



Innovative
Solutions & Support

Investor Presentation

September 2025

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BUSINESS OVERVIEW SECTION



ABOUT ISSC

High Value Air Transport Quality – Made in the USA

What we do

ISSC is a US based Original Equipment Manufacturer (OEM) that designs, develops, and manufactures sophisticated, reliable and cost-effective avionics solutions and services for the aviation industry

ISSC Expertise

- Systems integration
- Flight Management, monitoring, command and control systems
- Full compliment of smart displays
- Extensive range of aircraft sensors
- Flight Control Systems
 - Autothrottle
 - Control surface actuation
- Maintenance, Repair and Overhaul
- Global customer support

Why customers choose ISSC

- A leader in all aviation market verticals
- Decades of proven experience
- Industry leading infrastructure and facilities
- A high-performance culture with a track record of innovation
- All U.S. based operations accelerates time to market, mitigates supply risk

Founded 1988
NASDAQ: ISSC

+70%
2022-2024
Revenue Growth

+80%
2022-2024
EBITDA Growth

+140 bps
2022-2024 EBITDA
margin expansion

1.1x
Net leverage as
of 6/30/25

Solutions Providers to Leading Brands



OUR UNIQUE VALUE PROPOSITION

Why customers choose ISSC

ISSC provides integrated fleet modernization and retrofit solutions,

providing performance, safety, and efficiency of both commercial and military aircraft.

ISSC provides high value, cost effective integrated avionics solutions for forward fit and retrofit markets for all aviation market verticals



We provide advanced retrofits for legacy systems. ISSC specializes in retrofitting older aircraft with state-of-the-art avionics, such as Flat Panel Display Systems and Autothrottles, significantly improving functionality and compliance with current aviation standards.



Efficiency and Environmental Impact. Our diverse product portfolio, including our fuel-efficient Autothrottle Systems, help operators reduce fuel consumption and emissions, aligning with industry sustainability goals and saving operational costs.

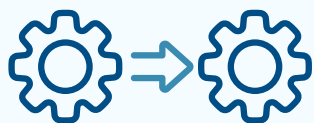


Customizable, Scalable Solutions. We offer modular avionics systems that can be tailored to specific aircraft types and operational needs, allowing airlines to make targeted, scalable upgrades.

Our systems integration expertise positions us as a preferred partner of choice in fleet modernization

OUR DEDICATED FOCUS ON COCKPIT AUTOMATION

Aviation domain expertise within design, sourcing, manufacturing and support



Our vertically integrated model provides for increased efficiency, quality control, reduced procurement risk, and accelerated time to market for our customers.

Step 1 Product Engineering and Design

- 100% in-house design, testing and manufacturing
- We continue to invest in new product development as we build a next-generation portfolio of in-demand solutions
- Culture of innovation - one in four employees are engineers

Step 2 Materials Sourcing and Procurement

- ISSC possesses every discipline in-house, through ground up, and sources from a world-wide network of commercially available components. Supply chain disruption has not affected our production.
- We enter into long-term supply agreements and uses its relationships with long-term suppliers to improve product quality and availability and reduce delivery times and product costs

Step 3 Precision Manufacturing

- 100% U.S. based manufacturing footprint
- Manufacturing process enables a substantially reduced cycle time, high yield and cost advantage
- Our manufacturing activities consist primarily of assembling, testing components and subassemblies and integrating them into finished systems

Step 4 Technical support & installation

- Full-service integration and repair capabilities, worldwide, any time availability mobile installation and support teams,
- Engineering based organization; engineers design, build and offer technical support for our products. Our customers talk to the people who've built and designed our product not a call center.

Benefits of Systems Integration Expertise



Improved system performance



Ease of installation



Reduced aircraft downtime
during maintenance



Reduced system complexity

OUR SPECIALIZED PRODUCT PORTFOLIO

Our system integration provides customers with a one-stop solution

Systems integration provides a complete, optimal solution by selecting best in class equipment.

The ISSC advantage is that the company was rooted in the aftermarket cockpit upgrades and developed Data Concentrators that allow interface with all equipment installed in airplanes.

