

# PRECISION AEROSPACE & DEFENSE GROUP, INC.



**INVESTOR DAY**  
*MARCH 2026*



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## Forward-looking Statements

This presentation contains certain forward-looking statements within the meaning of the federal securities laws with respect to the Proposed Business Combination, including statements regarding the benefits of the transaction, the anticipated timing of the transaction, the services offered by the Company and the markets in which it operates, and the Company's projected future results. These forward-looking statements generally are identified by the words "believe," "project," "expect," "anticipate," "estimate," "intend," "strategy," "future," "opportunity," "plan," "may," "should," "will," "would," "will be," "will continue," "will likely result," and similar expressions. Forward-looking statements involve predictions, projections and other statements about future events that are based on current expectations and assumptions and, as a result, are subject to risks and uncertainties. For example, PAD is using forward-looking statements in this presentation when it discusses its expectations regarding the timing of acquisitions and the performance of PAD's current operating entities and acquisition targets, if such acquisitions are successfully completed. Many factors could cause actual future events to differ materially from the forward-looking statements in this presentation, including but not limited to: (1) the occurrence of any event, change or other circumstances that could give rise to the termination of the Proposed Business Combination or any of PAD's ongoing acquisitions and potential acquisition targets; (2) the outcome of any legal proceedings that may be instituted against FACT, the Company, the combined company or others between March 10, 2026 and the completion of the Proposed Business Combination; (3) the inability to complete the Proposed Business Combination due to the failure to obtain approval of the shareholders of FACT, to obtain financing to complete the Proposed Business Combination or to satisfy other conditions to closing; (4) changes to the proposed structure of the Proposed Business Combination that may be required or appropriate as a result of applicable laws or regulations or as a condition to obtaining regulatory approval of the Proposed Business Combination; (5) the ability to meet stock exchange listing standards following the consummation of the Proposed Business Combination; (6) the risk that the Proposed Business Combination disrupts current plans and operations of FACT or the Company as a result of the announcement and consummation of the Proposed Business Combination; (7) the ability to recognize the anticipated benefits of the Proposed Business Combination, which may be affected by, among other things, competition, the ability of the combined company to grow and manage growth profitably, maintain relationships with customers and suppliers and retain its management and key employees; (8) costs related to the Proposed Business Combination; (9) changes in applicable laws or regulations and delays in obtaining, adverse conditions contained in, or the inability to obtain regulatory approvals required to complete the Proposed Business Combination; (10) the possibility that FACT, the Company or the combined company may be adversely affected by other economic, business, and/or competitive factors; (11) the impact of any health epidemics, pandemics or other contagious outbreaks or geopolitical events, such as war, on the Company's business and/or the ability of the parties to complete the Proposed Business Combination; (12) the Company's estimates of expenses and profitability and underlying assumptions with respect to stockholder redemptions and purchase price and other adjustments; (13) timing of acquisitions, if any, and the performance of the Company's current operating entities and acquisition targets, if such acquisitions are successfully completed; and (14) other risks and uncertainties set forth in the section entitled "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements and Risk Factor Summary" in FACT's final prospectus relating to its initial public offering dated November 26, 2024. The foregoing list of factors is not exhaustive. You should carefully consider the foregoing factors and the other risks and uncertainties described in the "Risk Factors" section of the registration statement on Form S-4, initially filed by FACT with the U.S. Securities and Exchange Commission (the "SEC") on January 2, 2026 (as may be amended and supplemented from time to time, the "Registration Statement") and in other documents filed by FACT with the SEC. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. Forward-looking statements speak only as of the date they are made. Readers are cautioned not to put undue reliance on forward-looking statements, and the Company and FACT assume no obligation and do not intend to update or revise these forward-looking statements, whether as a result of new information, future events, or otherwise. Neither the Company nor FACT gives any assurance that either the Company or FACT will achieve its expectations.

