



# Investor Presentation

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January 2026

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# BUSINESS OVERVIEW SECTION



# ABOUT ISSC

High Value Air Transport Quality – Made in the USA

## What we do

IA 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

### IA 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 IA

- 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

**+142%**  
2023-2025  
Revenue Growth

**+159%**  
2023-2025  
Adj EBITDA Growth

**+190 bps**  
2023-2025 Adj EBITDA  
margin expansion

**0.9x**  
Net leverage as  
of 9/30/25

## Solutions Providers to Leading Brands



# OUR UNIQUE VALUE PROPOSITION

Why customers choose IA

## IA provides integrated fleet modernization and retrofit solutions,

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



IA 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.** IA 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.

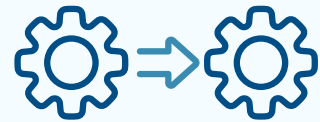


**Customizable, Scalable Solutions.** We offer modular avionics systems that can be tailored to specific aircraft types and operational needs, allowing airlines to make targeted, scalable upgrades.

**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

- IA 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

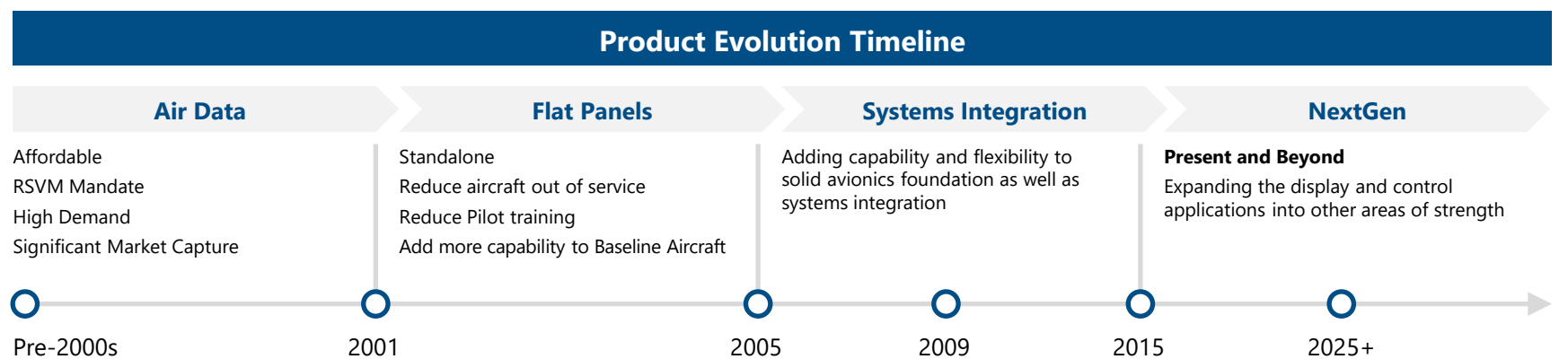
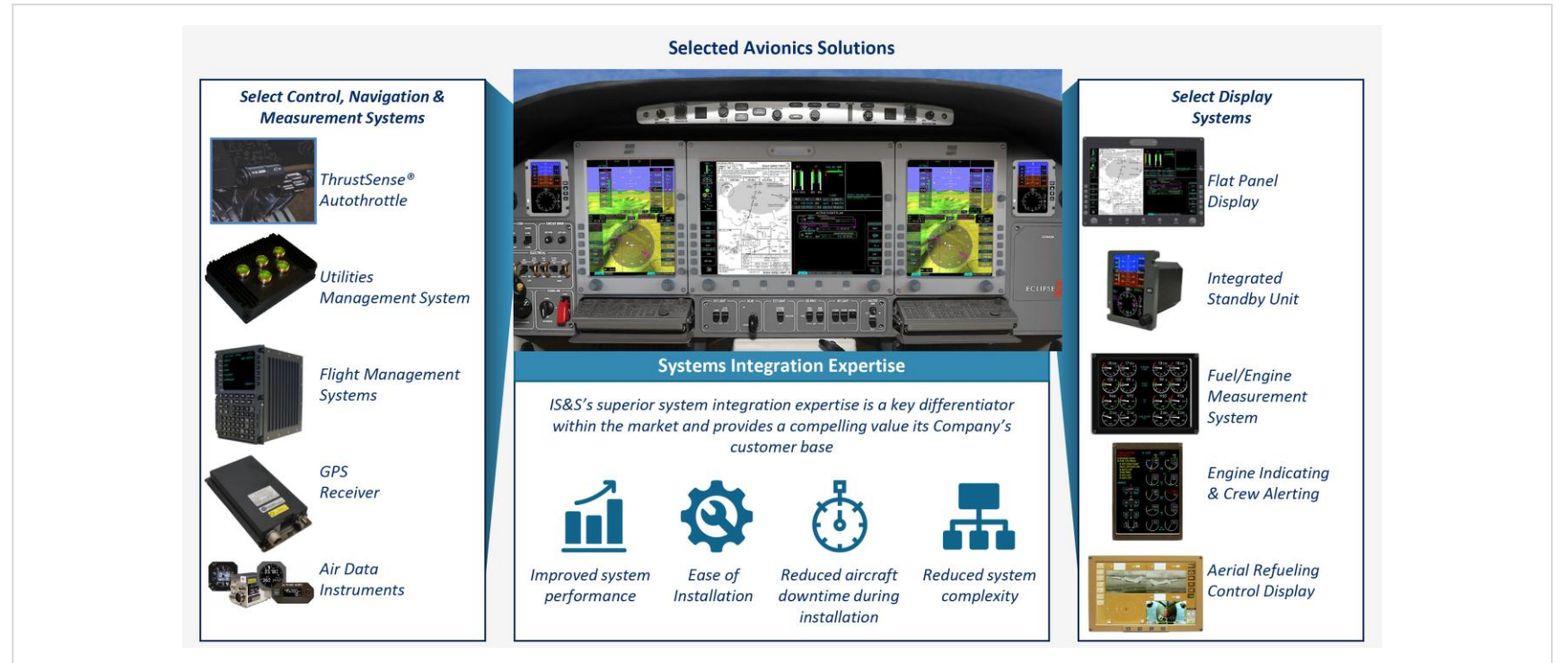
# OUR SPECIALIZED PRODUCT PORTFOLIO

