



May 2024 Investor Presentation

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Today's Presenters



Dr. Shahram Askarpour

Chief Executive Officer

- Joined IS&S as the Company's Vice President of Engineering in 2003. In March 2012 he was promoted to President.
- Dr. Askarpour has more than 40 years of aerospace industry experience in increasingly responsible technical and managerial positions.
- Prior to joining IS&S, he was employed by Smiths Aerospace (a division of Smiths Group PLC), Instrumentation Technology and Marconi Avionics.
- Dr. Askarpour was awarded an undergraduate degree in Electrical Engineering from Middlesex University in the United Kingdom, a post graduate Certificate in Systems Engineering and a PhD in Automatic Control from Brunel University London.



Jeff DiGiovanni

Chief Financial Officer

- Joined IS&S as the Company's CFO in April 2024
- Previously served as Senior Vice President and Chief Financial Officer of StoneMor Inc. (formerly NYSE: STON), a provider of funeral and cemetery products and services in the death care industry, from September 2019 to May 2023, and prior to that, served as StoneMor Inc.'s Chief Accounting Officer from September 2018 to September 2019. From January 2012 until September 2018
- B.S. in Accounting and a Master of Science in Financial Services From Saint Joseph's University
- Certified Public Accountant



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Business Summary & Company Overview

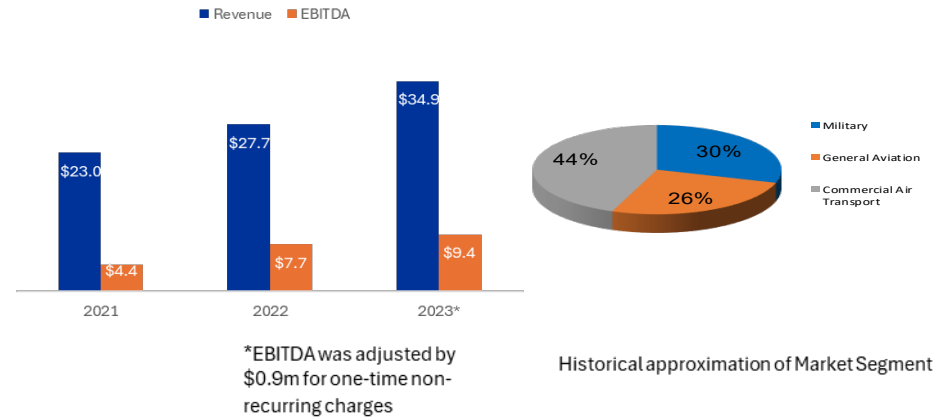
IS&S At A Glance

IS&S is a patent-rich avionics premium systems integrator providing cutting edge technology solutions in the avionics industry

Company Overview

- **IS&S (Nasdaq: ISSC) is a systems integrator that designs, develops, manufactures, sells and services the following:**
 - System Integration
 - Aircraft Management, Monitoring, Control and Display Systems
 - Sensor Products
 - Autothrottle control and actuation
- **On June 30, 2023, IS&S acquired certain assets and granted perpetual license rights to manufacture and sell licensed products related to Honeywell’s inertial, communication and navigation product lines.**

Key Metrics



Trusted partner to blue-chip customer base and consistent presence on leading aircraft platforms



ECLIPSE AVIATION





2

Key Investment Highlights

Investment Thesis

Strong Financial Foundation

- Demonstrated annual growth
- Gross margins exceeding 55%
- Consistently free cash flow positive
- Strong balance sheet with plenty of financial flexibility to achieve short and long-term goals

Strong Organic & Inorganic Growth Engine

- Leading integrator of advanced avionics systems leveraging cutting edge technologies.
- Expand Utilities Management System (“UMS”) for additional airframes
- Utilize Existing Certified UMS platform for application of certified Autonomous flight controls
- Leverage the next generation UMS as a mission computer for military platforms
- Patent portfolio and innovation culture allows IS&S to compete against the large industry players at a fraction of the cost and time.
- Grow through acquisitions of product lines or companies in existing or adjacent avionics and aerospace-related businesses

Increase Capacity Utilization to Drive Outsized Profitability

- Leverage strength of balance sheet for strategic and complementary M&A
- Increase facility utilization to drive margin and free cash flow



Product & Technology is Core

- ✓ *Innovation Driven Product Development*
- ✓ *Designed for ease of installation*
- ✓ *Designed for reduced labor content*
- ✓ *Continuous investment in advanced automation*
- ✓ *State of the art products protected by 136 Global Patents and 19 pending*