## Pro-forma Financial Information as of March 10, 2026

As of March 10, 2026, PAD is comprised of the following operating companies: Maney Aircraft, Inc. ("Maney"), Aerofab NDT LLC ("Aerofab"), AOP Precision Products, LLC ("V&M"), and Aerodyn Engineering, Inc. ("Aerodyn") (collectively, the "Current Operating Entities"). In addition, PAD has entered into definitive acquisition agreements with Western Professional, Inc. ("WestPro"), which was amended as of August 28, 2025, and with Southern Precision Machining ("SPM"), dated January 27, 2026. WestPro and SPM are collectively referred to as "Acquisition Targets." PAD also entered into a letter of intent on September 3, 2025, with Diagnostics Solutions International, LLC ("DSI"). The proposed transactions with the Acquisition Targets and DSI are subject to, among other things, certain conditions precedent including the completion of the Proposed Business Combination. As of March 10, 2026, PAD anticipates the acquisition of WestPro to occur on or about the date of the consummation of the Proposed Business Combination subject to the WestPro acquisition agreement's triggering events. As of March 10, 2026, PAD anticipates the acquisition of SPM to occur a number of weeks following the closing of the WestPro acquisition and the acquisition of DSI to occur a number of weeks following the closing of the SPM acquisition, subject to each acquisition agreement's respective triggering events. There can be no guarantee that any or all of the foregoing acquisition transactions will proceed to successful completion and it is possible that the acquisition of the Acquisition Targets and DSI may not occur at all or in the order or according to the timing currently expected by PAD. Accordingly, the information on slides 9, 10, 11, 12, 13, 14, 15, 16, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 34, 35, 36, 38, 41, 42, 45 and 46 relating to locations, employees, customers, members of management, pro forma financial information and the integration of the different Acquisition Targets and DSI into the various business segments speaks as if the Current Operating Entities, the Acquisition Targets and DSI were all acquired by PAD as of January 1, 2024. There can be no guarantee that, if acquired, the Acquisition Targets and DSI will be successfully integrated with the Current Operating Entities within PAD's relevant business segments. This presentation also contains references to potential acquisitions by PAD of other companies in the future. While it is the present intention of PAD to acquire additional companies, there can be no guarantee that such acquisitions will materialize or PAD will be successful in acquiring all or any such businesses in the future or, if acquired, that PAD will be successful in integrating such acquired businesses within PAD's relevant business segments.

# Disclaimer (cont.)

## **Additional Information and Where to Find It**

In connection with the Proposed Business Combination, FACT has filed the Registration Statement with the SEC, which contains a preliminary prospectus and proxy statement, referred to as a proxy statement/prospectus. After the Registration Statement is declared effective, a final proxy statement/prospectus will be sent to all FACT shareholders. FACT will also file other documents regarding the Proposed Business Combination with the SEC. Shareholders of FACT are advised to read the Registration Statement, the proxy statement/prospectus and all other relevant documents filed or that will be filed with the SEC in connection with the Proposed Business Combination as they become available because they will contain important information. Shareholders will be able to obtain free copies of the registration statement, the proxy statement/prospectus and all other relevant documents filed or that will be filed with the SEC by FACT through the website maintained by the SEC at [www.sec.gov](http://www.sec.gov).

## **Participants in Solicitation**

FACT, the Company and their respective directors and executive officers may be deemed under SEC rules to be participants in the solicitation of proxies from FACT's stockholders in connection with the Proposed Business Combination. A list of the names of such directors and executive officers, and information regarding their interests in the Proposed Business Combination and their ownership of FACT's securities are, or will be, contained in FACT's filings with the SEC. Additional information regarding the interests of the persons who may, under SEC rules, be deemed participants in the solicitation of proxies of FACT's shareholders in connection with the Proposed Business Combination, including the names and interests of the Company's directors and executive officers, will be set forth in the Registration Statement. You may obtain free copies of these documents as described in the preceding paragraph.

## **Industry and Market Data**

This presentation has been prepared by the Company and FACT and includes market data and other statistical information from sources believed by the Company and FACT to be reliable, including independent industry publications, governmental publications or other published independent sources. Some data is also based on the good faith estimates of the Company or FACT, which in each case are derived from its review of internal sources as well as the independent sources described above. Although the Company and FACT believe these sources are reliable, the Company and FACT have not independently verified the information and cannot guarantee its accuracy and completeness.