Our system integration provides customers with a one-stop solution

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

The IA 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, IA 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 IA leverages its skilled engineering capability and existing manufacturing capacity drive operating leverage improvements
- ✓ Transaction further enhances IA'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
- F-16

# PRODUCT ACQUISITION FROM HONEYWELL AEROSPACE

In 2024, IA 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 IA leverages its skilled engineering capability and existing manufacturing capacity drive operating leverage improvements
- ✓ Transaction further enhances IA's position in the global military aviation market

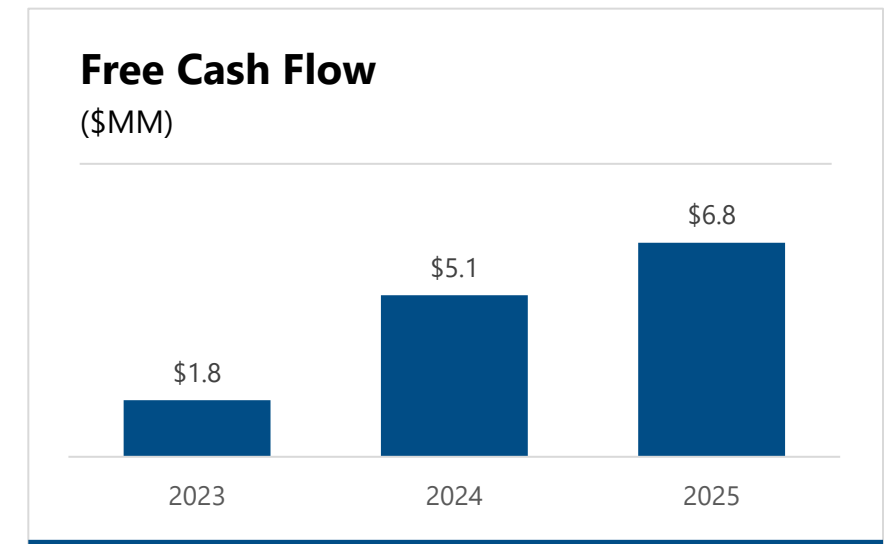
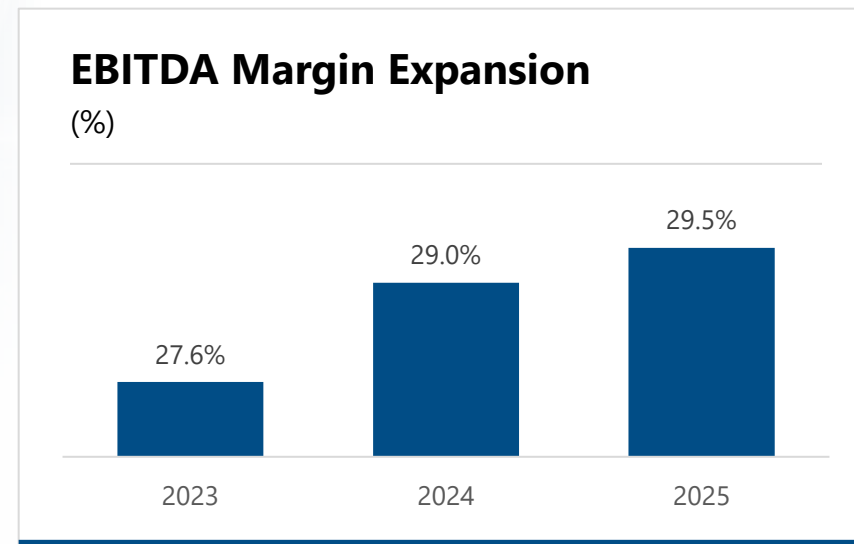
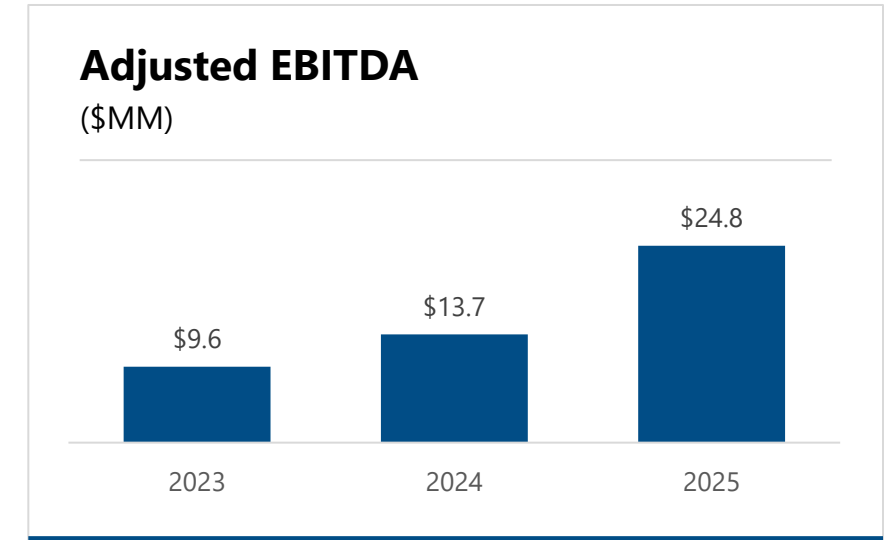
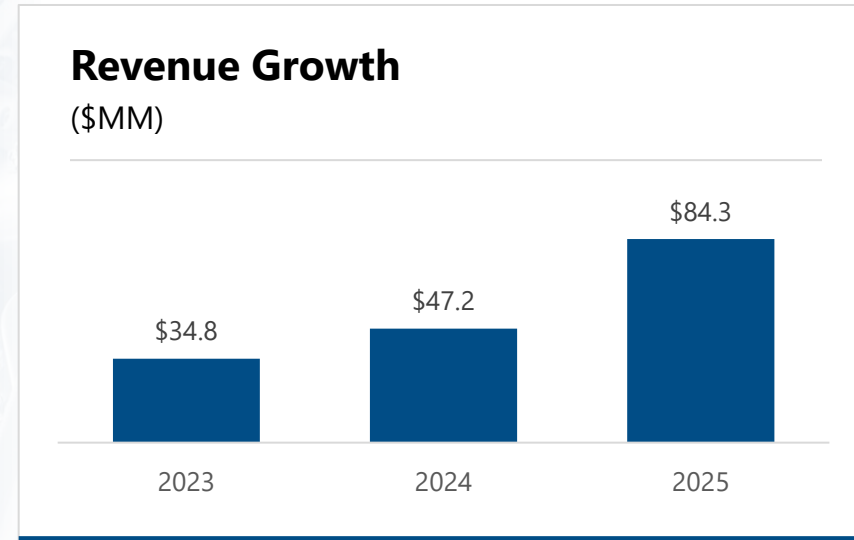