Infrastructure

- ✓ *Fully Integrated MRP System from Order Entry to Warranty Support*
- ✓ *100% Inspection, Acceptance Testing, and Environmental Stress Screening of All Final Assemblies*
- ✓ *Personnel Certified to IPC-610*
- ✓ *Class 100,000 and 10,000 Clean Room Assembly*
- ✓ *AS9100D*

Airworthiness Certifications

- ✓ *Global Civil Aviation Authority Approvals for Design, Qualification, Production and Repair of High Integrity and Critical Flight Instruments*
- ✓ *Global Military Approvals for Design, Qualification, Production and Repair of High Integrity and Critical Flight Instruments*
- ✓ *Full in-house capability for test and qualification of Software and Hardware to the highest design assurance levels*

Organic & Inorganic Growth

Utilized a multi-pronged approach to drive long-term shareholder values



Organic Growth

- 1) *Grow aftermarket Autothrottle and cockpit upgrade sales through IS&S installed system offering with our approved Mobile Installation Teams*
- 2) *Develop advanced UMS system with increasing functionality leading to Autonomous flight partnering with an UAS OEM*
- 3) *Team with Prime Integrators as appropriate to capture sales of display systems and air data equipment for Military aircraft*
- 4) *Maximize commercial air transport retrofit revenues by reducing system cost through obsolescence redesign*
- 5) *Provide the pilot with higher levels of automation for workload reduction and increased safety that would ultimately lead to autonomy*



Inorganic Growth

- 1) *Selectively capitalize on opportunities to acquire product line or companies*
- 2) *Synergetic product and/or company acquisitions with the following ideal criteria:*
 - a) *Cockpit based avionics products*
 - b) *Cabin based electronics products*
 - c) *Fully integrates into Exton operations*
 - d) *Positive DCF on invested cash due to efficiencies gained with more volume utilizing same overhead with existing infrastructure (1+1=3)*
 - e) *OEM content preferred*
 - f) *Products with growth potential preferred*
 - g) *Repair and overhaul opportunity is also desired*

Go-to-Market Strategy

Leverage technologies developed for PSC and telecommunications into advanced, affordable aviation industry solutions

1 *Strategic alliance with an aircraft manufacturer for autonomy utilizing the UMS platform*

2 *Expand IS&S as a supplier to Business Aviation OEMs through enhancing capabilities of the UMS, initially designed for Pilatus Aircraft PC-24*

3 *Expand applications of UMS into the military platforms by making it MOSA and FACE compliant as part of the redesign*