## **Financial Information; Non-GAAP Financial Measures**

The historical and pro forma historical financial information and data contained in this presentation is unaudited, based on draft statutory accounts, does not conform to Regulation S-X, and is subject to PCAOB audit. Accordingly, such information and data may not be included in, may be adjusted in or may be presented differently in the Registration Statement and the definitive proxy statement/prospectus contained therein. Some of the financial information and data contained in this presentation, such as EBITDA, Adjusted EBITDA, EBITDA Margin and Adjusted EBITDA Margin, have not been prepared in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"). EBITDA is defined as net income before interest expense, depreciation, amortization, and corporate taxes. EBITDA margin is defined as EBITDA (as defined above) divided by revenue. The Company believes these non-GAAP measures of financial results provide useful information to management and investors regarding certain financial and business trends relating to the Company's financial condition and results of operations. The Company's management uses these non-GAAP measures for trend analyses and for budgeting and planning purposes. The Company and FACT believe that the use of these non-GAAP financial measures provides an additional tool for investors to use in comparing the Company's financial condition and results of operations with other similar companies, many of which present similar non-GAAP financial measures to investors. However, other companies may calculate their non-GAAP measures differently, and therefore the non-GAAP measures in this presentation not be directly comparable to similarly titled measures of other companies. Management does not consider these non-GAAP measures in isolation or as an alternative to financial measures determined in accordance with GAAP. The principal limitation of these non-GAAP financial measures is that they exclude significant expenses and income that are required by GAAP to be recorded in the Company's financial statements. In addition, they are subject to inherent limitations as they reflect the exercise of judgments by management about which expenses and income are excluded and included in determining these non-GAAP financial measures. For more information on non-GAAP reconciliations, please see slide 46.

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Any financial information in this presentation (including specifically the projections) that are forward-looking statements are based on assumptions that are inherently subject to significant uncertainties and contingencies, many of which are beyond the Company's and FACT's control. While such information and projections are necessarily speculative, the Company and FACT believe that the preparation of prospective financial information involves increasingly higher levels of uncertainty the further out the projection extends from the date of preparation. The assumptions and estimates underlying the projected results are inherently uncertain and are subject to a wide variety of significant business, economic and competitive risks and uncertainties that could cause actual results to differ materially from those contained in the projections. All subsequent written and oral forward-looking statements concerning the Company and FACT, the Proposed Business Combination, or other matters and attributable to the Company and FACT or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements above.

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# Today's Agenda

1. Global Dynamics Driving US A&D Market
2. PAD Business Overview
3. Case Studies
  - Aerodyn Engineering
  - Westpro Lab
  - V&M Precision Machining & Grinding
4. Approach to Growth and M&A Strategy
5. Financial Information
6. Sponsor & Transaction Overview
7. Non-GAAP Reconciliations
8. Q&A

# SECTION 1: Global Dynamics Driving US A&D Market

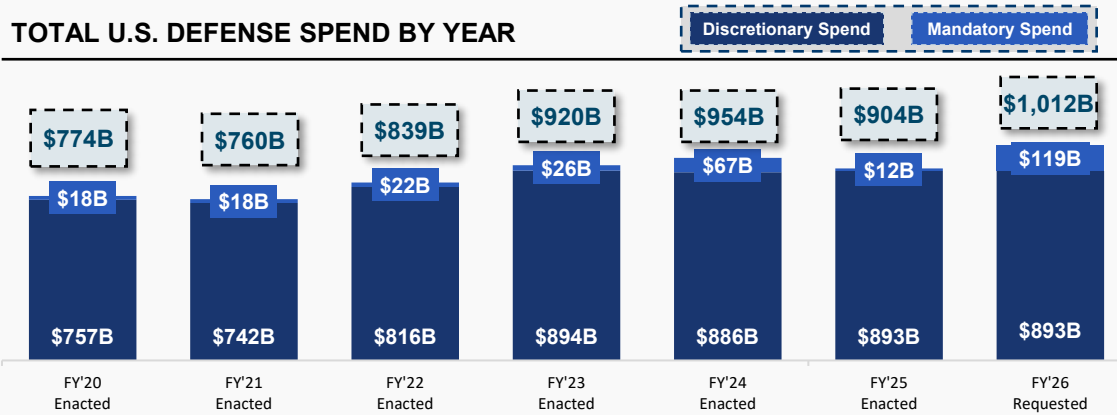


# U.S. and NATO Budget Growth Driving Aerospace Demand

## Trends in US A&D Spending

Record U.S. defense budgets create expected long term demand for manufacturing and sustainment

### TOTAL U.S. DEFENSE SPEND BY YEAR



### U.S. FY'26 BUDGET REQUEST BY MILITARY DEPARTMENT



**\$301.1B**

(16.4% YoY Growth)



**\$292.2B**

(11.2% YoY Growth)



**\$197.4B**

(6.6% YoY Growth)