# TRACK RECORD OF EXECUTION

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

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



# VALUE CREATION ROADMAP

IA Next Strategy



# VALUE CREATION ROADMAP

Introducing **IA NEXT** value creation framework

## IA 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**

## IA 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

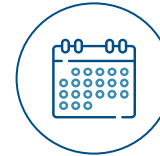
- ✓ Advanced Avionics specialists offer technical domain expertise
- ✓ Systems integration expertise accelerates time to market, reduces customer TCO
- ✓ Vertically integrated model reduces supply chain risk, leverages culture of innovation
- ✓ Established, long-term OEM and retrofit clients
- ✓ Long-term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

# F4Q25 PERFORMANCE



# F4Q25 FINANCIAL PERFORMANCE

Strong Financial Results and Continued Execution Against Strategic Priorities



## Fourth Quarter 2025 Key Highlights

- Revenue increased 45% despite expected pause in F-16 deliveries
- Net income of \$0.39 per diluted share, up from \$0.18 last year
- Adjusted EBITDA increased 71% to \$9.6 million
- Full year free cash flow of \$6.8 million, up 32% from last year despite investments in facility expansion
- Net leverage of 0.9x together with cash and available liquidity of \$78 million provide flexibility to fund growth initiatives



## Strategic Milestones IA NEXT

- Successful integration of F-16 production into Exton
- Completion of next generation utility management system
- Introduced new Liberty Flight Deck
- Completed expansion of Exton facility; production capacity tripled and now able to support up to \$250 million revenue base
- Closed on new five-year, \$100 million credit facility

# F4Q25 PERFORMANCE SUMMARY

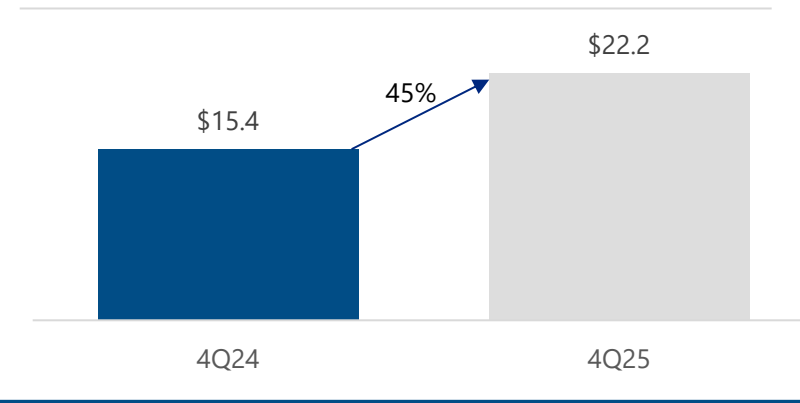
Strong 4Q Results Highlight Progress on Strategic Priorities

