract terms may include variable consideration, such as award and incentive fees, or other provisions such as significant financing components that can either increase or decrease the transaction price. Variable amounts generally are determined upon achievement of certain performance metrics, program milestones, or cost targets and may be based upon customer discretion. Draper includes variable consideration in the transaction price used to calculate revenue only to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved.

For contracts with multiple performance obligations, Draper allocates transaction prices to each performance obligation based on the relative standalone selling price of each distinct performance obligation within the contract. Because Draper typically provides customized services and solutions that are specific to a single customer's requirements, standalone selling price is most often estimated based on expected costs plus a reasonable profit margin.

Estimating costs at completion is complex due to the nature of the services being performed and the length of certain contracts. Contract costs generally include direct costs, such as labor, materials, supplies, subcontract costs, other direct costs, and indirect costs identifiable with or allocable to a specific contract. Contract costs incurred for flexibly priced U.S. government contracts, including indirect costs, are subject to audit and adjustment by government agencies.

Changes in estimates of revenues, cost of revenues, or profits related to performance obligations satisfied over time are recognized in operating income in the period in which such changes are made for the contract inception-to-date effect of the changes. In cases when total expected costs exceed total estimated revenues for a performance obligation, Draper recognizes the total estimated loss in the period when the loss is determined.

For cost-plus type contracts, costs are reimbursed and recognized as revenue as they are incurred. Contract fees are recognized in proportion to costs incurred as the contracts are performed or otherwise as specified in the contract.

For U.S. government cost-type contracts, the customer generally pays Draper for its actual costs incurred plus associated fee within a short period of time. For non-U.S. government contracts, Draper typically receives interim payments as work progresses, although for some contracts, Draper receives advance payments from customers that may exceed costs incurred. Amounts billed and due from customers are classified as accounts receivable on the statements of financial position. Draper classifies advance payments and billings in excess of revenue recognized as deferred revenue in the statements of financial position. The advance payment typically is not considered a significant financing component because it is used to meet working capital demands that can be higher in the early stages of a contract. The portion of the payments that may be retained by the customer until final contract settlement is not considered a significant financing component because the intent is to protect the customer. Revenue recognized in excess of billings is classified as unbilled contract costs and fees, net of allowances in the statements of financial position.

Draper receives license and royalty payments in accordance with the terms of technology agreements. These payments are recorded as other income in the statements of activities.

Net Assets

The net assets of Draper primarily consist of the excess of operating revenues over operating expenses since commencement of operations, the changes in gains and losses on investments, and other non-operating income. Draper does not have any net assets with donor restrictions.

Use of Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Deferred Financing Costs

The costs of securing financing are capitalized and amortized on the straight-line method over the life of the associated indebtedness. This method approximates the expense that would have been recognized using the effective interest method.

Property and Equipment

Equipment with a unit cost of more than $5,000 and having a useful life of more than one year are capitalized. Depreciation of owned equipment is generally computed on the straight-line method using three to five-year lives. Leasehold improvements are amortized on the straight-line method over the shorter of the useful life of the assets or the lease term. Building costs are depreciated on the straight-line method over lives of forty years. Generally, building improvements are depreciated over the remaining useful life of the building.

When assets are retired or otherwise disposed, the assets and related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in Other non-operating (loss) income, net in the statements of activities.

In addition to the equipment and buildings acquired by Draper and investments it makes in leasehold improvements meeting its capitalization policy, all of which are reflected in the accompanying statements of financial position, Draper also uses certain government furnished equipment for which it is accountable to the U.S. government. Government furnished equipment is not reflected in Draper's statements of financial position as it does not hold title to those assets.

Leases

Draper accounts for leases, both as lessor and lessee, in accordance with ASC Topic 842: Leases ("Topic 842"). In accordance with Topic 842, Draper determines if an arrangement contains a lease at inception. As a lessor, Draper treats a lease as a sales type lease if it transfers all the risks and rewards, as well as control of the underlying asset, to the lessee. If risks and rewards are conveyed without the transfer of control, the lease is treated as a financing lease. If

risks and rewards and control aren't conveyed, the lease is treated as an operating lease. As of June 27, 2025, Draper does not have any arrangements where it acts as a lessor.

Draper, as a lessee, determines if the lease is a financing or operating type lease. It then recognizes right-of-use assets representing Draper's right to use an underlying asset for the lease term and lease liabilities representing the obligation to make lease payments arising from the lease. Lease right-of-use assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. When a lease does not contain an implicit rate, Draper uses its incremental borrowing rate based on the information available at commencement date to determine the present value of lease payments. The lease right-of-use asset also includes any lease pre-payments and excludes lease incentives and accrued rent. Draper has lease agreements with lease and non-lease components. It did not elect the practical expedient to combine these components. Draper does not have variable lease payments or residual value guarantees, and there are no restrictions or covenants imposed by leases in which Draper is a party.

Independent Research

Draper engages in independent research programs and expenses of such programs are charged to operations as incurred.

Cash and Cash Equivalents

Cash and cash equivalents consist of amounts on hand and highly liquid investments with maturities of three months or less when purchased. Draper maintains most of its cash and cash equivalents at two institutions.

Long-Term Investments

Investments with readily determinable fair values are based on quoted market prices. Insurance contracts utilize unobservable data points for fair market value. Draper utilizes net asset value ("NAV") as a practical expedient for estimates of fair value of its investments in private placements, including those within public equities, fixed income, hedge funds, real assets, and private equity & venture capital, and opportunistic. Realized gains and losses on investment securities are determined by the specific identification method. Dividends are recorded on the ex-dividend date and interest income is recorded on the accrual basis. Investment returns are reported net of related investment expenses.

Accounts Receivable

Generally, Draper's payment terms with its customers are between thirty and forty-five days. All receivables older than 150 days are fully reserved. Contracts that contain contractual arrangements that delay payment beyond one fiscal year and those delayed payments are classified as long-term accounts receivable.

Advertising

Draper engages in general advertising. These costs are expensed when advertising programs take place.

Accounting Pronouncements

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-13, Measurement of Credit Losses on Financial Instruments (Topic 326), which replaces the current GAAP incurred loss impairment methodology with one that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The amendments in this standard are effective for the year ended June 28, 2024.

