



P A R K
A E R O S P A C E
C O R P .

Company Presentation
July 8, 2021

Forward Looking Disclaimer

This presentation contains forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements give current expectations or forecasts of future events or our future financial or operating performance, and include Park's expectations regarding revenues, EBITDA, EBIT, and growth opportunities and projected pro forma financial information for Park's business. The forward-looking statements contained in this presentation are based on management's good-faith belief and reasonable judgment based on current information, and these statements are qualified by important risks and uncertainties, many of which are beyond our control, that could cause our actual results to differ materially from those forecasted or indicated by such forward-looking statements.

Factors that could cause actual events or results to differ materially from Park's expectations or forecasts are set forth under the caption "Factors That May Affect Future Results" in Item 1 and in Item 1A "Risk Factors" of the Company's Annual Report on Form 10-K for the fiscal year ended February 28, 2021 and in subsequent reports filed with or furnished to the Securities and Exchange Commission. Except as may be required by any applicable laws, the Company assumes no obligation to update such forward-looking statements, which are made as of the date hereof or an earlier date specified herein, whether as a result of new information, future developments, or otherwise.



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Our Business

➤ **Park Aerospace Corp.** develops and manufactures Solution and Hot-Melt Advanced Composite Materials used to produce composite structures for global aerospace markets:

- ✓ Wide array of prepreg materials specifically designed for hand lay-up or automated fiber placement (AFP) manufacturing applications
- ✓ Film Adhesive materials (in final stages of development with Major Aerospace Customer)
- ✓ Lightning Strike Protection materials (“Electroglide®”)



➤ Park Aerospace’s Advanced Composite Materials are used to produce primary and secondary structures for:

- ✓ Jet Engines
- ✓ Large Transport Aircraft
- ✓ Regional Transport Aircraft
- ✓ Military Aircraft
- ✓ Unmanned Aerial Vehicles (UAVs or “Drones”)
- ✓ Business Jets & General Aviation Aircraft
- ✓ Rotary Wing Aircraft
- ✓ Other Specialized Aerospace Applications



Our Business (Continued)

- Park Aerospace also offers:
 - ✓ Specialty Ablative materials for Rocket Motors and Nozzles
 - ✓ Specially designed materials for Radome Applications

- As a complement to our Advanced Composite Materials offering, Park Aerospace designs and fabricates Composite Parts, Structures and Assemblies and Low-Volume Tooling for the Aerospace Industry
 - ✓ Parts include Park Aerospace's proprietary "SigmaStrut"™ and "AlphaStrut"™ product lines
 - ✓ Markets for parts and structures:
 - Prototype and Development Aircraft
 - Special Mission Aircraft
 - Aircraft "STC" Mods
 - Spares for Legacy Military and Civilian Aircraft
 - Exotic Spacecraft
 - Military Aircraft

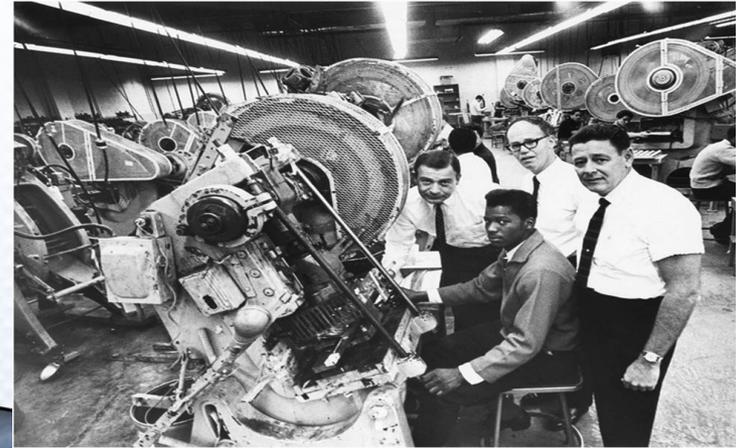


Facility Prior to Major Expansion



Our History

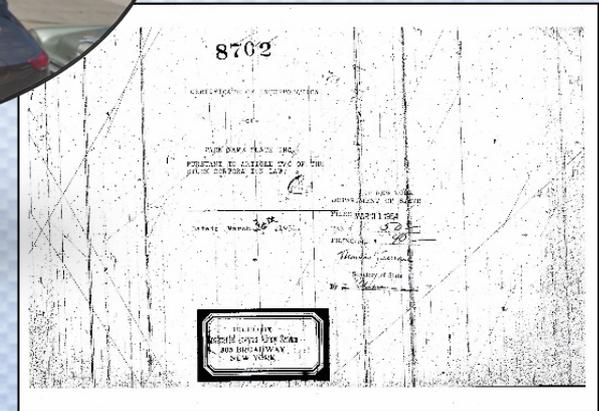
- Park founded on March 31, 1954 by Jerry Shore and Tony Chiesa with ~ \$60 Thousand Investment
- Company started in a small “factory” (garage?) in Woodside, Queens with 5 employees
- 1954 Results:
 - ✓ Sales: \$124,206.59
 - ✓ Pretax Profit: \$887.38
 - ✓ Taxes Paid: \$226.21
- First Invoice: \$300 (hand written)