**\$170.9B<sup>(3)</sup>**

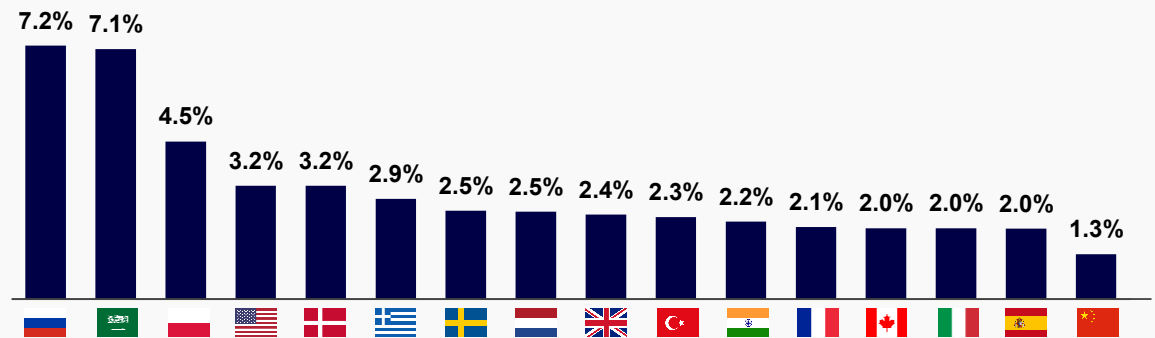
(11.5% YoY Growth)

## NATO & International Defense

Rising GDP commitments create durable, diversified backlog beyond U.S. budget cycles

- EU member state **defense expenditure up 62.8%** from 2020–2025
- Members expected to move toward expected **≥2% GDP**
- Diversifies **demand beyond U.S. budget cycles** and extends backlog duration

### 2025 ESTIMATED GLOBAL DEFENSE SPENDING (% OF GDP)<sup>(1)(2)</sup>

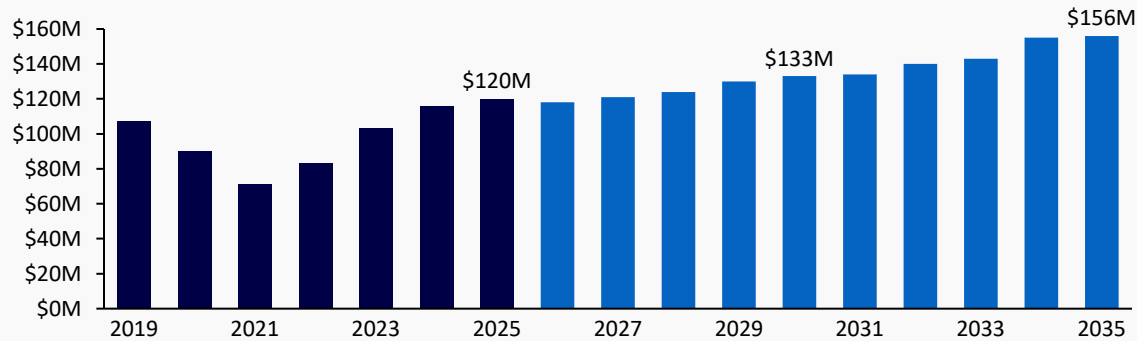


# Maintenance, Modernization, and Orbital Expansion

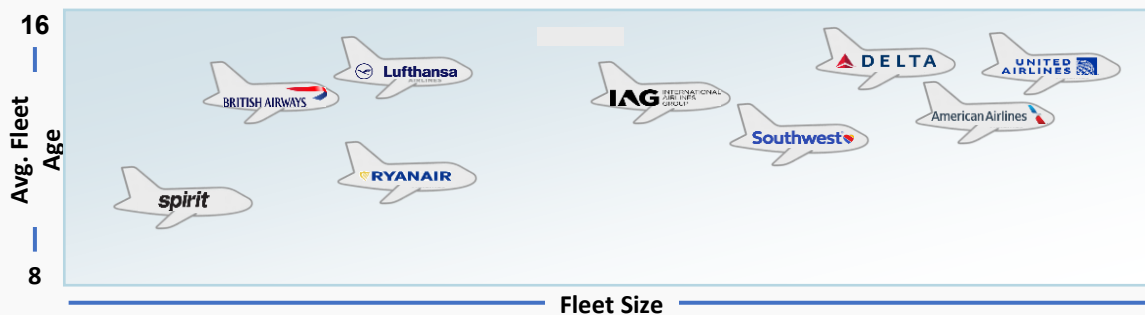
## Fleet Modernization and Sustainment Demand