Draper's accounts receivable are reported at an amount equal to the amount that is expected to be collected for providing services to customers. Because accounts receivable is typically paid for by highly-solvent, creditworthy payors, such as government agencies, credit losses are infrequent and insignificant in nature. Amounts recognized for expected credit losses are not materially different than amounts historically recorded as allowances for doubtful accounts.

2. Long-Term Investments

Up through April 30, 2024, Draper's investment portfolio was managed by Agility, acting as Draper's outsourced chief investment officer. As of May 1, 2024, RockCreek became Draper's outsourced investment officer. In this capacity, both Agility and RockCreek invested with full discretion on Draper's behalf, adhering to the investment guidelines set forth in the investment policy statement approved by the Finance Committee of Draper's Board of Directors, ("BOD"). Draper's investments are presented at fair value in accordance with GAAP. Draper measures investment portfolio assets using the month-end date closest to Draper's fiscal year-end date. There were capital commitments of $11,786,771 and $8,553,176 as of June 27, 2025 and June 28, 2024, respectively, which are expected to be funded from the existing long-term investment assets.

Draper's long-term investment portfolio consists of the following as of June 27, 2025 and June 28, 2024:

Investment securities	2025	2024
Cash and money market mutual funds	$ 11,487,763	$ 11,054,531
Global equity	150,066,257	97,457,843
Global fixed income	49,800,507	45,848,722
Absolute return	-	31,620,966
Opportunistic	4,524,243	-
Hedge Funds	36,523,444	-
Real assets	2,768,026	5,509,029
Private capital	14,112,268	14,562,169
Insurance contracts and other	950,874	920,020
Total long-term investments	$ 270,233,382	$ 206,973,280

The following tables present information about the assets that are measured at fair value on a recurring basis as of June 27, 2025 and June 28, 2024 and indicate the fair value hierarchy of valuation techniques Draper utilized to determine such fair value:

Investment securities	June 27, 2025	Level 1 Assets	Level 2 Assets	Level 3 Assets	NAV as Practical Expedient
Cash and money market mutual funds	$ 11,487,763	$ 11,487,763	$ -	$ -	$ -
Global equity	150,066,257	95,984,051	-	-	54,082,206
Global fixed income	49,800,507	43,562,045	-	-	6,238,462
Opportunistic	4,524,243	-	-	-	4,524,243
Hedge Funds	36,523,444	-	-	-	36,523,444
Real assets	2,768,026	-	-	-	2,768,026
Private capital	14,112,268	-	-	-	14,112,268
Insurance contracts and other	950,874	-	592,568	358,306	-
Total investment securities at fair value	$ 270,233,382	$ 151,033,859	$ 592,568	$ 358,306	$ 118,248,649

Investment securities	June 28, 2024	Level 1 Assets	Level 2 Assets	Level 3 Assets	NAV as Practical Expedient
Cash and money market mutual funds	$ 11,054,531	$ 11,054,531	$ -	$ -	$ -
Global equity	97,457,843	51,559,287	-	-	45,898,556
Global fixed income	45,848,722	25,528,406	-	-	20,320,316
Absolute return	31,620,966	-	-	-	31,620,966
Real assets	5,509,029	3,127,613	-	-	2,381,416
Private capital	14,562,169	-	-	-	14,562,169
Insurance contracts and other	920,020	-	570,036	349,984	-
Total investment securities at fair value	$ 206,973,280	$ 91,269,837	$ 570,036	$ 349,984	$ 114,783,423

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. In determining fair value, the use of various valuation approaches, including market, income, and cost approaches, is permitted.

A fair value hierarchy has been established based on whether the inputs to valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from sources independent of the reporting entity and unobservable inputs reflect the entity's own assumptions about how market participants would value an asset or liability based on the best information available. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The fair value hierarchy is based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value.

The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used by Draper for financial instruments measured at fair value on a recurring basis. The three levels of inputs are as follows:

Level 1 – Valuations based upon observable inputs that reflect quoted prices in active markets for identical assets and liabilities. These include cash and money market funds, mutual funds, exchange traded funds, or public equities.

Level 2 – Valuations based upon: (i) quoted market prices for similar assets or liabilities in active markets; (ii) quoted prices for identical or similar assets or liabilities in markets that are not active; or (iii) other significant market-based inputs, which are observable, either directly or indirectly. These include variable annuities associated with the 457(b) deferred compensation plan.

Level 3 – Valuations based upon unobservable inputs that are significant to the overall fair value measurements. These include insurance contracts associated with the 457(b) deferred compensation plan.

Investments managed by external managers in fund structures that are not readily marketable are reported at fair value utilizing the most current information provided by the external manager, subject to assessments that the information is representative of fair value and in consideration of any factors deemed pertinent to the fair value measurement. These investments are shown in the NAV as Practical Expedient column.

The below tables present the redemption terms and restrictions on Draper's investments measured using NAV as a practical expedient as of June 27, 2025 and June 28, 2024, respectively.

Redemption Terms as of June 27, 2025

Assets	Fair Value	Redemption Terms	Days Notice
Global equities	$ 54,082,206	Range from daily to 12 months, with one fund subject to a 25% gate	30-90 days
Global fixed income	6,238,462	Range from daily to 3 months	5-90 days
Opportunistic	4,524,243	Range from Semi-Annual with a 2-year lock after called capital to Illiquid	90 Days on semi-annual position
Hedge Funds	36,523,444	Range from 30 days to 12 months, with certain funds subject to gates and/or additional lock-up provisions, while others are not available for redemption	45-100 days
Real assets	2,768,026	Monthly	30 days
Private capital	14,112,268	Illiquid	Not applicable
	$ 118,248,649		

Redemption Terms as of June 28, 2024

Assets	Fair Value	Redemption Terms	Days Notice
Global equities	$ 45,898,556	Range from daily to 12 months, with one fund subject to a 25% gate	2-90 days
Global fixed income	20,320,316	Range from daily to 3 months	5-90 days
Absolute return	31,620,966	Range from 30 days to 24 months, with certain funds subject to 8.33% to 100% gates and/or additional lock-up provisions, while others are not available for redemption	45-100 days
Real assets	2,381,416	Range from daily to 1 month	1-30 days
Private capital	14,562,169	Illiquid	Not applicable
	$ 114,783,423		

3. Property and Equipment

Property and equipment is stated at cost. The following is a summary of property and equipment at cost, less accumulated depreciation, as of June 27, 2025 and June 28, 2024:

	2025	2024
Data processing equipment	$ 99,562,275	$ 92,832,531
Lab and other equipment	203,414,075	188,220,199
Building and leasehold improvements	216,477,981	205,210,104
Building	74,032,183	74,032,183
Land	35,767,716	35,767,716
Construction in progress	66,231,570	39,242,789
	695,485,800	635,305,522
Less: Accumulated depreciation	412,625,731	380,971,238
Property and equipment, net	$ 282,860,069	$ 254,334,284

Depreciation expense was $31,692,921 and $30,010,215 for FY2025 and FY2024, respectively, while amortization expense was $145,664 and $105,616 for FY2025 and FY2024, respectively.