Park's Founders



Park's First Location

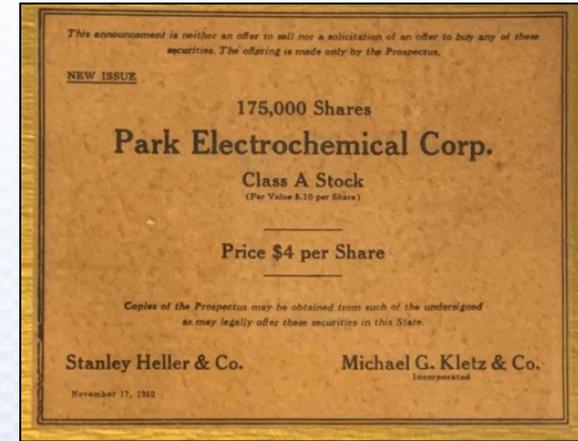


Park's Original Certificate of Incorporation



Our History (Continued)

- November 17, 1960 Park goes Public (Park recently celebrated 60th Anniversary of IPO!)
- 1961 Park acquires New England Laminates Company (“Nelco”) in Stamford, CT for ~ \$200 Thousand
- 1984 Park lists on NYSE
- 1985 Park commences regular Quarterly Cash Dividend
- Mid-1980’s Park had become global Electronics Business with other ancillary businesses



Our History (Continued)

Jan 2007 Park commits to Aerospace as second major area of business focus

Jan 17, 2008 Ground-breaking of Park's New Aerospace Facility in an empty field in Newton, KS

May 2009 Park's Newton, KS Aerospace Facility opens

February 28, 2014 (11:00 PM) Park makes first production shipment to MRAS* for engine nacelles, thrust reversers and engine internal fixed structures for Legendary Boeing 747 Aircraft



*Middle River Aerostructure Systems, a subsidiary of ST Engineering Aerospace



Our History (Continued)

- December 2018 Park announces Major Expansion of Newton, KS Facility
- December 2018 Park sells its Electronics Business to AGC Inc. of Tokyo, Japan
- December 2018 Park's transformation from an Electronics Company into an Aerospace Company is complete
- July 17, 2019 Park changed name from Park Electrochemical Corp. to **Park Aerospace Corp.**



Major Expansion of Newton, KS Facilities

➤ December 2018...Park announced Major Expansion of Newton, KS Aerospace Manufacturing and Development Facilities

- ✓ Redundant Plant for MRAS and its Aircraft OEM Customers
- ✓ Park expects Redundant Plant will also be needed for Manufacturing Capacity
- ✓ Approximately 90,000 square feet
- ✓ Expansion approximately doubles size of current Newton, KS facilities
- ✓ Ground-Breaking on August 15, 2019
- ✓ Expansion is basically complete
- ✓ Manufacturing trials expected to begin in July of 2021
- ✓ Qualification runs expected to begin in September of 2021
- ✓ Total budget: approximately \$19.0 million
- ✓ Spending
 - To date: approximately: \$16.5 Million
 - To go: approximately \$2.5 Million



Major Expansion (Continued)

➤ Expansion includes:

- ✓ New 60" Hot-Melt Film and Tape Manufacturing Lines
- ✓ New Mixing and Delivery Systems
- ✓ New R&D Lab
- ✓ Expanded Production Lab
- ✓ Additional Slitting Capacity
- ✓ Additional Freezer and Storage Space
- ✓ Space to accommodate additional Hot-Melt Tape Line or Solution Treating Line
- ✓ Additional Office Space

- ## ➤ We pushed forward with our Major Expansion when many others were slashing their capital spending...good thing we did



Perspective on Financial Factors not Affecting Adjusted EBITDA in FY2022

- Cash Investment Yields
 - ✓ Prevailing interest rates?
 - ✓ The Fed?
- Tax Rate
 - ✓ Is an increase in Federal Corporate tax rate coming?
- Depreciation



Park's Balance Sheet, Cash and Cash Dividend History

- Park has zero long-term debt
- Park had \$117 Million of Cash and Marketable Securities as of end of FY2022 Q1
- Park's Cash Dividend
 - ✓ Park has paid 36 consecutive years of uninterrupted regular quarterly cash dividends without ever skipping a dividend or reducing the dividend amount
 - ✓ Park has paid \$546 Million, or \$26.65 per share, in cash dividends since the beginning of FY2005
 - ✓ Another \$0.10 per share regular quarterly dividend declared on June 14, 2021 payable August 5, 2021 to shareholders of record on July 1, 2021