4 *Broaden IS&S product lines in cockpit and cabin environments*

5 *Continuous technology refresh*

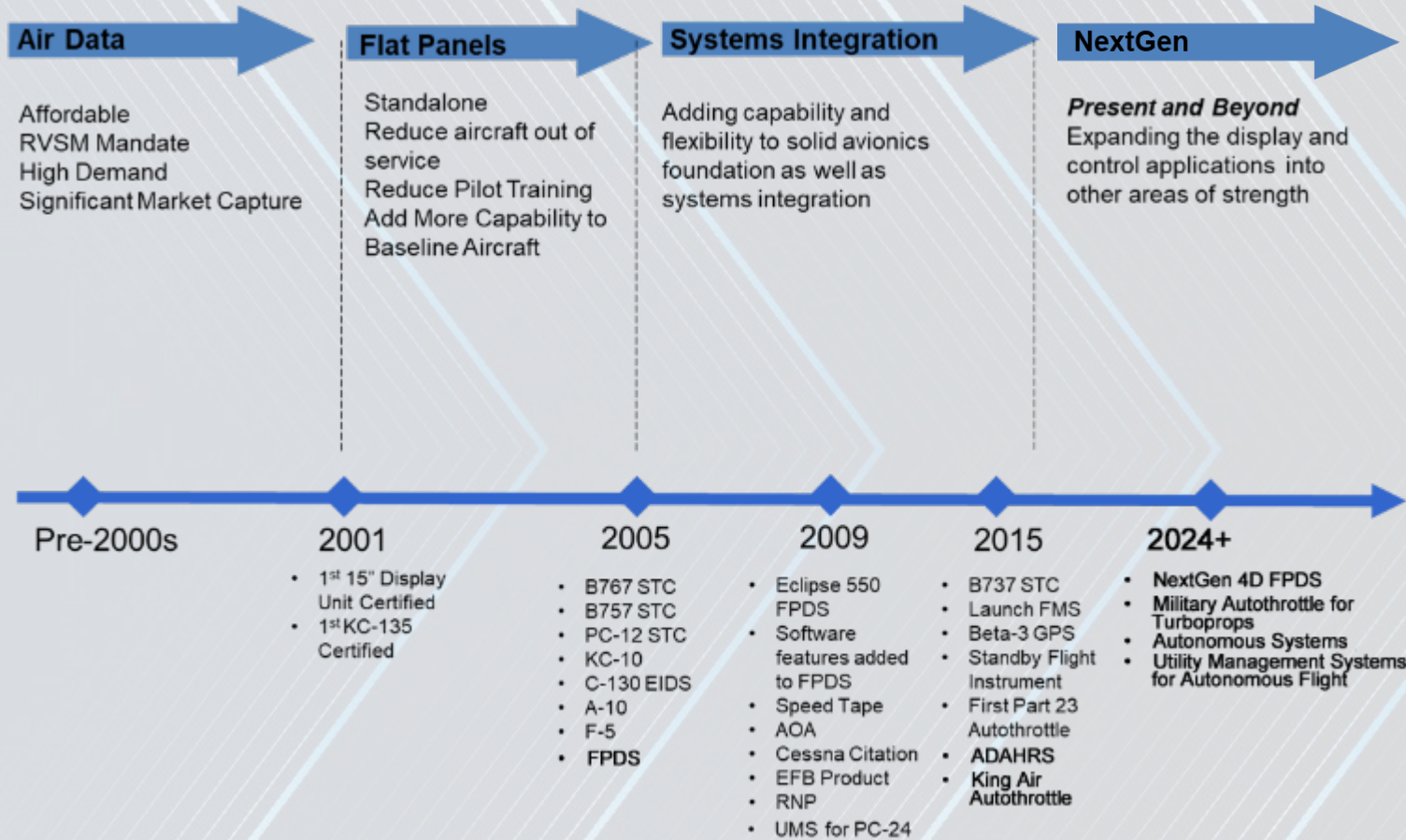
6 *Enhance organic growth by strategic acquisitions for cockpit and cabin environments*



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Product Overview

Product Line Evolution



Robust Systems Engineering & Manufacturing

100% in-house design, testing and manufacturing

Full service integration & repair capabilities

Integration expertise that improves customer outcomes

Subject matter experts on a diverse set of products

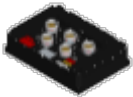
Selected Avionics Solutions



Select Control, Navigation & Measurement Systems



*ThrustSense®
Autothrottle*



*Utilities
Management System*



*Flight Management
Systems*



*GPS
Receiver*



*Air Data
Instruments*

Select Display Systems



*Flat Panel
Display*



*Integrated
Standby Unit*



*Fuel/Engine
Measurement
System*



*Engine Indicating
& Crew Alerting*



*Aerial Refueling
Control Display*

Systems Integration Expertise

IS&S's superior system integration expertise is a key differentiator within the market and provides a compelling value its Company's customer base



*Improved system
performance*



*Ease of
Installation*



*Reduced aircraft
downtime during
installation*



*Reduced system
complexity*

Product Acquisition from Honeywell Aerospace

Enhance IS&S Capabilities with Communication, Navigation and Inertial Computer Technologies

Communication and Navigation Products for the Business Aviation and Military Platforms

- 1) Audio Management Units
- 2) Radio Management Units
- 3) VHF Communication Radios
- 4) Navigation Radios
- 5) Distance Measuring Equipment
- 6) Transponders



Inertial Reference Products for the Air Transport and Military Platforms

- 1) Inertial Reference Units
- 2) Air Data and Inertial Reference Units



Autonomous Flight Highlights

- Air Mobility full scale success relies on autonomous flight
- Simplified Interface Operations will also require autonomous technology so that “anybody can fly”
- Longer term potential to have total immunity from pilot shortages
- 10-year market estimates well over billions of dollars regardless of the market research source
- Global players of varying size have significant levels of investment and strategy devoted to this emerging market



IS&S Approach to Autonomous Flight

Initial phase is a highly marketable product with attractive ROI for operators and OEMS

Initial Phase

Develop and certify an autonomous flight control system, guided from a ground station replacing the co-pilot in Part 135 and 121 operations

The system would allow for optionally piloting the aircraft and finally certified to include aiding from a ground station pilot

We would merge the UMS with the Eclipse Display system and add flight control laws to increase level of automation

The final version will include technology for secure communications with ground to avoid unauthorized access to the flight controls

Once certified, the system can be implemented for a single pilot operation on Air Taxi, Charter and any Part 25 aircraft including cargo and passenger airline operations