Draper capitalizes interest cost incurred during the period of construction of capital assets. Interest costs capitalized during FY2025 and FY2024 were $649,213 and $322,633, respectively.

4. Capital Facilities Allowances and Non-reimbursed Expenses

Capital facilities allowance is an imputed cost related to the cost of Draper's capital committed to facilities used to support sponsored work. Capital facilities allowances of $8,118,337 in FY2025 and $7,193,339 in FY2024 are included in the statements of activities.

In FY2025 and FY2024, certain operating expenses were either subsidized by Draper or were not reimbursed under the terms of Draper's contracts with its various customers. The cost of total Draper funded projects was $31,722,587 and $22,632,714 for FY2025 and FY2024, respectively. In addition, total non-reimbursed operating expenses included in indirect costs were $9,741,933 and $10,297,837 for FY2025 and FY2024, respectively, and consist of unallowable personnel and administrative-related expenses.

5. Commitments and Contingencies

The Defense Contract Management Agency ("DCMA") and Draper settled indirect rates for FY2024 on April 4, 2025. The application of FY2024 settled rates is reflected in FY2025 financial statements. The audit of FY2025 is in process and anticipated to be completed by March 27, 2026.

Draper is subject to routine legal proceedings incidental to its business. While the ultimate liability from the proceedings is difficult to determine, in the opinion of management, the results of these proceedings will not have a material adverse effect on Draper's financial position or results of operations.

Draper offers its employees an interest-free loan program in connection with a third-party financial institution ("Institution"). Employees are allowed to borrow from the Institution, one-time only, up to $10,000 to be paid back via 36 equal monthly payments. Draper pays the Institution interest expense associated with each employee's loan. In the event of a default by the borrower and after all collection attempts have been made by the Institution, Draper is responsible to pay the Institution the related outstanding principal and interest balance. Outstanding borrowings by employees were $1,294,955 and $1,314,535 at the end of FY2025 and FY2024, respectively.

6. Liquidity and Availability of Financial Assets

Draper's financial assets available within one year of the statements of financial position date for general expenditures are as follows:

	2025	2024
Cash and cash equivalents	$ 88,749,418	$ 138,043,109
Accounts receivable, net of provision for expected credit losses	79,643,363	73,761,582
Unbilled contract costs and fees, net of allowances	83,330,772	60,161,814
Investments redeemable within one year	236,807,091	179,639,827
Total financial assets available within one year	$ 488,530,644	$ 451,606,332

Draper structures its financial assets to be available as its general expenditures, liabilities and other obligations come due. Draper invests cash in excess of current liquidity needs in Federal Deposit Insurance Corporation-insured cash sweep deposit accounts. To further manage liquidity needs, Draper has committed lines of credit in the amount of $100,000,000 (see Note 8).

Investments (see Note 2) have been generated from operating profits, monetization of unused marketable real estate and cumulative returns on investment purchases. As such, none of Draper's investments are subject to donor restrictions. Certain investments are subject to lock-up provisions that extend beyond the next year and, therefore, have been excluded from the above table. Planned withdrawals from investments for current operations are reviewed with the Budget Committee of the BOD as part of the annual budget process. Additionally, the BOD has the authority to approve additional withdrawals to meet unplanned general expenditures, liabilities or other obligations, if necessary. No investment withdrawals were made in FY2025 and FY2024 nor are any planned at this time.

7. Pension and Other Post-Retirement Benefit Plans

Draper has two defined benefit pension plans: the Retirement Plan for Employees ("RPE") and the floor component of the Retirement Plan for Draper Employees ("RPDE"). Draper has one post-retirement medical benefit plan, the Retiree Medical Plan ("RMP") that provides health care benefits to retired employees. Service costs related to pension costs are reported in employee benefits and vacations in the statements of activities within operating activities as an indirect cost. Other components of net period benefit costs are reported in a separate line item on the statements of activities within the non-operating section. The actuarial gains and losses are recorded in other changes in pension and post-retirement benefits as a part of non-operating activities in the statements of activities. Draper measures benefit obligations and plan assets using a month-end date closest to Draper's fiscal year-end date.

The following schedules provide summary information about Draper's benefit plans for the years ended June 27, 2025 and June 28, 2024

	PENSION BENEFITS 2025	PENSION BENEFITS 2024	MEDICAL BENEFITS 2025	MEDICAL BENEFITS 2024
Benefit obligation at end of year	$ 102,591,035	$ 100,471,061	$ 13,811,180	$ 14,158,267
Fair value of plan assets at end of year	138,835,157	130,969,823	28,960,794	26,360,343
Funded (unfunded) status of the plans	$ 36,244,122	$ 30,498,762	$ 15,149,614	$ 12,202,076
Statements of Financial Position				
Noncurrent assets	$ 36,244,122	$ 31,213,922	$ 15,149,614	$ 12,202,076
Noncurrent liabilities	-	(715,160)	-	-
Funded (unfunded) status of the plans	$ 36,244,122	$ 30,498,762	$ 15,149,614	$ 12,202,076
Net period benefit cost	$ (3,228,343)	$ (2,501,833)	$ (2,028,175)	$ (2,049,827)
Amounts not yet reflected in net periodic benefit cost and included in net assets without donor restrictions:				
Accumulated actuarial loss (gain)	$ (1,406,944)	$ (2,551,231)	$ (16,287,616)	$ (15,456,147)
Prior service costs (benefits)	678,395	710,699	-	(207,084)
Net (gain) loss	$ (728,549)	$ (1,840,532)	$ (16,287,616)	$ (15,663,231)

	RPE	RPDE	Total Pension Benefits	Medical Benefits
At June 27, 2025				
Benefit obligation at end of year	$ 92,631,077	$ 9,959,958	$ 102,591,035	$ 13,811,180
Fair value of plan assets at end of year	93,781,408	45,053,749	138,835,157	28,960,794
Funded (Unfunded) status of the plans	$ 1,150,331	$ 35,093,791	$ 36,244,122	$ 15,149,614
At June 28, 2024				
Benefit obligation at end of year	$ 90,454,245	$ 10,016,816	$ 100,471,061	$ 14,158,267
Fair value of plan assets at end of year	89,739,085	41,230,738	130,969,823	26,360,343
Funded (Unfunded) status of the plans	$ (715,160)	$ 31,213,922	$ 30,498,762	$ 12,202,076

The RPE provides retirement benefits paid from the net assets available in the plan for plan benefits. Retirement benefits are paid to participants in equal monthly payments beginning in the month following retirement and continue until death. Payments to a surviving spouse are made at a reduced level. This plan comprises approximately 80% of Draper's pension and post-retirement health insurance and prescription drug benefit obligations as of June 27, 2025.