Quarterly Results for FY2020, FY2021 and FY2022 Q1 (In Thousands)*

	FY20 Q1	FY20 Q2	FY20 Q3	FY20 Q4	FY21 Q1	FY21 Q2	FY21 Q3	FY21 Q4	FY22 Q1
Sales	\$14,950	\$13,723	\$15,847	\$15,494	\$12,213	\$9,250	\$10,372	\$14,441	\$13,594
Gross Profit	\$4,804	\$3,813	\$5,022	\$5,034	\$3,674	\$2,638	\$2,553	\$4,326	\$5,472
Gross Margin	32.1%	27.8%	31.7%	32.5%	30.1%	28.5%	24.6%	30.0%	40.3%
Adjusted EBITDA	\$3,372**	\$2,406	\$3,622	\$3,612**	\$2,364	\$1,418	\$1,380	\$3,257**	\$4,104**
Adjusted EBITDA Margin	22.6%**	17.5%	22.9%	23.3%**	19.4%	15.3%	13.3%	22.6%**	30.2%**

- What we said about FY2022 Q1 during our May 13, 2021 FY2021 Q4 Investor Call:
 - ✓ Sales estimate: \$13.3 Million to \$13.8 Million
 - ✓ Adjusted EBITDA estimate: \$3.6 Million to \$4.1 Million
- Certain factors which affected FY2021 Q4 and FY2022 Q1 Sales and Margins

*From Continuing Operations

**Before Special Items



FY2017, FY2018, FY2019, FY2020 and FY2021 Results (In Thousands)*

	FY2017	FY2018	FY2019	FY2020	FY2021
Sales	\$31,837	\$40,230	\$51,116	\$60,014	\$46,276
Gross Profit	\$8,299	\$11,288	\$16,184	\$18,673	\$13,191
Gross Margin	26.7%	28.1%	31.7%	31.1%	28.5%
Adjusted EBITDA	\$1,055	\$4,704**	\$10,248**	\$13,012**	\$8,419**
Adjusted EBITDA Margin	3.3%	11.7%**	20.0%**	21.7%**	18.2%**

*From Continuing Operations

**Before Special Items



FY2022 Q1 Top Five Customers (in Alphabetical Order)



Boeing 787

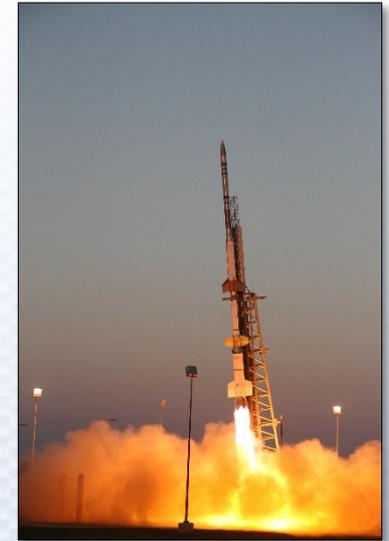
AAE Aerospace

GKN Aerospace

Kratos Defense and Security Solutions

Middle River Aerostructure Systems (MRAS)*
and its subcontractors

Nordam Group



NASA Talos-Terrier-Oriole



Kratos BQM-177A SSAT



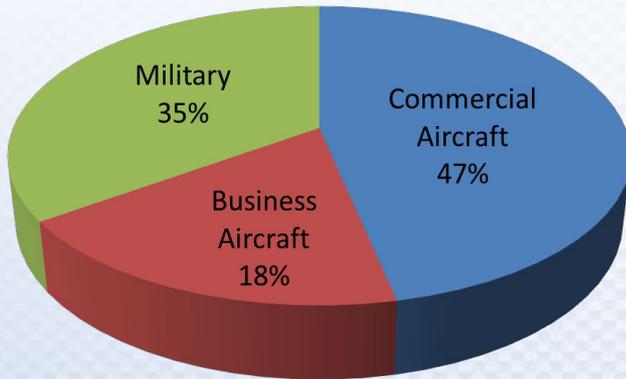
Boeing 737 MAX

*MRAS is a subsidiary of
ST Engineering Aerospace



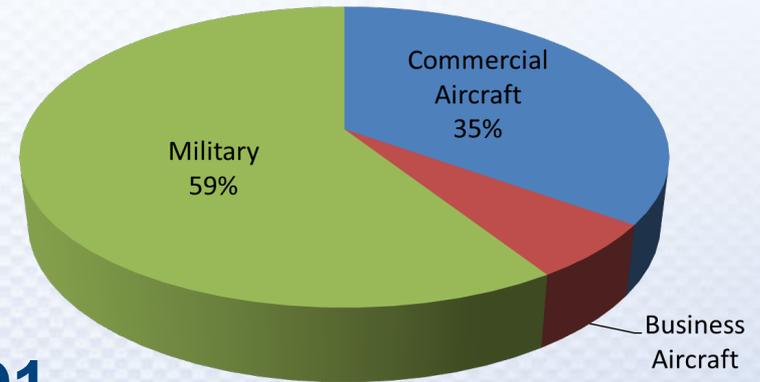
Park's Estimated Revenues by Aerospace Market Segment