- ✓ **Expertise:** Extensive experience across platforms and technologies. Dedicated installation teams for quick turn times to visit facility, upgrade and have aircraft certified.
- ✓ **Tailored Solutions:** Customized integrations to meet specific needs.
- ✓ **Proven Success:** A track record of delivering outstanding results.
- ✓ **Future-Proof Designs:** Scalable solutions that grow with technology.
- ✓ **Customer Focus:** Collaborative approach aligned with customer goals.



PRODUCT ACQUISITION FROM HONEYWELL AEROSPACE

In 2023, ISSC acquired communication, navigation and inertial technologies

Transaction expands product portfolio within higher growth, high-margin markets, while creating significant cross-selling potential on thousands of air transport, military and commercial aircraft

Compelling Transaction Rationale

- ✓ The exclusive licensing of these product lines from Honeywell is a unique opportunity for the Company to enhance its current offerings in the air transport, military and business aviation markets
- ✓ Significant cost synergy potential, as ISSC leverages its skilled engineering capability and existing manufacturing capacity drive operating leverage improvements
- ✓ Transaction further enhances ISSC’s global reputation for industry-leading price-for-performance value proposition

Communication, Navigation & Inertial Reference Products

Acquired in Honeywell Transaction

- ✓ Audio management units
- ✓ Radio management units
- ✓ VHF communication radios
- ✓ Navigation radios
- ✓ Distance measuring equipment
- ✓ Transponders
- ✓ Inertial reference units



Leading Platforms Served

Significant platform expansion opportunity

- Boeing 737, 747, 757, 767
- Airbus A300, A310
- Gulfstream V
- Citation

PRODUCT ACQUISITION FROM HONEYWELL AEROSPACE

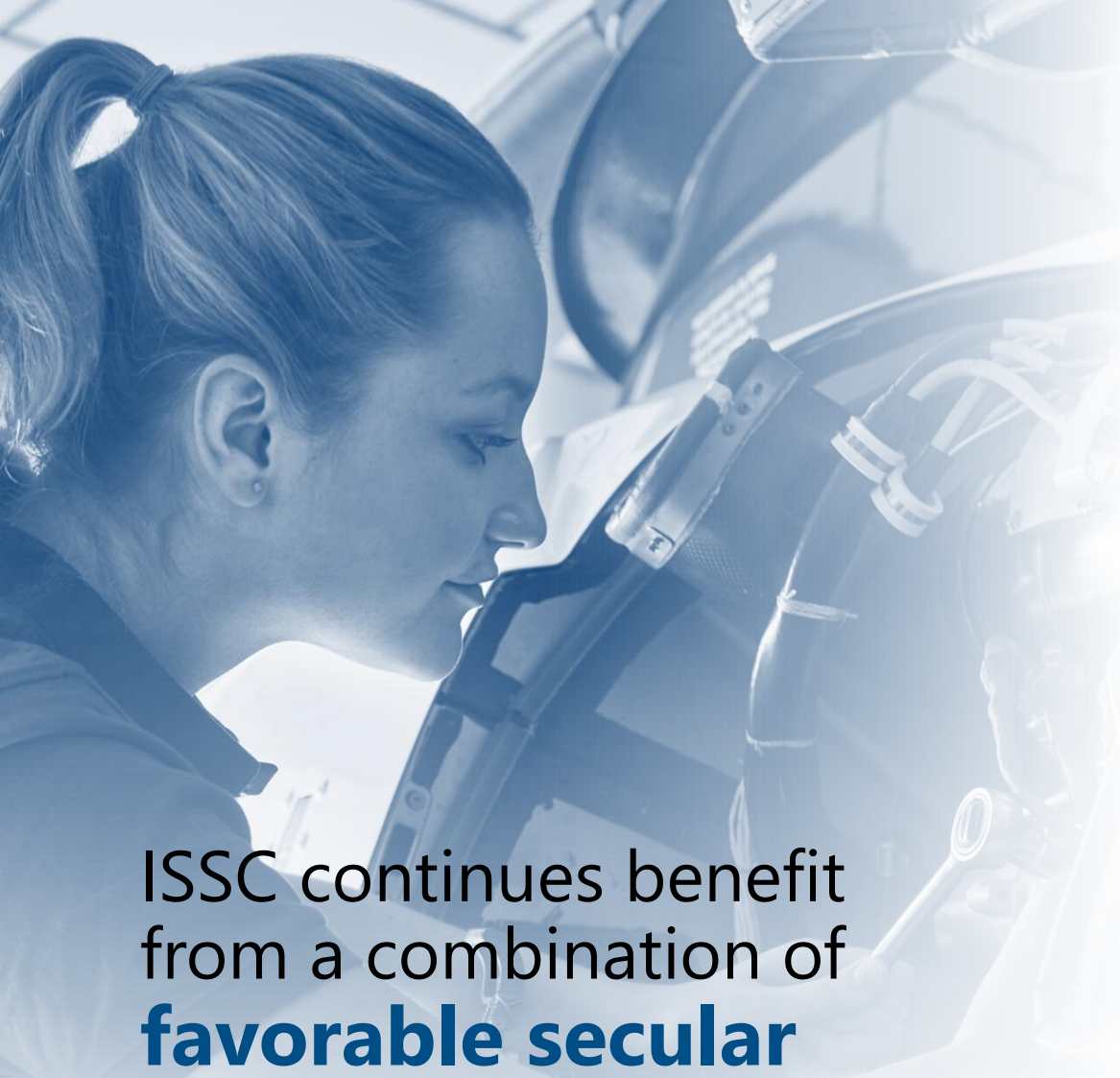
In 2024, ISSC acquired the Display Generator and Flight Control Computer for the F-16 Platform