**Strong growth, favorable mix, strong cash flow, focus on strategic priorities drive 4Q results**

- Revenue increased 45% despite pause in F-16 deliveries
- EBITDA growth highlights strong growth and more favorable revenue mix
- EBITDA margin expansion reflects operating leverage and mix benefits
- Elevated backlog demonstrates business momentum and strong future growth outlook

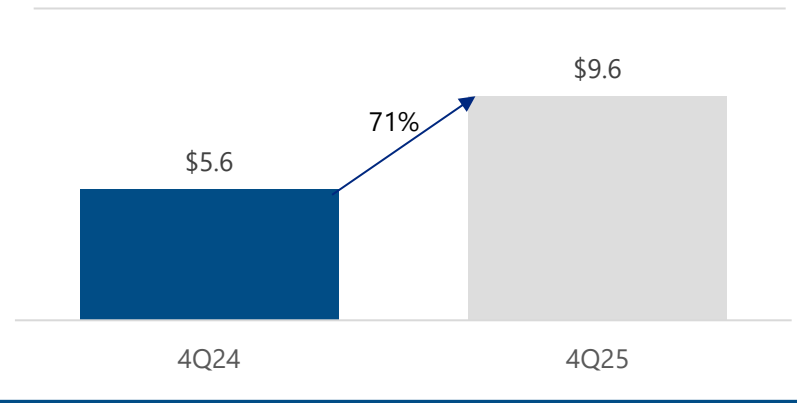
## Fourth Quarter Revenue

(\$MM)



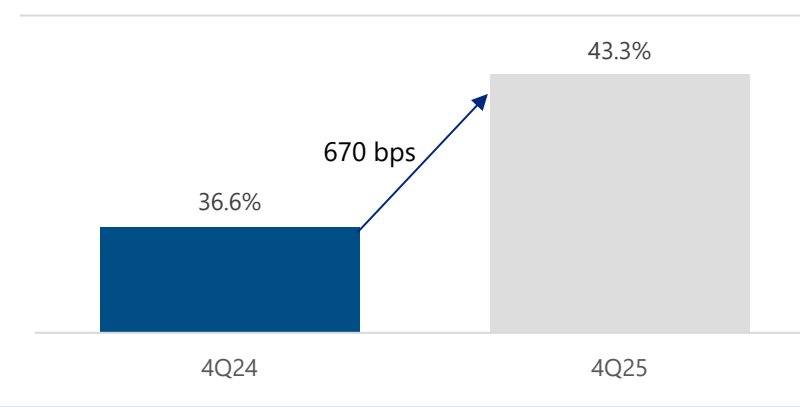
## Fourth Quarter Adjusted EBITDA

(\$MM)



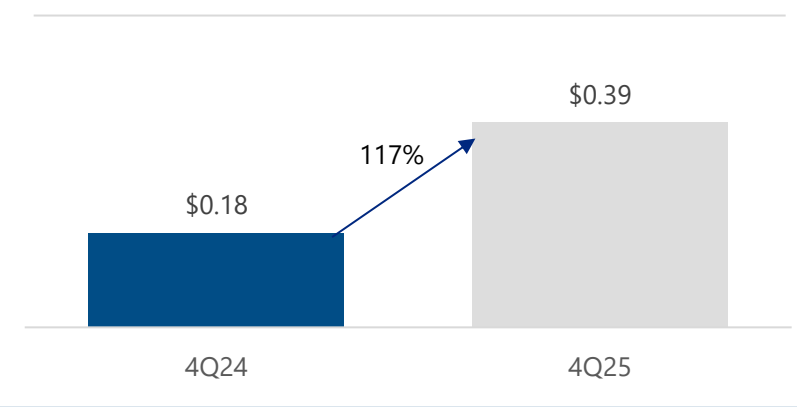
## Fourth Quarter Adjusted EBITDA Margin

(%)