The RPE was frozen in FY2018, and as a result, future benefits ceased to accrue to participants. In accordance with CAS 413-50(c)(12), Draper determined, based on CAS actuarial assumptions (which differ from GAAP), that the plan was in a surplus position at the time of the freeze. Draper further determined that due to the surplus funding status and the government's participation rate in the plan, under federal CAS standards, the government is entitled to its portion of the CAS surplus. As of June 28, 2024, Draper recognized a $12,987,014 liability to reflect the anticipated settlement as estimated and proposed by it to the government in August 2022.

On June 16, 2025, Draper entered into a settlement agreement with DCMA to settle claims and litigation between the parties related to the pension plan curtailment. Pursuant to the settlement agreement, Draper will repay the government $19,000,000, plus simple interest at the rate of 4.625% to be effectuated over a period of 10 calendar years. The increase to the liability of $6,012,986 is reflected in the FY25 financial statements in other non-operating income, net within the statements of activities. As of June 27, 2025, the current and long-term portions of $1,626,920 and $15,835,852 are reflected in accounts payable and accrued contract costs and deferred revenue and other long-term liabilities, respectively, within the statements of financial position. Under the terms of the repayment agreement, Draper will annually recognize an allocated amount of the principal and interest as a credit against employee benefits and vacations within the statements of activities.

The RPDE, which contains an embedded defined benefit ("DB") component as part of the plan, provides a surviving spouse's benefit, which provides a supplement for married participants who transferred to Draper from the Massachusetts Institute of Technology prior to July 2, 1976, and a minimum pension benefit, which provides a minimum level of retirement benefits based upon years of service and final average salary, through a group annuity. The plan was frozen during 2009.

The RPDE also has a defined contribution feature available to all benefit-eligible employees in which Draper contributes ten percent of participating employees' earnings, as defined, and employees contribute five percent. Employees vest in the employer contributions over a five-year period. Draper's contributions to the defined contribution plan net of employee forfeitures were $34,254,639 and $30,331,302 for FY2025 and FY2024, respectively.

The RMP provides post-retirement Medicare supplemental health insurance and prescription drug benefits to Draper retirees. Draper will continue to provide the same capped level of contribution for each participant in the post-retirement medical plan.

Draper also has a Supplemental Retirement Plan ("SRP"). The SRP is a defined contribution plan sponsored by Draper covering all employees who normally work more than 20 hours per week. Participants may contribute on a pre-tax or after-tax basis. This is an employee contributory plan and Draper does not match employee contributions.

Benefit Obligations

The components of the change in total benefit obligation and the applicable assumptions for determining benefit obligations are shown below:

	PENSION BENEFITS		MEDICAL BENEFITS	
	2025	2024	2025	2024
Benefit obligation at end of year	$ 100,471,061	$ 103,856,612	$ 14,158,267	$ 19,003,849
Service cost	-	-	366,914	661,549
Interest cost	5,043,880	4,705,873	718,700	824,413
Plan participants' contributions	-	-	86,129	238,148
Change in assumptions	2,244,622	(3,167,810)	(473,478)	(5,236,989)
Benefits paid	(5,168,528)	(4,923,614)	(1,045,352)	(1,332,703)
Benefit obligation at end of year	$ 102,591,035	$ 100,471,061	$ 13,811,180	$ 14,158,267
Accumulated benefit obligation	$ 102,591,035	$ 100,471,061		
Weighted-average assumptions				
Discount rate	5.40%	5.43%	5.48%	5.46%
Rate of compensation increase	N/A	N/A	N/A	N/A

Benefit Cost

The components of net periodic benefit cost recognized in the statements of activities, and the applicable assumptions for determining benefit costs are shown below:

	PENSION BENEFITS		MEDICAL BENEFITS	
	2025	2024	2025	2024
Service cost	$ -	$ -	$ 366,914	$ 661,549
Interest cost	5,043,880	4,705,873	718,700	824,413
Expected return on plan assets	(7,209,087)	(7,084,476)	(1,816,669)	(1,742,718)
Amortization of prior service cost	32,304	32,304	(207,084)	(1,035,420)
Amortization of net actuarial loss	(1,095,440)	(155,534)	(1,090,036)	(757,651)
Net periodic benefit cost	$ (3,228,343)	$ (2,501,833)	$ (2,028,175)	$ (2,049,827)
Changes in plan assets and benefit obligations recognized in net assets without donor restrictions				
Net loss (gain)	$ 48,847	$ (1,882,139)	$ (1,921,505)	$ (5,923,060)
Amortizations:				
RPE	-	-	-	-
RPDE	1,095,440	155,534	-	-
RMP	-	-	1,297,120	1,793,071
Total Amortizations	1,095,440	155,534	1,297,120	1,793,071
Total recognized in net assets without donor restrictions	$ 1,144,287	$ (1,726,605)	$ (624,385)	$ (4,129,989)
Total recognized in net periodic benefit cost and net assets without donor restrictions	$ (2,084,056)	$ (4,228,438)	$ (2,652,560)	$ (6,179,816)

	PENSION BENEFITS		MEDICAL BENEFITS	
	2025	2024	2025	2024
Weighted-average assumptions				
Discount rate	5.43%	4.88%	5.46%	5.00%
Expected long-term return on plan assets	5.75%	5.89%	7.00%	7.25%
Rate of compensation increase	0.00%	0.00%	N/A	N/A

Amortization of pension benefit prior service costs, transition obligations, and actuarial gains and losses in FY2026 are expected to be $0, $0 and ($1,481,409), respectively. Amortization of medical benefit prior service costs and gains and losses in FY2026 are expected to be $0.