Aging fleets and OEM constraints are driving sustained MRO growth and modernization

MRO Demand, 2019 – 2035 (\$ in B)<sup>(4)(5)</sup>



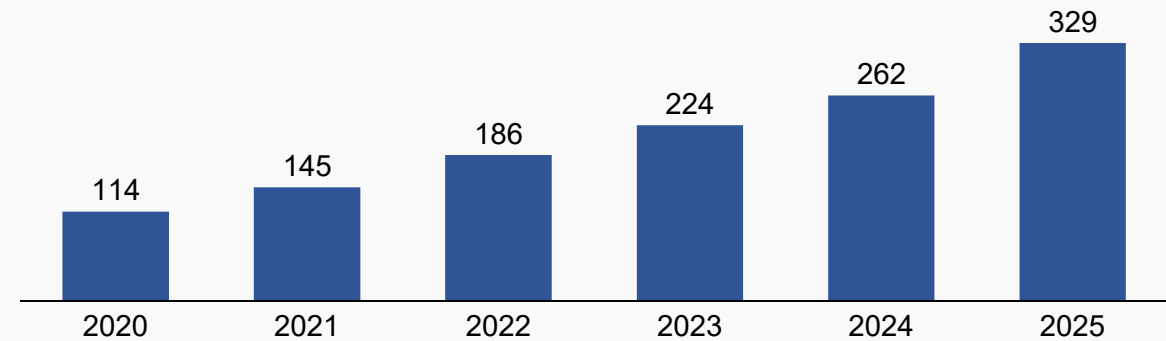
AIRLINE FLEETS BY AGE AND SIZE AS OF FEBRUARY 20, 2026 <sup>(1)</sup>



## Space — Fastest Growing Defense Domain

Launch activity positions PAD as a partner enabling space-domain expansion

NUMBER OF GLOBAL ROCKET LAUNCHES PER YEAR<sup>(3)</sup>



THE SPACE INDUSTRY IN CONTEXT<sup>(3)</sup>

**25%+**  
Launch Growth  
2024-2025

**~60%**  
Launches  
from USA

**170**  
SpaceX Launches  
in 2025

## Section 2: PAD Business Overview



# Precision Aerospace & Defense Group Overview

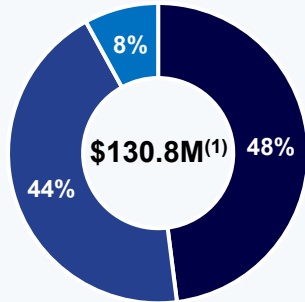


**\$130.8M**  
FY'26 Projected  
Pro-Forma Revenue<sup>(1)</sup>

**\$25.2M**  
FY'26 Projected  
Pro-Forma EBITDA<sup>(1)(3)</sup>

Mission-critical aerospace components manufacturer and solutions provider serving DoW, OEMs, and Tier-1 suppliers across Engineering & Sustainment, Precision Manufacturing, and Advanced NDT

## FY'26 Projected Pro-Forma Revenue Breakdown



- Engineering & Sustainment
- Precision Manufacturing
- Non-Destructive Testing

## Diverse Portfolio Services Key Expanding End Markets

FY'25 Revenue by End Market<sup>(2)</sup>

**Commercial Aviation**  
~50%



**Aerospace & Defense**  
~31%



**Space & Energy**  
~19%



## PAD's Advantage



Scaled manufacturing and engineering service capabilities



Direct service to the DoW, major OEMs & Tier 1 suppliers



Proven M&A identification and integration capabilities

**250+**  
Full-Time  
Employees

**9**  
Locations

**~225k**  
SF

**10+**  
OEM  
Customers



Source: 2026 Company financial projection information.

(1) These are forward 2026 projections inclusive of Maney, V&M, Aerofab, and Aerodyn, and assumes the consummation of potential acquisitions of WestPro, SPM and DSI. For additional detail, please see Slide 13 and the Disclaimer. (2) Q4'25PF Revenue by End Market is pro forma combined and includes Maney, V&M, Aerofab, Aerodyn, WestPro, SPM and DSI. (3) EBITDA is a non-GAAP calculation. For additional detail on EBITDA reconciliation, please see the Disclaimer. (4) 10+ OEM Customers encompass existing customers within Maney, VM, Aerofab, Aerodyn, WestPro, SPM and DSI.