## Fourth Quarter Diluted EPS

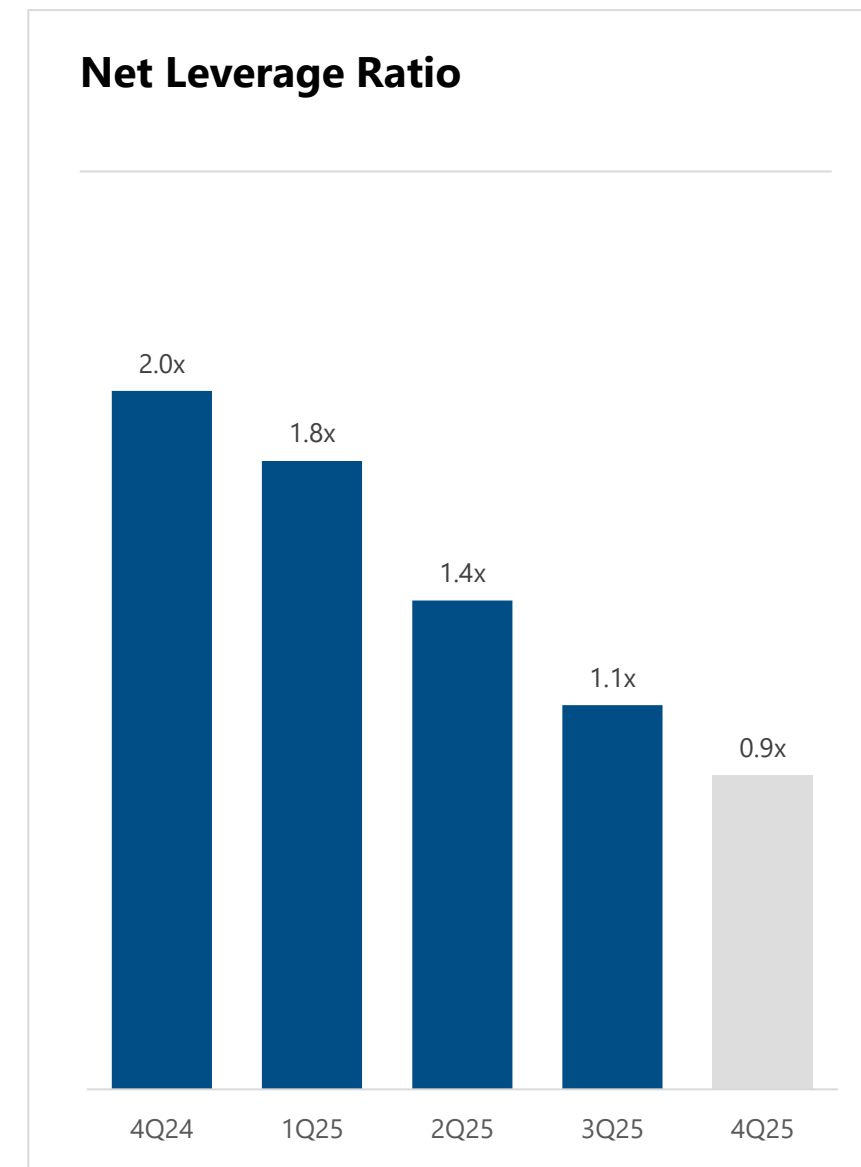
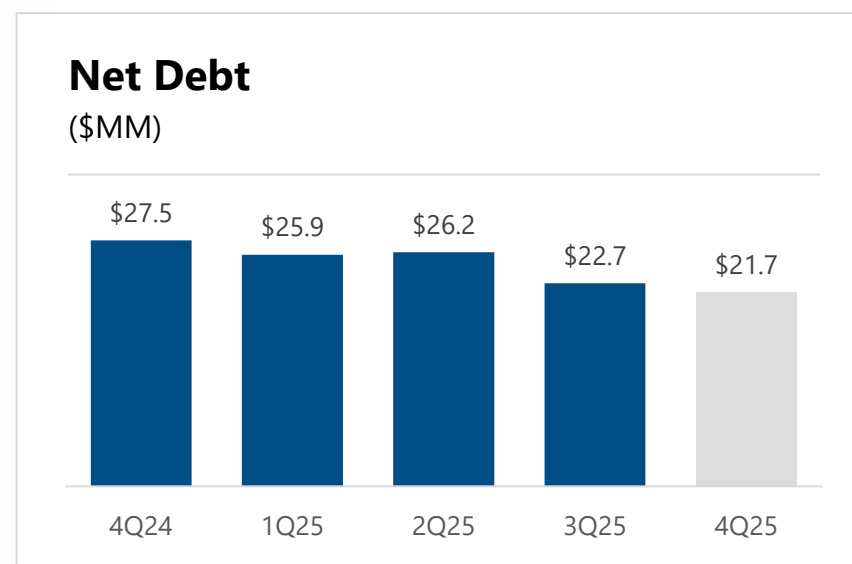
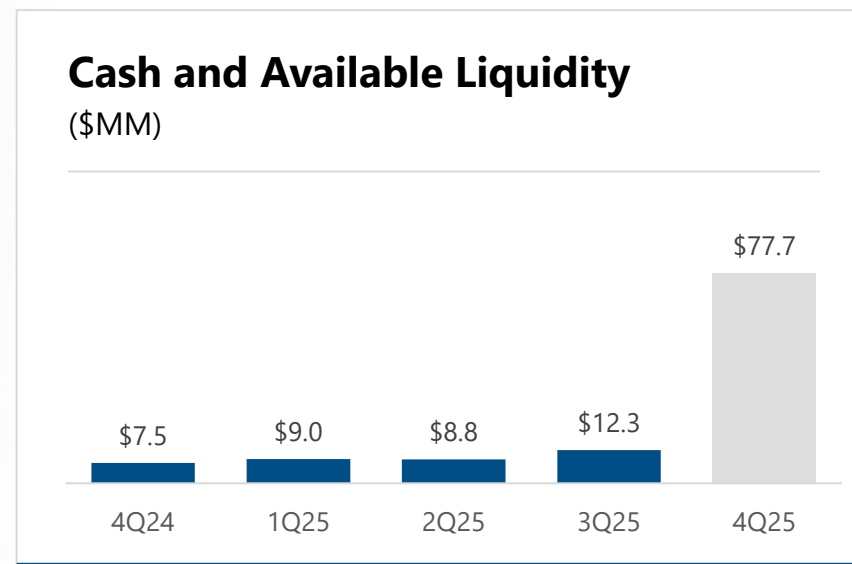
(\$MM)