Transaction expands product portfolio within the military markets, while creating significant facility utilization and cross-selling potential with Lockheed Martin

Compelling Transaction Rationale

- ✓ The exclusive licensing of these product lines from Honeywell is a unique opportunity for the Company to enhance its current offerings in the military market
- ✓ Significant cost synergy potential, as ISSC leverages its skilled engineering capability and existing manufacturing capacity drive operating leverage improvements
- ✓ Transaction further enhances ISSC's position in the global military aviation market

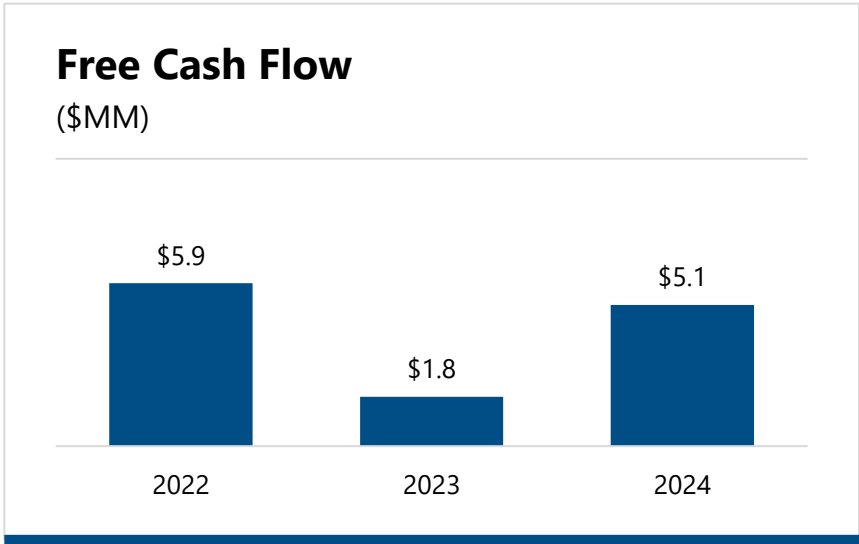
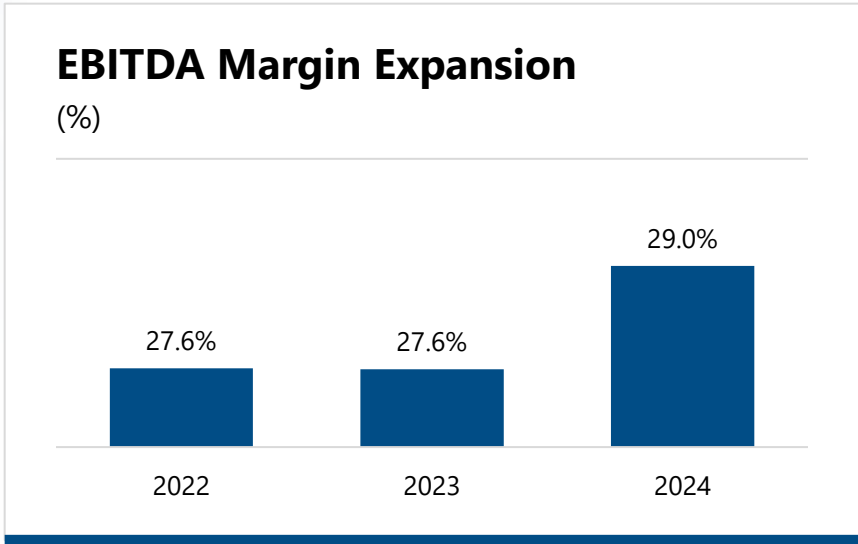
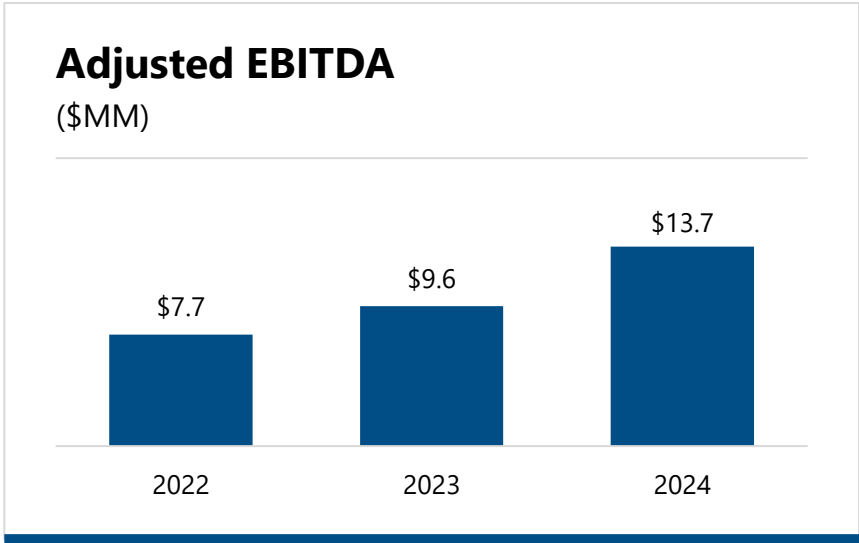