Assumptions

The discount rate used for the RPDE plans is determined annually based on census information, the timing of future benefit payments, and yield curve data from the FTSE Yield Curve. The RMP and RPE discount rates are estimated by comparing the single equivalent rate such that the present value of the plan's cash flows using the single rate equals the present value of those cash flows using the Mercer Yield Curve.

The expected long-term rate of return assumption represents the expected average rate of return on current and future funds invested to provide for benefit obligations. This assumption is determined based on the following factors: historical market returns, historical plan return data, anticipated long-term asset allocation and return of the plans and plan expenses. Draper recognizes differences between the expected return on assets and the actual return over the remaining service life of the applicable participants. This amount is included in net periodic pension cost as a component of the amortization of actuarial gains and losses and is expected to be ($1,481,409) in FY2026.

Plan Assets

The components of the change in total plan assets are shown below:

	PENSION BENEFITS		MEDICAL BENEFITS	
	2025	2024	2025	2024
Fair value of plan assets at beginning of year	$ 130,969,823	$ 127,064,632	$ 24,264,799	$ 24,264,799
Actual return on plan assets	9,397,154	5,808,662	3,264,696	2,428,789
Employer contributions	3,629,000	3,030,000	294,978	761,310
Plan participants' contributions	-	-	86,129	238,148
Benefits paid	(5,214,588)	(4,982,598)	(1,045,352)	(1,332,703)
Fair value adjustments	53,768	49,127	-	-
Fair value of plan assets at end of year	$ 138,835,156	$ 130,969,823	$ 28,960,794	$ 26,360,343

The investment objectives for the assets of the plans are to meet or exceed current and future benefit payments while minimizing employer contributions. Investment policies and strategies governing the assets of the plans are designed to achieve investment objectives within the constraints of a prudent level of portfolio risk and diversification. Risk management practices include the use of investment managers and maintenance of a portfolio diversified by asset class, investment approach and securities holdings, and the maintenance of sufficient liquidity to meet benefit obligations as they come due.

Draper's pension plans weighted-average asset allocations by asset category are as follows:

	RPE			RPDE			
		Asset Allocation			Asset Allocation		
At June 27, 2025	Fair Value	Target	Actual	Fair Value	Target	Actual	Total Pension
Equity	$ 19,086,522	20%	20%	$ 24,409,357	50%	54%	$ 43,495,879
Fixed income	64,172,060	70%	68%	-	0%	0%	64,172,060
Growth fixed income	6,945,049	8%	7%	-	0%	0%	6,945,049
Real assets	2,854,468	3%	3%	-	0%	0%	2,854,468
Insurance contracts	718,447	0%	1%	20,644,392	50%	46%	21,362,839
Cash & cash equivalents	4,861	0%	0%	-	0%	0%	4,861
	$ 93,781,407			$ 45,053,749			$ 138,835,156

At June 28, 2024	RPE Fair Value	RPE Asset Allocation Target	RPE Asset Allocation Actual	RPDE Fair Value	RPDE Asset Allocation Target	RPDE Asset Allocation Actual	Total Pension
Equity	$ 17,070,441	20%	19%	$ 21,225,124	50%	51%	$ 38,295,565
Fixed income	62,676,560	70%	70%	-	0%	0%	62,676,560
Growth fixed income	6,611,434	7%	7%	-	0%	0%	6,611,434
Real assets	2,614,019	3%	3%	-	0%	0%	2,614,019
Insurance contracts	728,554	0%	1%	20,005,614	50%	49%	20,734,168
Cash & cash equivalents	38,077	0%	0%	-	0%	0%	38,077
	$ 89,739,085			$ 41,230,738			$ 130,969,823

The following tables present information about the pension plan assets that are measured at fair value on a recurring basis as of June 27, 2025 and June 28, 2024, respectively, and indicate the fair value hierarchy of the valuation techniques Draper utilized to determine such fair value:

Investment securities	June 27, 2025	Level 1 Assets	Level 2 Assets	Level 3 Assets	NAV as Practical Expedient
Cash & cash equivalents	$ 4,861	$ 4,861	$ -	$ -	$ -
Equity	43,495,879	-	-	-	43,495,879
Fixed income	64,172,060	-	-	-	64,172,060
Growth fixed income	6,945,049	-	-	-	6,945,049
Real assets	2,854,468	-	-	-	2,854,468
Insurance contracts	21,362,839	-	-	21,362,839	-
	$ 138,835,156	$ 4,861	$ -	$ 21,362,839	$ 117,467,456

Investment securities	June 28, 2024	Level 1 Assets	Level 2 Assets	Level 3 Assets	NAV as Practical Expedient
Cash & cash equivalents	$ 38,077	$ 38,077	$ -	$ -	$ -
Equity	38,295,565	-	-	-	38,295,565
Fixed income	62,676,560	-	-	-	62,676,560
Growth fixed income	6,611,434	-	-	-	6,611,434
Real assets	2,614,019	-	-	-	2,614,019
Insurance contracts	20,734,168	-	-	20,734,168	-
	$ 130,969,823	$ 38,077	$ -	$ 20,734,168	$ 110,197,578

The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used by Draper for financial instruments measured at fair value on a recurring basis in its pension plans. The three levels of inputs are as follows:

Level 1 – Valuations based upon observable inputs that reflect quoted prices in active markets for identical assets and liabilities. These include cash and cash equivalents.

Level 2 – Valuations based upon: (i) quoted market prices for similar assets or liabilities in active markets; (ii) quoted prices for identical or similar assets or liabilities in markets that are not active; or (iii) other significant market-based inputs, which are observable, either directly or indirectly.

Level 3 – Valuations based upon unobservable inputs that are significant to the overall fair value measurements. These include insurance contracts.