FY2020



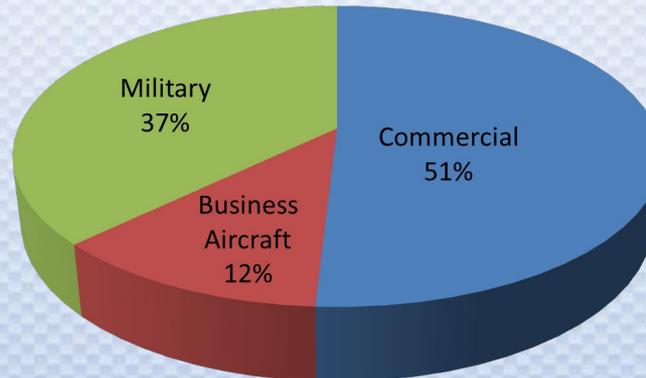
FY2020 Revenues:
\$60.0 Million

FY2021



FY2021 Revenues:
\$46.3 Million

FY2022 Q1



FY2022 Q1 Revenues:
\$13.6 Million



Park Loves “Niche” Military Aerospace Programs



Raytheon MK 56 Guided Missile
Vertical Launching System



Lockheed C-5 Galaxy



Boeing AH-64 Apache

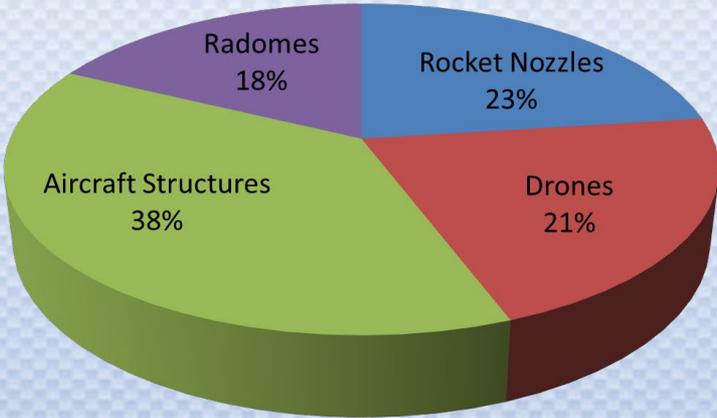


Textron Systems RQ-7 Shadow

Park’s Estimated FY2022 Q1 Military Revenues by Market Segment



Airbus C-295



Estimated FY2022 Q1
Military Revenues: \$5.1 Million



James Webb Space Telescope Teaser

- Launch planned for November 2021
- “Going where no man (or woman) has gone before” ...
 - ✓ Fathoming the unfathomable
 - ✓ Seeing the unseeable
 - ✓ Knowing the unknowable



Commercial Aviation...Recovering from the Abyss...Updates and Developments

- Higher Jet Fuel Prices and Environmental Concerns provide extra motivation for airlines to more quickly replace less fuel-efficient legacy single-aisle aircraft with more fuel-efficient modern single-aisle aircraft, such as the Airbus A320neo
- China domestic aviation had recovered to greater than pre-Covid levels, but recent Covid outbreak and lockdown in Guangdong Province have been a temporary setback for China domestic aviation...now at pre-Covid levels...still very positive for single-aisle aircraft sales
- U.S. domestic aviation has recovered to approximately 84% of pre-Covid levels...full recovery is expected in 2022...very positive for single-aisle aircraft sales
- Although it still has a way to go, European domestic aviation starting to recover...positive sign for single-aisle aircraft sales
- Single-aisle aircraft is the place to be in Commercial Aviation, at least for now...Park's opinion



Commercial Aviation...Recovering from the Abyss...Updates and Developments (Continued)

- U.S. and European Union resolve 17 year-long trade dispute involving subsidies to Boeing and Airbus...
 - ✓ According to the U.S. trade representative, “We are finally coming together against a common threat”, mentioning China
- Boeing recently stated it is in no hurry to develop a new single-aisle aircraft (dubbed the –5X) to compete against the Airbus A321XLR



GE Aviation Jet Engine Programs

- Firm Pricing LTA (Requirements Contract) from 2019 through 2029 with Middle River Aerostructure Systems (MRAS), a subsidiary of ST Engineering Aerospace
- Redundant Factory...Construction is basically complete
- Sole Source for Composite Materials for Engine Nacelles and Thrust Reversers for Multiple MRAS Programs, including:
 - ✓ A319neo with LEAP-1A Engines*
 - ✓ A320neo with LEAP-1A Engines*
 - ✓ A321neo with LEAP-1A Engines*
 - ✓ A321LR with LEAP-1A Engines*
 - ✓ A321XLR with LEAP-1A Engines*
 - ✓ B747-8 with GENx 2B Engines (including Inner Fixed Structures)
 - ✓ Comac C919 with LEAP-1C Engines*
 - ✓ Comac ARJ-21 with CF34-10A Engines
 - ✓ Bombardier Global 7500 with Passport 20 Engines
- Park Composite Materials are Sole Source on primary structure component for Passport 20 Engines for Bombardier Global 7500 (not included in MRAS LTA)



Legendary Boeing 747-8 Engine Nacelles

Update on GE Aviation Jet Engine Programs

- Airbus A319neo/A320neo/A321neo/A321LR/A321XLR (A320neo Family of Aircraft) with LEAP-1A Engines...In the ramp mode...
 - ✓ Airbus plans to increase A320 Family of Aircraft production rate from 40 to 43 per month in CY2021 Q3 and 45 per month in CY2021 Q4
 - ✓ During Airbus's Q1 Investor Call on April 29, 2021, Guillaume Faury, Airbus CEO, stated there will be "a steep ramp-up in 2022 and 2023 for the single-aisle [aircraft]"
 - ✓ In a May 27, 2021 news release, Airbus stated: "A320 Family: Airbus confirms an average A320 Family production rate of 45 aircraft per month in Q4 2021 and calls on suppliers to prepare for the future by securing a firm rate of 64 by Q2 2023. In anticipation of a continued recovering market, Airbus is also asking suppliers to enable a scenario of rate 70 by Q1 2024. Longer term, Airbus is investigating opportunities for rates as high as 75 by 2025."