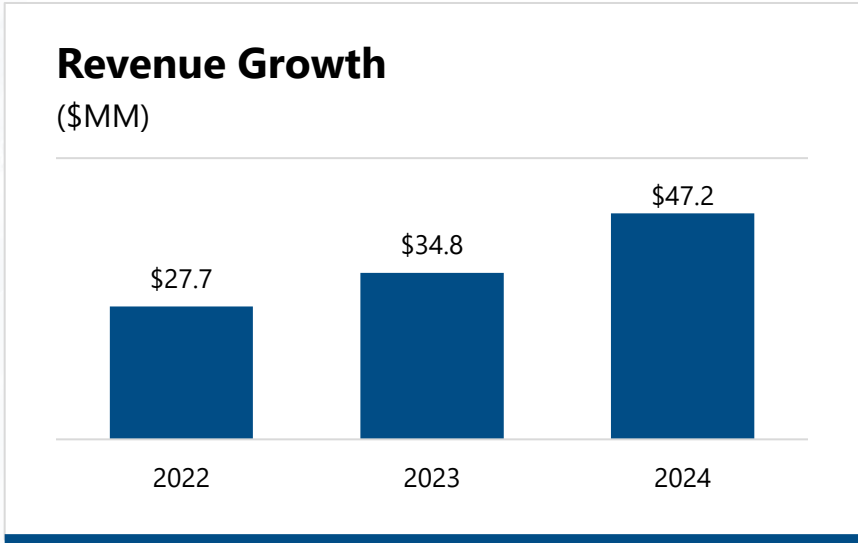




ISSC continues benefit from a combination of **favorable secular tailwinds, organic investment in IP, and targeted product acquisitions**

TRACK RECORD OF EXECUTION

Trailing 3-year growth in revenue, EBITDA and margin realization



VALUE CREATION ROADMAP

ISSC Next Strategy



VALUE CREATION ROADMAP

Introducing **ISSC NEXT** value creation framework

ISSC has identified historical challenges to profitable growth

- ✓ Limited economies of scale results in lower operating leverage
- ✓ Focus on pure organic growth limits breath of product lines needed for capturing OEM programs
- ✓ Heavily reliant on cyclical commercial aerospace after-market business