# Engineering and Sustainment

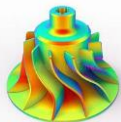
*Integrated engineering, test, and MRO solutions extending the life and performance of critical aerospace systems*



## PAD Engineering & Sustainment

*Engineered & manufactured solutions to government agencies and prime contractors with MRO services for legacy aircraft sustainment*

- Differentiated Offerings:
  - Engineering (Reverse, Custom Solutions, Design & Analysis Capabilities)
  - Design, Fabrication, Instrumentation, and In-House Testing
  - Service Life Extension Programs, Engine Upgrades & Avionics Modernization



Fine Element Analysis



Design & Engineering Solutions

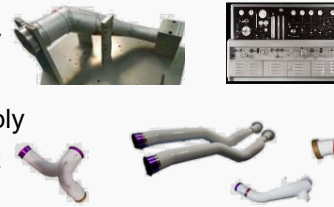


Next Gen Jet Engine Testing

## PAD's Engineering & Sustainment Segment



- » Tube Bending & Flaring
- » Cable & Harness Assembly
- » Complex Machined Parts
- » Custom Kitting and Assembly
- » Ground Support Equipment



- » Complete Service Instrumentation (e.g., temperature/pressure/proximity measurements and calibration)
- » Custom Designs (e.g., rakes & probes, traverse systems, capacitance probes)
- » Slip Rings & Rotary Unions



DIAGNOSTIC SOLUTIONS INTERNATIONAL LLC

- » Portable Carry-On RT&B
- » Hums On-Board
- » Sky Connect Tracker 3 Advanced System
- » Inflight Connectivity (IFC - Aspire™)
- » Vibration Data Analysis Software (VibDAS™)



### AS9100 & ISO 9001:2015 Certifications

✓ Engineering & Design	✓ Field Test Services	✓ System Testing, Repair & Overhaul
✓ New Product Development	✓ Rig Support	✓ HUMS Technology
✓ Instrumentation	✓ Slip Rings	✓ Ground Support Equipment

# Precision Manufacturing

AS9100-certified manufacturing for mission-critical aerospace, defense, and space applications



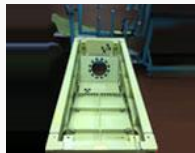
## PAD Precision Manufacturing

Efficiently manufactures products for aerospace, defense, and space sectors, delivering on time to exact specifications

- Differentiated Offerings:
  - High-Speed 5 Axis CNC Machining Centers
  - Tight Tolerance Grinding, Honing, and Threading Operations
  - Palletized Machining for High Capacity
  - Robotic Machining



CNC Precision Manufacturing



Large Aero Structural Assembly



Landing Gear Parts

## PAD's Precision Manufacturing Segment



- » Airframe Structures
- » Landing Gear Components, Assemblies
- » Aircraft Wing Ribs & Bulkheads, Floor Beams, Stringers
- » Satellite & Missile Components



- » Complex Structural Assemblies
- » Precision Engineered Components
- » Large Format Advanced 3, 4 and 5 Axis Machining
- » Reverse Engineering Capability



### AS9100 & ISO 9001:2015 Certifications

✓ Complex, Precision CNC Milling, Drilling, & Turning	✓ Landing Gear Parts & Assemblies	✓ High Speed Machining of Complex Shapes
✓ Internal / External Grinding	✓ Large Aero Structural Assembly	✓ Reverse Engineering
✓ Vertical Milling	✓ Monolithic Part Machining and Part Construction	✓ Ground Support Equipment

# Non-Destructive Testing Segment

Ultrasonic, eddy current, and weld inspection capabilities deliver reliable, standards-compliant quality assurance



## PAD Non-Destructive Testing

Testing services and components designed to verify the structural integrity of critical components to industry standards

- Differentiated Offerings:
  - Casting, Forging, Custom Extrusion, Tube, and Sheet Material Inspection
  - Level III Certified NDE Inspector
  - Eddy Current Probes, Ultrasonic Transducers, and Custom Kit Boxes



Level III  
NDE / NDT  
Inspection



Ultrasonic  
Testing



Eddy Current  
Testing

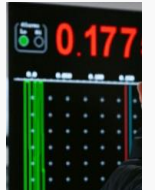
## PAD's Non-Destructive Testing Segment