Update on GE Aviation Jet Engine Programs (Continued)

- ✓ As of the end of May, 2021, CFM (meaning the LEAP-1A engine) had a 60% share of firm orders for the A320neo family of aircraft (Source: July 2021 edition of Aero Engine News)
- ✓ On May 21, 2021 CFM and IndiGo, India's largest airline, announced that IndiGo has selected the LEAP-1A to power an additional 310 A320neo family of aircraft, representing CFM's largest order ever (by number of units)
- ✓ Airbus recently announced it is resuming work on a new assembly line in Toulouse for A321neo aircraft...
Airbus announced that this new assembly line is scheduled to be operational by the end of 2022



Airbus A321neo with CFM LEAP-1A Engines



Update on GE Aviation Jet Engine Programs (Continued)

✓ A321XLR News

- First Test Aircraft Nearing Final Assembly
- First Flight expected in 2022
- Certification and entry into service expected in 2023
- **Key question:** Is the single-aisle, 5,000+ statute mile range, 225+ seating capacity market being ceded to the Airbus A321XLR



Airbus A321XLR



Update on GE Aviation Jet Engine Programs (Continued)

- Comac C919 with LEAP-1C Engines...Comac continues to maintain that they intend to certify and begin deliveries of the aircraft before the end of 2021
 - ✓ How will the recent “peace treaty” between Boeing and Airbus intended to deal with their “common threat” affect Comac and the C919 program?
 - ✓ Comac recently reiterated plans to complete the development of a domestic engine alternative to the LEAP-1C engine for the C919 by 2025!



Comac C919 with CFM LEAP-1C Engines



Update on GE Aviation Jet Engine Programs (Continued)

- Bombardier Global 7500 with Passport 20 Engines...In the ramp mode...Park is now seeing the ramp in our order patterns



Bombardier Global 7500 with Passport 20 Engines

- Comac ARJ-21 with CF34-10A Engines...
In the ramp mode...Park is seeing early signs of the ramp in our order patterns



Comac ARJ21 with CF34-10 Engines



Update on GE Aviation Jet Engine Programs (Continued)

- Boeing 747-8...Boeing has announced it will terminate production of the Queen of the Skies in 2022...Long Live the Queen...



Legendary Boeing 747...the Queen of the Skies in Real Life



Commercial Aerospace Year in Review... Armageddon Revisited...Again

- Airplanes Parked by the Thousands
- Airline Terminals were Ghost Towns
- Airplanes Flying Almost Empty
- Thousands of Flights Cancelled
- Thousands and thousands of employees were laid off throughout the Commercial Aircraft and Commercial Aviation Industries
- Almost all news about Commercial Aircraft Industry was negative...**very** negative
- Aviation Analysts and Commentators Predicted full Recovery would not come for many years...or May Never Come...“End of Days” ...



DEPARTURES					DEPARTURES					DEPARTURES							
CITY	AIRLINE	FLIGHT	TIME	GATE	STATUS	CITY	AIRLINE	FLIGHT	TIME	GATE	STATUS	CITY	AIRLINE	FLIGHT	TIME	GATE	STATUS
Dallas Ft. Worth	Southwest	1351	11:30A		Cancelled	Minneapolis	Southwest	341	8:45P		Cancelled	Atlanta	Southwest	1655	12:05P		Cancelled
Dallas Ft. Worth	American	2270	1:50P		Cancelled	New Orleans	Southwest	873	9:55A	C33	Delayed	Austin	Southwest	717	1:10P		Cancelled
Dallas Ft. Worth	Southwest	2353	3:35P		Cancelled	New Orleans	Southwest	1334	12:55P		Cancelled	Phoenix	Southwest	341	12:05P		Cancelled
Denver	Southwest	2344	1:30A		Cancelled	New York LGA	jetBlue	226	11:20A		Cancelled	Portland	Southwest	1448	12:50P	CD	On Time
Denver	Southwest	2553	3:25P		Cancelled	New York LGA	Air D L Y A	683	8:35P		Cancelled	Pittsburgh	Southwest	1460	10:54A	C33	On Time
Denver	UNITED	1113	4:47P	A13	On Time	New York LGA	Southwest	2028	9:45P	C31	On Time	Portland	jetBlue	1391	12:50P		Cancelled
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Miami	Southwest	2454															

Commercial Aerospace Year in Review...