Our Past

ISSC Next

prioritizes commercial growth, sustained operational excellence and disciplined capital allocation

Targeted Commercial Expansion

- New product development and line expansion
- Cross-selling synergies
- New program wins
- Expand Military revenues
- Increase exposure to OEM platforms

Sustained Operational Excellence

- Optimize operating structure
- product mix optimization
- Increased facility utilization
- Supply chain optimization
- Improved fixed cost absorption

Disciplined Capital Allocation

- Reinvest in new product line acquisitions
- New product development
- Invest in organic growth
- Maintain financial flexibility



Our Path Forward

INVESTMENT SUMMARY

Business transformation underway; focused on long-term value creation

Investment Summary

Key Catalysts

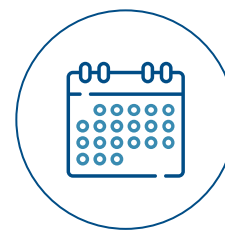
- ✓ Advanced Avionics specialists offer technical domain expertise
- ✓ Systems integration expertise accelerates time to market, reduces customer TCO
- ✓ Vertically integrated model reduces supply chain risk, leverages culture of innovation
- ✓ Established, long-term OEM and retrofit clients
- ✓ Long-term contracts with recurring revenue streams
- ✓ Expanding addressable market across military and commercial customers
- ✓ Favorable secular trends - aging aircraft fleet, autonomous flight opportunity
- ✓ ISS NEXT provides clear, measurable financial targets around value creation strategy

F3Q25 PERFORMANCE



F3Q25 FINANCIAL PERFORMANCE

Strong Financial Results and Continued Execution Against Strategic Priorities



Third Quarter 2025

Key Highlights

- Revenue increased 105% driven by F-16, including pull forward of deliveries ahead of migration to Exton facility
- Net income of \$0.14 per diluted share up from \$0.09 last year
- Adjusted EBITDA increased 43% to \$4.4 million
- Net leverage declined to 1.1x from prior quarter, highlighting ability to quickly de-lever



Strategic Milestones

ISS NEXT

- Construction at Exton facility has been completed, fit-out to be completed in early-fall
- Continued progress on Honeywell product integration
- Closed on new five-year, \$100 million credit facility, providing improved flexibility to execute on growth strategy

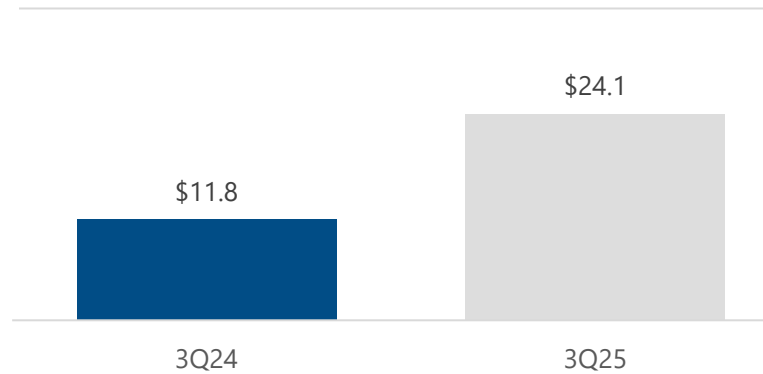
Successful ramp of F-16 program, strong cash flow, focus on strategic priorities drive 3Q results

- Revenue strength driven by F-16 deliveries
- EBITDA growth highlights opportunity as military business scales
- Elevated backlog demonstrates business momentum and strong future growth outlook