**Strong financial position with current cash balance and availability under our credit facility equaling \$78 million provide ample liquidity to support our ongoing operations and growth initiatives**

## DISCIPLINED BALANCE SHEET MANAGEMENT

Strong financial position provides ability to pursue growth objectives



# APPENDIX



# NON-GAAP FINANCIAL DISCLOSURES

EBITDA, Adjusted EBITDA, Adjusted Net Income, Adjusted Diluted Earnings Per Share ("EPS"), Adjusted Net Cash provided by operating activities ("free cash flow") and net debt 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		Twelve Months Ended	
	September 30,		September 30,	
	2025	2024	2025	2024
<b>Net Income</b>	<b>7,111,312</b>	<b>3,180,194</b>	<b>15,627,660</b>	<b>6,998,379</b>
Income tax expense	2,205,100	901,719	4,323,803	1,853,180
Interest expense	503,279	233,042	1,725,205	937,309
Depreciation and amortization	908,670	660,710	3,733,721	2,097,942
<b>EBITDA</b>	<b>10,728,361</b>	<b>4,975,665</b>	<b>25,410,389</b>	<b>11,886,810</b>
Acquisition related costs	-	655,011	415,780	1,172,363
ERTC Income, Net of expenses	(1,515,383)	-	(1,515,383)	-
Inventory step-up adjustment and Other	419,199	-	419,199	-
CFO transition, ATM Costs and other strategic initiatives	-	-	104,977	612,907
<b>Adjusted EBITDA</b>	<b>9,632,177</b>	<b>5,630,676</b>	<b>24,834,962</b>	<b>13,672,080</b>
<b>Adjusted EBITDA Margin</b>	<b>43.3%</b>	<b>36.6%</b>	<b>29.5%</b>	<b>29.0%</b>