Armageddon Revisited...Again (Continued)

- But, at Park, we did not completely buy all the doom and gloom news...we did not buy that the “End of Days” were at hand
- So, we made arrangements with MRAS to maintain minimum monthly baseline (critical mass) production levels to preserve Park’s ability to ramp up production when needed
 - ✓ Turns out that this was critically important to Park **and** MRAS
- And, even though lay-offs were widespread and pervasive throughout the Commercial Aerospace industry, we laid off **none** of our people through all of the darkest and seemingly hopeless days in the Commercial Aerospace Industry
 - ✓ Turns out the decision not to lay off any of our People was critically important to Park



Commercial Aerospace Year in Review... Armageddon Revisited...Again (Continued)

- We spoke at length, during our FY2021 investor calls, about the significant divergence from and mismatch between the minimum monthly baseline (critical mass) production amounts agreed to with MRAS and the **then** current end-market requirements for the GE Programs which Park is on
 - ✓ **Inventory Destocking!**
- We said:
 - ✓ Inventory could not be “destocked” to below zero
 - ✓ The divergence was mathematically unsustainable
 - ✓ Unless the aircraft end-market took another dramatic step down, the “Day of Reckoning” was coming...
- Well...it came
 - ✓ Destocking has ended...at least for the GE Aviation Programs Park is on



The GE Aviation Jet Engine Programs Park is on are in the Ramp Mode

Park is on are in the Ramp Mode

- The GE Aviation Jet Engine Programs Park is on are in the Ramp Mode (except the 747-8, whose rates are unchanged)...and the Ramp is looking Steep!
- For perspective, GE Aviation Program Sales for the following periods were:
 - ✓ FY2021 Q3: \$1.8 Million
 - ✓ FY2022 Q1 : \$7.0 Million
 - Represents approximately a **4x** increase in two Quarters!



The GE Aviation Jet Engine Programs Park is on are in the Ramp Mode (Continued)

- In addition, we recently received an updated Long-Term Forecast for GE Aviation Program Sales for CY2021 through CY2029 (the balance of the Firm Pricing LTA period), and...
 - ✓ On an apples to apples basis, total updated forecasted GE Aviation Program Sales for CY2021 through CY2029 are very similar to the total forecasted GE Aviation Program Sales from the Pre-Covid forecast for that same period
 - ✓ Park's opinion...Updated Long-Term Forecast may not fully capture:
 - The steep ramp-up of A320neo Aircraft Family production discussed by Airbus in their May 27, 2021 news release (see Slide 16)
 - Significant potential A321XLR sales opportunities, especially in light of Boeing's recent statement about not being in a hurry to develop an aircraft to compete against the A321XLR (see Slide 14)

- **Important question...**How will the Commercial Aerospace Manufacturing Supply Chain respond to the Steep Ramp? This is more of a short-term consideration, but, nevertheless, an important one



How is Park Responding to the GE Aviation Programs Ramp-up?...It is All About Our People

- Park's current People count is 105!!!
 - ✓ People still getting paid not to work...

- But, Park's People are stepping up and getting the job done...that is what Park's People do...

- And Thank Goodness for Park's Customer Flexibility Program
 - ✓ Current Total Participation: 80%...Participation break-down:
 - 2 job categories: 46%
 - 3 job categories: 32%
 - 4 job categories: 16%
 - 5 job categories: 6%
 - ✓ Without our Customer Flexibility Program, it would be **very** difficult to get the job done



How is Park Responding to the GE Aviation Programs Ramp-up?...It is All About Our People (Continued)

- And Thank Goodness we did not lay anybody off even in the darkest days of the Commercial Aerospace Industry's Armageddon
- And Thank Goodness for Park's Great People
 - ✓ Without them, we would not be able to get the job done
 - ✓ Park is fortunate and blessed to have the Great People it has
 - ✓ Every Park Person received a \$250 bonus for their dedication and outstanding work during FY2022 Q1



GE Aviation Programs Sales History and Forecast Estimates

➤ GE Aviation Programs sales history:

- ✓ FY2020 Total: \$28.9 Million
- ✓ FY2021 Q1: \$4.1 Million
- ✓ FY2021 Q2: \$2.9 Million
- ✓ FY2021 Q3: \$1.8 Million*
- ✓ FY2021 Q4: \$4.4 Million
- ✓ FY2021 Total: \$13.2 Million
- ✓ **FY2022 Q1: \$7.0 Million**



Cathay Pacific 747-8 Departing Anchorage

➤ FY2022 GE Aviation Programs sales forecast estimates:

- ✓ **FY2022 Q2:** \$6.0 Million to \$6.25 Million
- ✓ **FY2022 Q3:** \$6.25 Million to \$7.25 Million
- ✓ **FY2022 Q4:** \$6.75 Million to \$7.5 Million
- ✓ **FY2022 Total:** \$26.0 Million to \$28.0 Million

➤ Supply Chain risks to forecast

*Two months of production



Park's Financial Performance History and Forecast Estimates

- FY2021 Sales and Adjusted EBITDA history:

	Sales	Adjusted EBITDA
FY2021 Q1	\$12.2 Million	\$2.4 Million
FY2021 Q2	\$9.3 Million	\$1.4 Million
FY2021 Q3	\$10.4 Million	\$1.4 Million
FY2021 Q4	\$14.4 Million	\$3.3 Million
FY2021 Total	\$46.3 Million	\$8.4 Million

- Certain factors which affected FY2021 Q4 and FY2022 Q1 Sales and Adjusted EBITDA
- FY2022 Financial Forecast Estimates:

	Sales	Adjusted EBITDA
FY2022 Q1*	\$13.6 Million	\$4.1 Million
FY2022 Q2	\$13.25 Million to \$14.25 Million	\$3.0 Million to \$3.7 Million
FY2022 Total	\$55.0 Million to \$62.0 Million	\$13.5 Million to \$16.5 Million

- Supply Chain risks to forecast

*Actual



Update on Acquisition and Other Strategic Investment Activities

- Acquisitions
 - ✓ Banker led auctions of Aerospace Companies
 - ✓ Strategic targeting of Aerospace industry market segments and product lines
- JVs
- Potential Strategic investments in key Aerospace and Aircraft programs



Living in Strange Times

- “Strange Days Have Found Us”...
 - ✓ People getting paid not to work
 - ✓ “Free” money being force fed into the system

- The world seems upside down and backwards to us...
 - ✓ What was supposed to matter...doesn't
 - ✓ What was not supposed to matter...does

- But, at Park we are not philosophers or politicians
 - ✓ We keep pressing forward
 - ✓ We do not stop, we do not back down and we do not relent...
 - We just don't do those things...not in our nature
 - ✓ At Park, we work for a living
 - ✓ At Park, we make money for our owners



Living in Strange Times (Continued)

- Our Park family sticks together and we take care of each other...
 - ✓ We honor the One we lost who we will not forget...ever
- Park is a strange and unusual company filled with wonderful and special People
 - ✓ We are very fortunate when it comes to our People
- We are not like the others...at Park, we play for keeps...



Park's Q1 Production Lab Team





Thank You!



Park Aerospace Corp.

July 8, 2021 Investor Conference Call – Supplementary Financial Information

The financial and other data contained herein (the “Supplementary Data”) is being provided pursuant to the requirements of Regulation G promulgated by the U.S. Securities and Exchange Commission (the “SEC”). The Supplementary Data is time-sensitive information and is accurate as of July 8, 2021. Park Aerospace Corp. (“Park” or the “Company”) is under no obligation to (and expressly disclaims any such obligation to) update or alter the Supplementary Data whether as a result of new information, future events or otherwise.

The Supplementary Data should be read in conjunction with our 2022 fiscal year first quarter earnings news release dated July 8, 2021 and the reports and documents that we file from time to time with the SEC. In particular, please read our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and any Current Reports on Form 8-K that we may file from time to time. Park currently expects to file its Quarterly Report on Form 10-Q for the fiscal year ended May 30, 2021 on or about July 9, 2021. We make available free of charge on or through our website located at www.parkaerospace.com our SEC filings on Forms 10-K, 10-Q and 8-K and any amendments to those filings as soon as reasonably practicable after electronic filing with the SEC.

As previously reported, Park sold its Electronics Business to AGC Inc. on December 4, 2018. Accordingly, the following supplemental information focuses on Park’s Aerospace Business, the business which remains with Park going forward. All comparisons to prior periods exclude Park’s former Electronics Business.

Park’s sales were \$13.6 million in the 2022 fiscal year first quarter compared to \$12.2 million in the 2021 fiscal year first quarter and \$14.4 million in the 2021 fiscal year fourth quarter.

Gross Profit for the 2022 fiscal year first quarter was \$5.5 million, or 40.3% of sales, compared to \$3.7 million, or 30.1% of sales, for the 2021 fiscal year first quarter and \$4.3 million, or 30.0% of sales, for the 2021 fiscal year fourth quarter.

Before special items, selling, general and administrative expenses for the 2022 fiscal year first quarter were \$1.6 million, or 12.1% of sales, compared to \$1.6 million, or 13.3% of sales, for the 2021 fiscal year first quarter and \$1.4 million, or 9.7% of sales, for the 2021 fiscal year fourth quarter. Investment income, net of interest expense, in the 2022 fiscal year first quarter was \$117,000 compared to \$656,000 in the 2021 fiscal year first quarter and \$207,000 in the 2021 fiscal year fourth quarter.

Before special items, earnings before income taxes for the 2022 fiscal year first quarter were \$3.9 million, or 29.0% of sales, compared to \$2.7 million, or 22.1% of sales, for the 2021 fiscal year first quarter and \$3.1 million, or 21.7% of sales, for the 2021 fiscal year fourth quarter.

APPENDIX I

Before special items, net earnings for the 2022 fiscal year first quarter were \$2.8 million, or 20.3% of sales, compared to \$2.0 million, or 16.1% of sales, for the 2021 fiscal year first quarter and \$2.3 million, or 16.2% of sales, for the 2021 fiscal year fourth quarter.