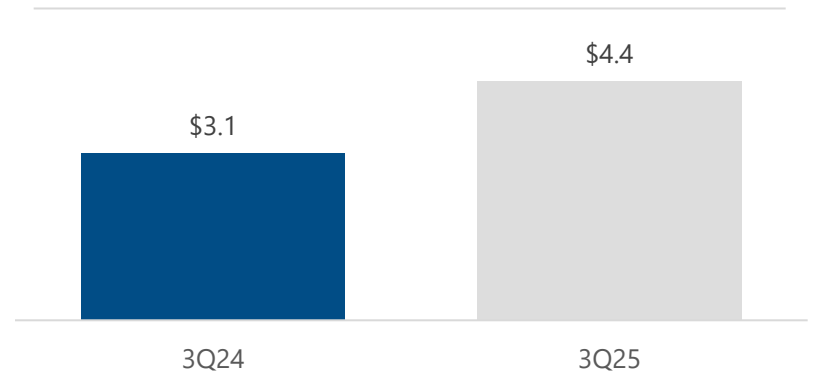
F3Q25 PERFORMANCE SUMMARY

Strong 3Q Results Highlight Progress on Strategic Priorities

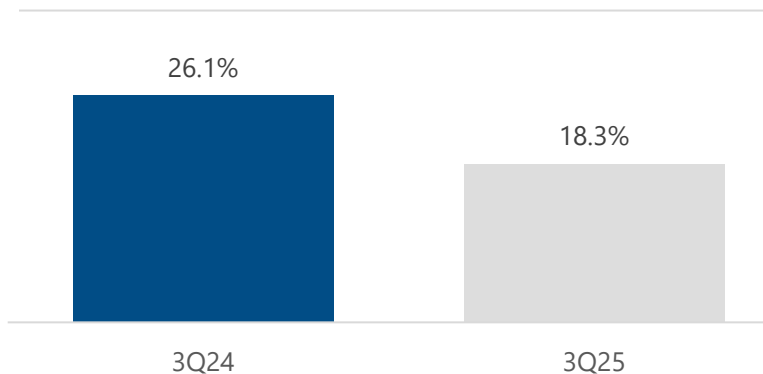
105% y/y Revenue Growth
(\$MM)



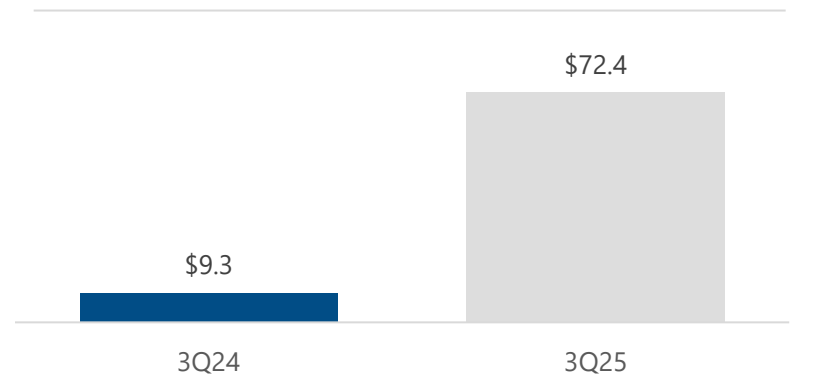
43% y/y Adjusted EBITDA Growth
(\$MM)



EBITDA Margin
(%)



Backlog Growth
(\$MM)

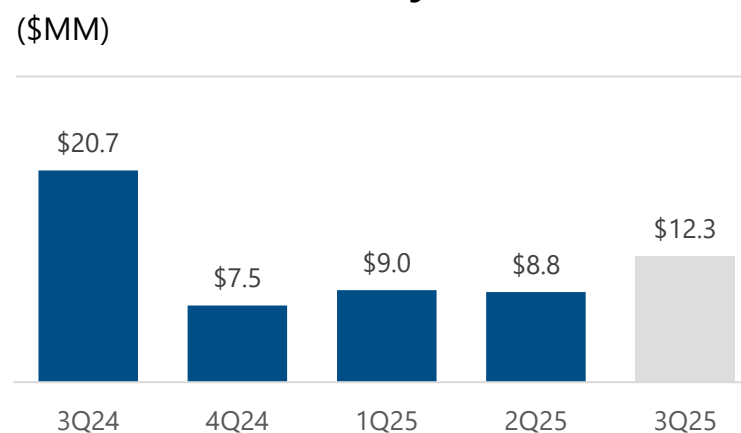


Strong financial position with current cash balance and availability under our credit facility equaling more than \$12 million provide ample liquidity to support our ongoing operations and facility expansion