- » Reference Standards (Boeing, Airbus, Bombardier, McDonnell Douglas, Military)
- » Eddy Current Probes
- » Ultrasonic Transducer
- » Custom Kit Boxes



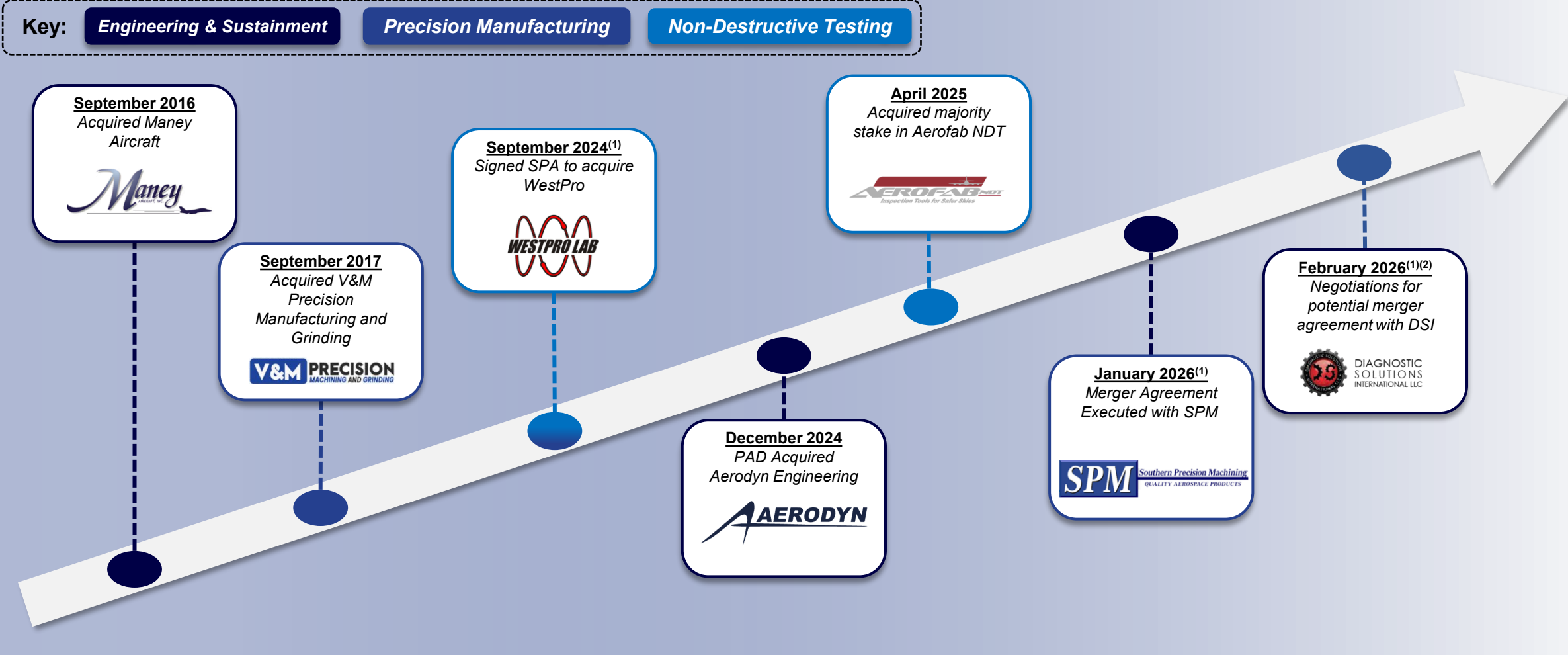
- » Non-destructive Ultrasonic Inspection
- » Non-destructive Phased Array Ultrasonic Testing
- » Custom Engineered Testing Solutions
- » Complex Forgings and Castings
- » EDM Calibration Standards



### Nadcap Accredited Certifications

✓ Magnetic Particle Inspection (MPI)	✓ Eddy Current Testing (ET)	✓ Custom Reference Standards
✓ Ultrasonic Testing (UT)	✓ Fluorescent Penetrant Inspection (FPI)	✓ Phased Array Inspection