Final Phase

Develop and certify an autonomous flight control system guided from a ground station replacing the pilot and co-pilot in all aircraft

The system would build on the Ground Assist by adding vision and LiDAR sensors to assist it make critical landing phase decisions

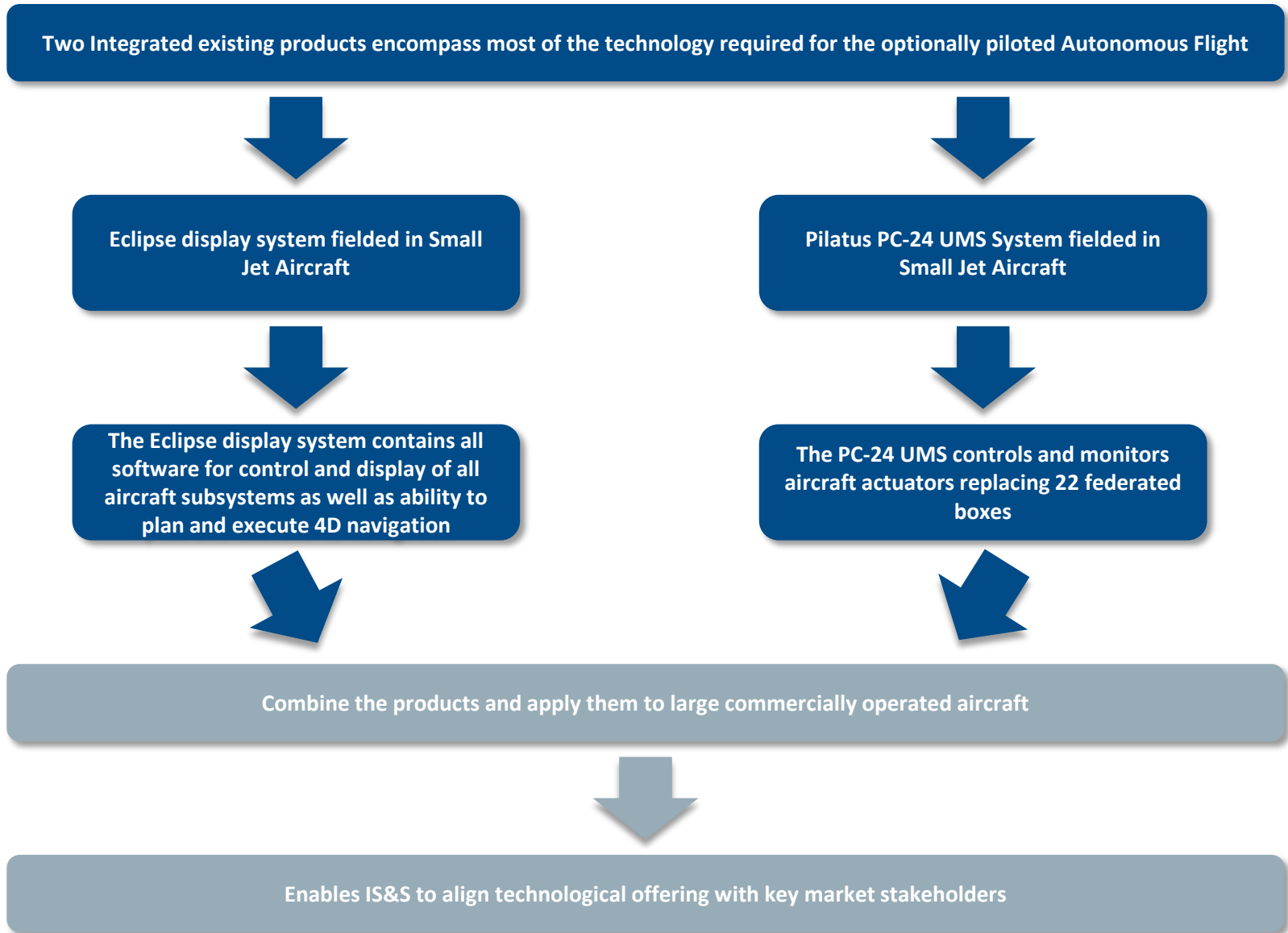
A.I. will be utilized to train the system for higher fidelity decisions

Once the system is fully proven out for all emergency conditions, it will go through the rigorous certification process

Once certified, the system can be implemented for a ground pilot monitoring and controlling the aircraft with no pilot in the cockpit