The change in the fair value of Draper's pension plan assets with unobservable data points is shown below:

Fair Value Measurements Using Significant Unobservable Inputs (Level 3)

	Insurance Contracts	
	2025	2024
Balance at beginning of fiscal year	$ 20,734,168	$ 20,113,472
Purchases	4,887,850	4,604,481
Total gains	892,208	931,390
Benefits paid	(5,151,388)	(4,915,175)
Balance at end of fiscal year	$ 21,362,838	$ 20,734,168

Draper's RMP weighted-average asset allocations by asset category are as follows:

		Asset Allocation				Asset Allocation	
	Fair Value	Target	Actual		Fair Value	Target	Actual
At June 27, 2025				**At June 28, 2024**			
Equity	$ 5,321,301	42%	43%	Equity	$ 15,321,301	64%	58%
Fixed income	11,350,277	40%	39%	Fixed income	4,926,673	20%	19%
Growth fixed income	3,450,807	12%	12%	Growth fixed income	4,091,198	16%	16%
Real assets	1,750,232	6%	6%	Real assets	1,996,068	8%	7%
Cash & cash equivalents	25,113	0%	0%	Cash & cash equivalents	25,103	8%	0%
	$ 28,960,794				$ 26,360,343		

The following tables present information about fair value hierarchy of the RMP:

Investment securities	June 27, 2025	Level 1 Assets	Level 2 Assets	Level 3 Assets	NAV as Practical Expedient
Cash & cash equivalents	$ 25,113	$ 25,113	$ -	$ -	$ -
Equity	12,384,365	5,540,829	-	-	6,843,536
Fixed income	11,350,277	4,234,893	-	-	7,115,384
Growth fixed income	3,450,807	3,450,807	-	-	-
Real assets	1,750,232	-	-	-	1,750,232
Insurance contracts	-	-	-	-	-
	$ 28,960,794	$ 13,251,642	$ -	$ -	$ 15,709,152

Investment securities	June 28, 2024	Level 1 Assets	Level 2 Assets	Level 3 Assets	NAV as Practical Expedient
Cash & cash equivalents	$ 25,103	$ 25,103	$ -	$ -	$ -
Equity	15,321,301	8,119,611	-	-	7,201,690
Fixed income	4,926,673	1,859,764	-	-	3,066,909
Growth fixed income	4,091,198	4,091,198	-	-	-
Real assets	1,996,068	-	-	-	1,996,068
Insurance contracts	-	-	-	-	-
	$ 26,360,343	$ 14,095,676	$ -	$ -	$ 12,264,667

Contributions and Benefits

There are no expected contributions in FY2026 for the RPE, RPDE and RMP plans, as the plans are in an overfunded position.

Estimated future benefit payments, which reflect future service as appropriate, are as follows:

Fiscal Year	Pension Benefits	Medical Benefits
2026	$ 16,052,685	$ 851,843
2027	6,287,659	899,598
2028	6,478,509	942,406
2029	6,857,470	975,197
2030	6,838,994	1,003,483
2031-2035	34,415,896	5,282,919

8. Lines of Credit

Draper has an unsecured $75,000,000 line of credit at Bank of America Corporation ("BoA") that is renewed annually. During the most recent renewal, the line of credit at BoA remained at $75,000,000, effective May 10, 2025. Additionally, Draper has a $25,000,000 line of credit, secured by investments, at Eastern Bank that was renewed on May 9, 2023 with a termination date of April 15, 2026. Draper had no outstanding balances on its lines of credit as of June 27, 2025 and June 28, 2024, respectively.

9. Notes Payable

On May 11, 2018, Draper entered into a capital equipment financing arrangement with Banc of America Leasing & Capital, LLC, a subsidiary of BoA, with a maximum borrowing limit of $15,000,000.

Outstanding notes payable are secured by equipment and are summarized below as of June 27, 2025 and June 28, 2024.

Maturity Date	Interest Rate	2025	2024
May, 2025	4.12%	$ -	$ 924,647
June, 2025	4.09%	8,582	109,316
November, 2025	4.36%	158,080	525,980
October, 2026	2.65%	418,638	723,062
December, 2026	2.96%	871,428	1,431,277
		$ 1,456,728	$ 3,714,282

Future payments related to Notes Payable as of June 27, 2025 are as follows:

Fiscal Year	Notes Payable
2026	1,055,899
2027	400,829
2028	-
2029	-
2030	-
Thereafter	-
	$ 1,456,728

Interest paid on these notes was $87,684 and $171,658 in FY2025 and FY2024, respectively.

Draper borrowed $0 in FY2025 and FY2024, respectively on capitalized equipment.

10. Bonds Payable

In March 2018, Draper issued $65,515,000 of Series 2018 taxable bonds ("2018 Bonds"). The proceeds were used to finance and refinance certain capital projects, pay certain costs of issuance, and fund other general corporate purposes. The 2018 Bonds are interest only until September 1, 2031, mature in two tranches in 2038 and 2048, and bear interest at 4.19% and 4.39%, respectively. The 2018 Bonds have no restrictive covenants of a financial nature.

In January 2015, Draper issued $50,000,000 of Series 2015 taxable bonds ("2015 Bonds"). The proceeds, together with other available funds, were used by Draper to advance refund, redeem, and defease the 2008 Series bonds and to pay certain costs of issuance. The 2015 Bonds mature in 16 separate tranches on September 1 of each year from 2015 to 2030 and bear interest at various rates between 0.40% and 3.59%. The 2015 Bonds have no restrictive covenants of a financial nature.

The following is a summary of Draper's bonds payable as of June 27, 2025 and June 28, 2024:

	2025	2024
Outstanding bonds	$ 87,265,000	$ 90,505,000
Less: deferred financing costs	(535,755)	(579,524)
Total bonds payable	$ 86,729,245	$ 89,925,476

Maturity Date	2015 Bond Series Interest Rate	Maturity Amount
September, 2025	3.14%	$ 3,340,000
September, 2026	3.24%	3,445,000
September, 2027	3.34%	3,555,000
September, 2028	3.44%	3,675,000
September, 2029	3.54%	3,800,000
Thereafter	3.59%	3,935,000
		$ 21,750,000

Maturity Date	2018 Bond Series Interest Rate	Maturity Amount
September, 2025		$ -
September, 2026		-
September, 2027		-
September, 2028		-
September, 2029		-
Thereafter	4.19% - 4.39%	$ 65,515,000
		$ 65,515,000

11. Asset Retirement Obligations ("ARO") and Environmental Remediation Liability

ARO is the financial liability associated with environmental remediation costs related to the eventual retirement of Draper's headquarter building.