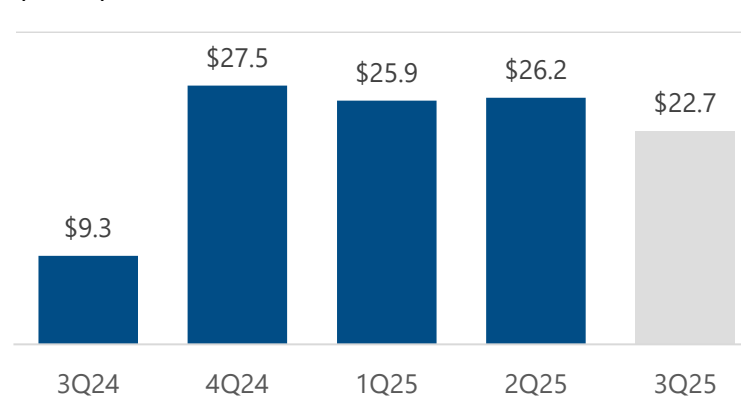
DISCIPLINED BALANCE SHEET MANAGEMENT

Strong financial position provides ability to pursue growth objectives

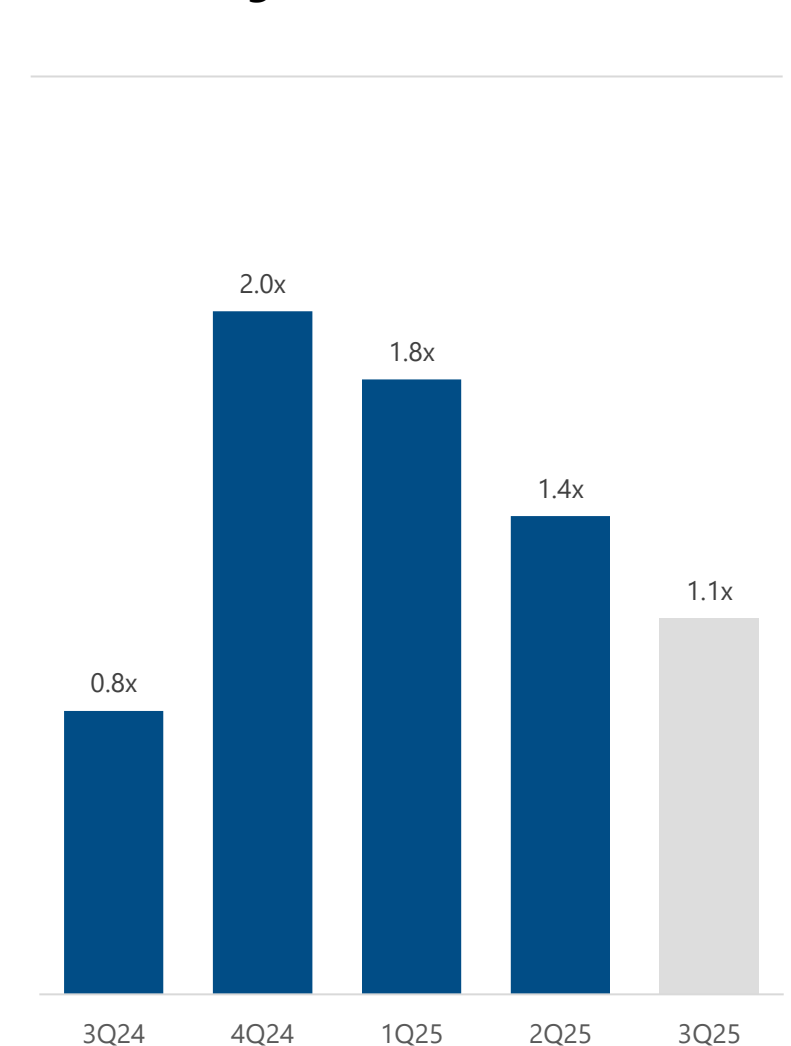
Cash and Availability (\$MM)



Net Debt (\$MM)



Net Leverage Ratio



APPENDIX



NON-GAAP FINANCIAL DISCLOSURES

EBITDA, adjusted EBITDA, adjusted net income, adjusted diluted earnings per share ("EPS") and adjusted net cash provided by operating activities ("free cash flow") are not measures of financial performance under GAAP and should not be considered substitutes for GAAP measures, net income (for EBITDA and adjusted EBITDA), diluted earnings per share (for adjusted diluted EPS) or net cash provided by operating activities (for free cash flow), which the Company considers to be the most directly comparable GAAP measures. These non-GAAP financial measures have limitations as analytical tools, and when assessing the Company's operating performance, readers should not consider these non-GAAP financial measures in isolation or as substitutes for net income, diluted earnings per share, net cash provided by operating activities or other consolidated income statement data prepared in accordance with GAAP. Other companies in the Company's industry may define or calculate these non-GAAP financial measures differently than the Company does, and accordingly, these measures may not be comparable to similarly titled measures used by other companies.