Depreciation and amortization expense in the 2022 fiscal year first quarter was \$216,000 compared to \$277,000 in the 2021 fiscal year first quarter and \$277,000 in the 2021 fiscal year fourth quarter. Capital expenditures in the 2022 fiscal year first quarter were \$1.6 million compared to \$2.5 million in the 2021 fiscal year first quarter and \$2.2 million in the 2021 fiscal year fourth quarter.

Adjusted EBITDA for the 2022 fiscal year first quarter was \$4.1 million, or 30.2% of sales, compared to \$2.4 million, or 19.4% of sales, for the 2021 fiscal year first quarter and \$3.3 million, or 22.6% of sales, for the 2021 fiscal year fourth quarter.

The effective tax rate before special items was 30.0% in the 2022 fiscal year first quarter compared to 27.0% in the 2021 fiscal year first quarter and 25.6% in the 2021 fiscal year fourth quarter.

For the 2022 fiscal year first quarter, the top five customers, in alphabetical order, were AAE Aerospace, GKN Aerospace, Kratos Defense & Security Solutions, Middle River Aerostructure Systems (including its subcontractors) and The Nordam Group. Middle River Aerostructure Systems is a subsidiary of ST Engineering Aerospace. The top five customers totaled approximately 68% of total sales during the 2022 fiscal year first quarter. The top 10 customers totaled approximately 78% of total sales and the top 20 customers totaled approximately 87% of total sales for the 2022 fiscal year first quarter.

Park Aerospace Corp.
Environmental and Community Considerations

Park Aerospace Corp. is a designer and manufacturer of composite materials and structures for aircraft and other aerospace applications. (Composite structures are structures which are produced from composite materials.) One of the key drivers for the use of composite materials and structures in aircraft is weight reduction. Composite aircraft structures are generally much lighter than aluminum structures of similar design, and, accordingly, the use of composite structures results in lighter aircraft. Another key driver for the use of composite materials and structures in aircraft is that they enable and facilitate the design of much more aerodynamically optimized aircraft. Lighter and more aerodynamically optimized aircraft translate directly into more fuel efficient aircraft, i.e., aircraft which use less fuel for equivalent missions. And the reduction in fuel usage by aircraft translates directly into more environmentally friendly aircraft which generate less greenhouse gas emissions. In addition, we believe the next generation of alternative propulsion aircraft (such as hydrogen and electric propulsion aircraft) which approach carbon neutrality will rely heavily on the use of composite materials and structures in order to reduce the engine thrust requirements for such aircraft. It may be fair to say that one of the main reasons for Park to even exist is directly tied to the strong aircraft industry drive toward more fuel efficient and environmentally friendly aircraft. It also may be fair to say that Park's composite materials and structures technology and product lines are key enablers of the design and production of much more environmentally friendly aircraft both now and in the future.

Park takes its responsibilities to its Community very seriously. Park is committed to protecting the air, water and ground of its Community environment from any source of contamination or pollution. Park invests significant financial and human resources towards controlling any possible escapes from its facilities of any source of contamination of its Community environment. And to Park, its Community means its city, county, state, country and, ultimately, its world. Park is also committed to the minimization of any noise pollution from its facility. In addition, Park is committed to maintaining aesthetically beautiful facilities for the benefit of Park's employees and in order to enhance the overall beauty of the local Community. Park's facilities are located adjacent to the approach end of Runway

APPENDIX 2

35 at the Newton City-County Airport in Newton, Kansas. The first thing people likely see upon landing at the Newton City-County Airport are Park's beautiful facilities, which we hope make a very positive first impression to visitors of Newton, Kansas. It is also very important to Park that we provide our local Community people the opportunity to build a future for themselves and live a life of dignity by joining the Park family. It is important to Park that the people from our Community who come to work for us understand that, through hard work, dedication and sacrifice, they can make it all of the way to the top of our Company, just like Park's President and COO and Park's VP and General Manager, both of whom started at Park as entry level production employees.

June 1, 2021

Park Aerospace Corp.
Diversity and Our Workforce

- Park has a very diverse workforce, which Park is very pleased about
- At Park, all of our People are equal and all of our People are treated equally
- At Park, all of our People are Special, but nobody receives special treatment
- At Park, nobody is given anything...whatever our People have, they have earned
- At Park, our People look out for each other and have each other's backs
- Park is not an easy place to work, but, for People who want to build a future for themselves, Park can be a wonderful place to work
- Talk can be cheap, but, at Park, through the darkest and most hopeless days of the aerospace industry collapse, we laid off nobody while others in the industry were laying off thousands, and, in some cases, seemingly bragging about it
- At Park, we are not Gods so we are not able to guarantee we will never lay off anyone, but our People are family to us, and the last thing we would ever want to do is lay off family
- At Park, we want our People to understand that, through hard work and dedication, they can build a future for themselves at Park

APPENDIX 3

- At Park, we want our People to understand that, with hard work and sacrifice, they can make it all the way to the top, just like Park's President and COO and Park's VP and General Manager, both of whom started as entry level production employees
- At Park, our People are precious and the most important thing of all
- At Park, we take care of our own
- Our People are Park and Park is our People...

June 1, 2021