In FY2025 and FY2024, Draper recognized the following changes to the fair value of its conditional asset retirement obligations which is reflected in deferred revenue and other long-term liabilities:

	2025	2024
Fair value of liability at beginning of year	$ 7,574,822	$ 7,336,581
Liabilities settled	(1,296)	(21,474)
Accretion of fair value	268,149	259,715
Fair value of liability at end of year	$ 7,841,675	$ 7,574,822

In FY2007, Draper established a $1,922,142 liability for environmental cleanup costs associated with soil contamination at the Bedford test facility under the requirements of ASC 410-30, Asset Retirement and Environmental Obligations – Environmental Obligations. Draper has compiled estimates of the cleanup costs under various scenarios and will update those estimates as conditions change in future periods. Due to the long-term nature of the remediation activities, Draper has discounted the expected future expenditures to the current period, using risk free rates which ranged from 3.72% to 3.97% applicable to the discount period. Draper's recorded liability was $2,736,231 and $2,468,293 as of June 27, 2025 and June 28, 2024, respectively.

12. Leases

Draper, as lessee, leases office space, laboratory facilities and certain equipment. Such leases expire at various dates through FY2034, with options to extend for additional periods.

The office space and laboratory facility lease payments are subject to escalation for increases in real estate taxes and operating expenses. The exercise of lease renewal options is at management's sole discretion and the lease right-of-use assets and liabilities reflect only the options management is reasonably certain that it will exercise. Lease expense is recognized on a straight-line basis over the lease term. Certain equipment is also rented on a short-term basis and charged to contracts. Total rent paid was $3,864,914 and $3,325,578 in FY2025 and FY2024, respectively. The current portion of lease liabilities as of June 27, 2025 and June 28, 2024, $4,415,274 and $3,167,184, respectively, is included in other accrued expenses in the statement of financial position. The long-term portion of lease liabilities as of June 27, 2025 and June 28, 2024, $14,090,309 and $15,259,169, is included in operating lease liabilities, long-term.

Minimum annual rental commitments under such leases (subject to certain escalation provisions) as of June 27, 2025 are as follows:

Fiscal Year	Building	Equipment	Total
2026	$ 3,899,429	$ 1,118,956	$ 5,018,385
2027	3,516,244	1,113,409	4,629,653
2028	2,871,168	1,113,410	3,984,578
2029	2,877,743	10,191	2,887,934
2030	1,532,822	-	1,532,822
Thereafter	2,504,433	-	2,504,433
	$ 17,201,839	$ 3,355,966	$ 20,557,805

Supplemental balance sheet information related to operating leases was as follows as of June 27, 2025:

Weighted average remaining lease term (in years)	5.02
Weighted average discount rate	4.58%

Draper maintains a 48% ownership in One Hampshire at Kendall Square Condominium ("Hill Building") and was a lessor to a tenant leasing three units. The lease was terminated in April 2024. Rental income, including parking revenue, included within other non-operating income, net in the statements of activities was $194,400 and $3,969,984 for FY2025 and FY2024, respectively. In addition, Draper incurred $1,039,677 and $1,208,671 for its share of common area maintenance costs for FY2025 and FY2024, respectively. GAAP requires lease income to be recognized on a straight-line basis, which differs from the timing of rental payments in certain of Draper's lease agreements.

13. Schedule of Functional Expenses

The costs of providing program and other activities are summarized based on the natural classification in the statements of activities. The table below depicts natural classification expenses by function – sponsored programs (customer-related), non-sponsored programs (independent research and development), and management and general. Expenses directly attributable to a specific function are reported as expenses of that function. Expenses attributable to more than one function have been allocated among functions based on the proportion of labor dollars of each function.

Functional expenses for FY2025 and FY2024 are summarized in the below table:

June 27, 2025

Natural Classification	Sponsored	Non-Sponsored	Management and General	Total
Subcontracts	$ 180,540,548	$ -	$ -	$ 180,540,548
Salaries and wages	273,642,583	18,168,088	34,774,156	326,584,827
Employee benefits and vacations	130,377,150	8,260,287	9,913,335	148,550,772
Materials, services and rentals	104,670,447	7,484,366	7,789,082	119,943,895
Depreciation and amortization	27,904,295	1,756,402	2,125,200	31,785,897
Other; principally travel and equipment	91,217,881	5,509,622	9,886,252	106,613,755
Total	$ 808,352,904	$ 41,178,765	$ 64,488,025	$ 914,019,694

June 28, 2024

Natural Classification	Sponsored	Non-Sponsored	Management and General	Total
Subcontracts	$ 182,523,844	$ -	$ -	$ 182,523,844
Salaries and wages	246,375,098	15,648,665	29,192,627	291,216,390
Employee benefits and vacations	116,291,439	7,230,134	7,031,931	130,553,504
Materials, services and rentals	85,996,725	4,905,404	6,552,602	97,454,731
Depreciation and amortization	26,779,835	1,658,455	1,624,855	30,063,145
Other; principally travel and equipment	81,353,701	4,732,551	8,003,131	94,089,383
Total	$ 739,320,642	$ 34,175,209	$ 52,405,146	$ 825,900,997

14. Results of Operations

Total operating revenue is $942,259,125 in FY2025 and $853,776,020 in FY2024. Most operating revenue is with the U.S. government and related agencies. Contract change orders are included in the operating revenue total. Pending awards or change orders total $6,731,227 and $3,248,621 at June 27, 2025 and June 28, 2024, respectively.

Direct expenses are $655,224,096 and $594,700,971 in FY2025 and FY2024, respectively. Indirect costs in FY2025 and FY2024 are $258,795,598 and $231,200,026, respectively.

15. Subsequent Events

Draper has performed an evaluation of subsequent events through September 29, 2025, which is the date the financial statements were available to be issued. There are no events that occurred after June 27, 2025 that have a material impact on Draper's financial statements.

LOOKING AHEAD

For more than 90 years, Draper has stood as a pillar of innovation — delivering solutions that helped our nation face some of its greatest challenges. As geopolitical shifts and rapid technological advancements reshape the national security landscape, our ability to deliver reliable, mission-focused solutions remains a vital asset.

Fueled by Draper NXT, we will continue to build on the many milestones achieved in DFY25. By aligning our investments to address our nation's most urgent challenges, Draper aims to multiply our impact in service of our customers.

Enabling credible strategic deterrence to stay ahead of advancing threats

Strategic weapon systems provide the deterrence backstop that underpins the security of the United States and our allies. Draper is a key contributor to these activities today and our involvement will grow over the next decade. Continuing to enable a credible and flexible deterrence is a prime focus across our Strategic Systems operation. In the coming years, we are committed to continued flawless execution on current production programs, including developing guidance systems, radiation-hardened microelectronics, inertial instruments, clocks, aiding sensors, and threat-informed digital engineering.