The Company defines EBITDA as net income before interest, taxes, depreciation, and amortization. The Company believes EBITDA to be relevant and useful information to their investors because it provides additional information in assessing the Company's financial operating results. The Company's management uses EBITDA in evaluating operating performance, ability to service debt, and ability to fund capital expenditures and pay dividends. However, EBITDA has certain limitations in that it does not reflect the impact of certain expenses on the Company's consolidated statements of income, including interest expense, which is a necessary element of the Company's costs because the Company has borrowed money in order to finance operations, income tax expense, which is a necessary element of costs because taxes are imposed by law, and depreciation and amortization, which are necessary elements of costs because the Company uses capital assets to generate income. EBITDA should be considered in addition to, and not as a substitute for, or superior to, operating income, net income or other measures of financial performance prepared in accordance with U.S. GAAP. Furthermore, the Company's definition of EBITDA may not be comparable to similarly titled measures reported by other companies. Below is our reconciliation of EBITDA to U.S. GAAP net income.

The Company defines adjusted EBITDA as net income before interest, taxes, depreciation, amortization, transaction-related acquisition and integration expenses, and non-recurring items. The Company believes that adjusted EBITDA is an appropriate measure of operating performance because it eliminates the impact of expenses that do not relate to ongoing business performance, and that the presentation of this measure enhances an investor's understanding of its financial performance.

Adjusted EBITDA has important limitations as an analytical tool. For example, adjusted EBITDA:

- does not reflect any cash capital expenditure requirements for the assets being depreciated and amortized, which assets may have to be replaced in the future;
- does not reflect changes in, or cash requirements for, the Company's working capital needs;
- excludes the impact of certain cash charges resulting from matters the Company considers not to be indicative of its ongoing operations;
- does not reflect the interest expense or the cash requirements necessary to service interest or principal payments on the Company's debt; and
- excludes certain tax payments that may represent a reduction in available cash.

Free cash flow is calculated as net cash provided by operating activities less capital expenditures. The Company believes that free cash flow is an important financial measure for use in evaluating financial performance because it measures the Company's ability to generate additional cash from its business operations.

A reconciliation of each non-GAAP measure to the most directly comparable GAAP measure is set forth below..



NON-GAAP FINANCIAL DISCLOSURES

Reconciliation of Net Income to EBITDA and Adjusted EBITDA

	Three Months Ended June 30,		12 Months Ended September		
	2025	2024	2022	2023	2024
Net Income	\$2,443,814	\$1,552,520	\$5,523,778	\$6,027,755	\$6,998,380
Income tax expense	667,682	330,511	1,817,831	1,607,517	1,853,180
Interest expense	407,459	172,784	0	393,281	937,309
Depreciation and amortization	820,410	611,155	368,499	697,943	2,097,942
EBITDA	\$4,339,365	\$2,666,970	\$7,710,108	\$8,726,496	\$11,886,811
Acquisition related costs	68,000	175,278	0	710,705	1,172,363
CFO transition, ATM Costs and other strategic initiatives	-	233,678	0	156,061	612,907
Adjusted EBITDA	\$4,407,365	\$3,075,926	\$7,710,108	\$9,593,262	\$13,672,081
% margin	18.3%	26.1%	27.8%	27.6%	29.0%

NON-GAAP FINANCIAL DISCLOSURES

Free Cash Flow

	12 Months Ended September		
	2022	2023	2024
Operating Cashflow	\$6,094,440	\$2,096,174	\$5,796,222
Capital Expenditures	161,230	298,373	657,790
Free Cashflow	\$5,933,210	\$1,797,801	\$5,138,432

Net Debt and Net Debt Leverage

	Three Months Ended June 30,	
	2025	2024
Total Debt	\$ 23,258,511	\$ 9,859,074
Cash	601,759	521,041
Net Debt	\$ 22,656,752	\$ 9,338,033

Leverage Ratio

1.1x

0.8.x