Similar to today's Drone operations

IS&S Position



Advanced Functions for Autonomy

Initial Phase

- ✓ *Fully Autonomous Flight Control*
- ✓ *Secure Data Communication*
- ✓ *High Speed Datalinks*
- ✓ *Integrated Sensor Fusion*

Controls	Pilot	Copilot
Present	Pilot	Copilot
Phase 1	Pilot	Remote Copilot
Phase 2	Computer	Remote Copilot



2023

- *Flight Computer*
 - *Update UMS*
 - *Port Eclipse Software to New UMS*
 - *Add Autopilot Software*

2027

- *Autonomous Flight Computer*
 - *Secure Data Communication*
 - *High Speed Data Links*
- *Ground Control Station to Assist Flying Pilot in Emergencies*

2030+

- *Full Autonomy Computer*
 - *Additional Flight Test*
 - *Artificial Decision Making*
 - *Certification of Fully Autonomous Flight*



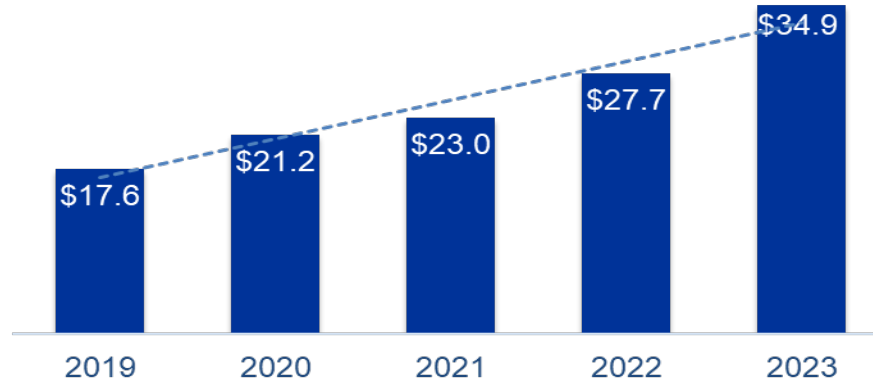
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Historical Financial Overview

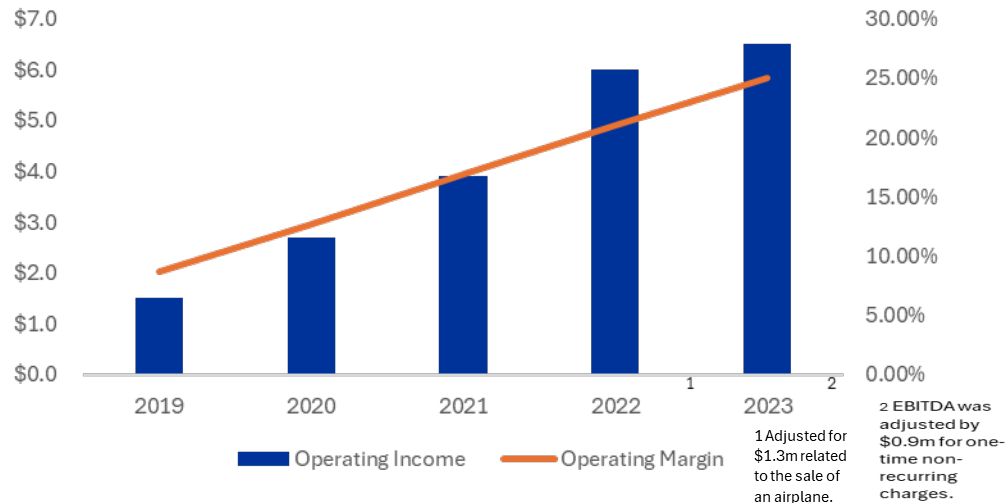
Financial Overview and Highlights

Revenue Trends (FY2019 — FY2023)

(\$ in millions)



Operating Trends (FY2019 — FY2023)



Management Commentary

- IS&S has seen continued revenue growth over the last 5 years driven by:
 - Diverse product portfolio
 - Strengthening relationships and penetration within OEM accounts
 - Ability to win against competitors
 - Expanding through new product introductions
- 5-year revenue CAGR of 15% underscores strength of platform
- Over 25% sales growth in 2023 – five consecutive year of growth
- Over 55% Gross Profit as a percent to sales
- 5-year operating income CAGR of 37%
- Strong operating income improvement driven by:
 - Ability to pass through raw material cost increases
 - Increased capacity utilization, resulting in increased absorption of operating costs through COGS
 - Operating leverage created through sales growth
 - Process efficiencies achieved
 - Favorable product mix



We Are The Future of Aviation
THANK YOU