Providing intercept GNC for evolving threats

The evolving threat landscape driven by Great Power Competition underscores the urgency for Draper to develop intercept technologies capable of defeating missile threats from mid-course to terminal phases. As adversaries accelerate nuclear modernization and deploy advanced missile

systems — including hypersonic weapons that challenge traditional defense — Draper is committed to delivering timely, reliable, and secure intercept capabilities. To support GD4A's mission of defending our nation against hypersonic systems, we are investing in IRAD to advance intercept GNC technologies for increasingly complex environments. These investments enhance tactical defense, improve survivability and reliability, and enable Draper to scale production of proven technologies while driving innovation in advanced clocks, quantum sensors, inertial navigation systems, and radiation-hardened components. In response to national calls for expanded interceptor capabilities, Draper is also investing in next-generation systems and space-based Intercept technologies to strengthen homeland defense.

Specialized microelectronics for hostile environments

Rising tensions between major world powers and rapid advances in technology are creating a demand for microelectronics that can operate reliably in extreme and contested environments. To enable and preserve U.S. technological overmatch, defense and national security agencies need a mission-focused partner with unique capabilities.

To meet this need, Draper's aggressive investment approach combines technology development, talent acquisition, and infrastructure to serve as our nation's preeminent design agent and production center for secure microelectronics. In the coming years, we will deliver cutting-edge capabilities in omni-hardened processors, tailored and advanced packaging, and high-mix, low-volume production for defense and national security customers.

Freedom of navigation in contested environments

The success of national security missions depends on the ability of the U.S. and our allies to maneuver and operate around the world in all environments, regardless of the availability of global positioning systems (GPS). Draper's work in what's known as A^{3}PNT — anytime, anywhere, any threat positioning, navigation, and timing — aims to ensure this ability.

We are developing new sensing modalities and precision instruments for added robustness and resiliency, including advanced atomic clocks, high-performance mission computers, and autonomy software. Across these technologies, we will optimize designs with modular architectures for rapid upgrades and weapons system integration.

Space domain awareness and A-PNT systems

As U.S. space missions evolve, Draper is investing in capabilities to provide responsive, dynamic operations in every orbit around Earth and to the further reaches of space. Drawing on our unparalleled experience and expertise, we aim to deliver solutions for resilient and assured three-dimensional positioning, navigation and precise time references, spacecraft GNC, rendezvous and proximity operations, and autonomy.

We also will provide our customers with innovative technologies for detecting, tracking, and characterizing resident space objects, as well as develop and deliver advanced support for planning, decision-making, and execution of space operations.

Biothreat detection, surveillance, and medical countermeasures

Driven by advances in AI, materials science, and life sciences, the biological threat landscape continues to expand. To support our nation's security and defense missions, Draper is investing in technologies to support our defense customers' need for threat-agnostic approaches to detection and treatment, as well as the development of agile responses to emerging, enhanced, and future threats.

Our experts in hardware and tissue engineering are leveraging Draper's high-throughput platform to inform the down-selection of MCMs for weapons of mass destruction and other biological threats. Together, our surveillance and detection and MCM screening technologies will help Draper customers understand the evolving threat landscape, improve resiliency, and accelerate our nation's ability to respond effectively.

A STEADY EYE ON THE NXT HORIZON

Draper's reputation is built on a foundation of engineering excellence, adaptability, and unwavering dedication. In an era where agility is key, our steadfast commitment to our customers ensures they stay ahead of emerging threats.

Our ability to deliver for the nation is rooted in strong relationships with national security leaders, which ensure that Draper remains closely aligned with the nation's evolving priorities. This collaborative, forward-looking approach enables our leaders to anticipate joint mission needs and deliver innovative solutions that strengthen the country's defense and strategic capabilities.

Even as we evolve, one constant remains: our focus on serving those who protect and defend the nation. Every breakthrough, every solution, and every milestone reinforces our legacy and sets the stage for the future. As we continue to push the boundaries of innovation, we do so with confidence and an eagerness to play a pivotal role in what's NXT. ↗

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AND CORPORATION MEMBERS & OFFICERS

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Vice President, Treasurer & Chief Financial Officer

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Marjorie V. Quant
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Jerry M. Wohletz, Ph.D.
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Jerry M. Wohletz
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Barbara A. Yastine

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Huntsville
6703 Odyssey Drive, Suite 305, Huntsville, AL 35806

COLORADO

Aurora Secure Facility
777 S. Sable Blvd, Aurora, CO 80012

FLORIDA

Advanced Packaging Facility
9900 16th Street N., St. Petersburg, FL 33716

Rapid Prototyping Center
11208 Blue Heron Boulevard North, Suite 100, St. Petersburg, FL 33716

Guidance Test Building & GPS Test Asset Program (Site 29)
P.O. Box 236, Port Canaveral, FL 32920

Strategic Enhanced Ground Test Facility
6280 Riverfront Center Boulevard, Titusville, FL 32780

INDIANA

Odon
14359 Schoenberger Drive, Odon, IN 47562

MASSACHUSETTS

Bedford Strategic Testing Facility
711 Virginia Road, Concord, MA 01742

Duffy Building
555 Technology Square, Cambridge, MA 02139

Government-Owned Facility
U.S. Navy Integrated Support Facility
540 Merrill Road Pittsfield, MA 01201

Hill Building
One Hampshire Cambridge, MA 02139

Impact Center 1.0
Lot 15 – Lowell, MA 01854

Wannalancit Building
660 Suffolk Street, Lowell, MA 01854

Wilmington Warehouse Facility
1 Burlington, Ave Wilmington, MA.

TEXAS

Houston Campus
NASA Johnson Space Center
17629 El Camino, Suite 470, Houston, TX 77058

UTAH

Clearfield Facility
1366 South Legends Hill Drive, Clearfield, UT 84015

Hill Air Force Base Facility
1170 Wardleigh Road, Hill AFB, UT 84056

VIRGINIA

Reston
1943 Isaac Newton Square East, Suite 340, Reston, VA 20190

WASHINGTON, D.C.

Washington Navy Yard
Washington Navy Yard Maritime Plaza II, 1220 12th Street, SE Suite 110, Washington, D.C. 20003