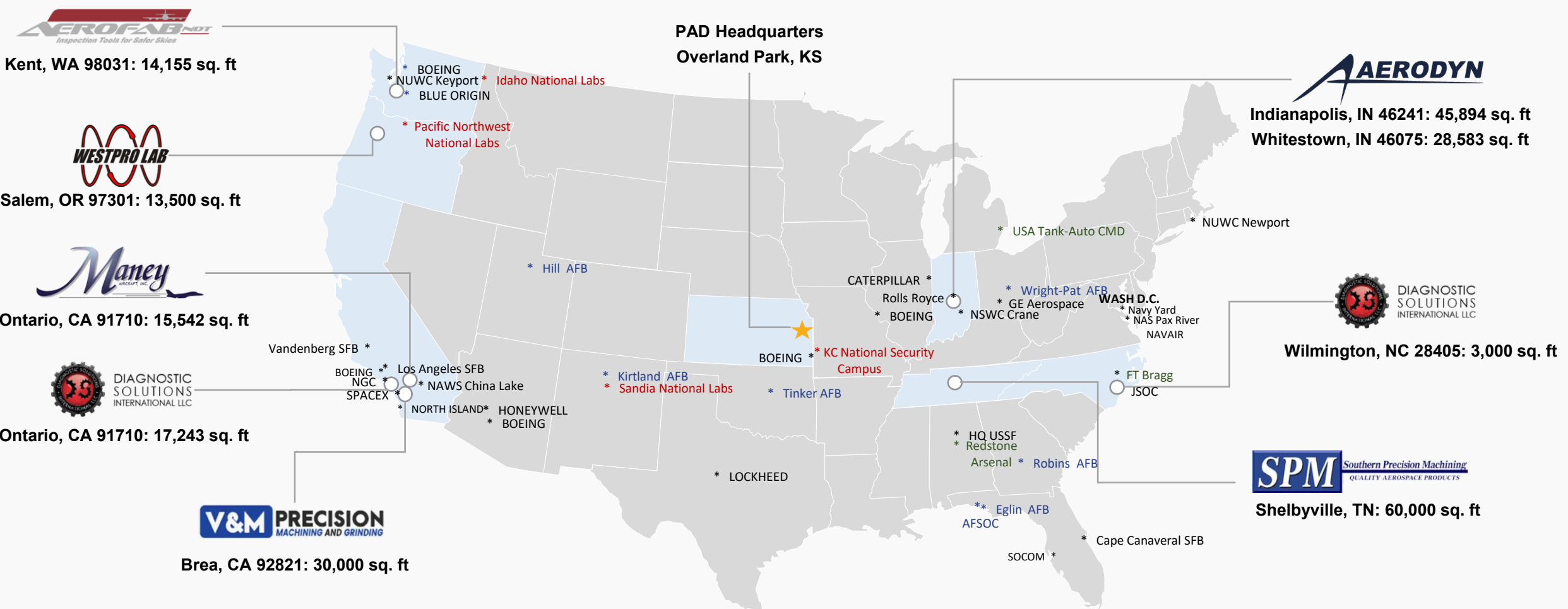
# Current Portfolio Overview



Source: Company Provided Materials. Note, the definitive acquisition agreements with the Acquisition Targets and DSI each typically contains a long-stop or similar date, and, unless renegotiated, such definitive acquisition agreement may be subject to potential termination after the long-stop date. For additional detail regarding the status of the pending acquisitions, please see the Disclaimer.  
 (1) As of February 2026, this transaction has not closed, and the closing thereof may be subject to the satisfaction or waiver of certain closing conditions under the definitive agreement. (2) DSI entered into a letter of intent; negotiation on definitive agreement is ongoing.

# Nationwide Footprint

Strategically located near key customers & military locations with capacity for future growth



Source: Company Provided Materials.

Note: Presence may be subject to the completion of certain acquisition transactions. As of February 2026, certain transactions relevant to these locations have not closed and the closing thereof may be subject to the satisfaction or waiver of certain closing conditions under the respective definitive agreements. For additional detail, please see the Disclaimer.

# Blue-Chip Customer Base

Premier customers with long standing relationships, often under multi-year contractual programs

## 1+ Years

*DLA*

*SpaceX*

*Boneal Aerospace*

*CPI Aerostructures*

*Pro Energy*

*Rocketdyne*

*Bell Textron*

## 4+ Years

*Gulfstream*

*Pratt & Whitney*

*Blue Origin*

*Bombardier*

*TECT Aerospace*

*PPG Aerospace*

*Triumph*

*Solar Turbines*

## 10+ Years

*Boeing*

*GE Aerospace*

*Honeywell*

*Lockheed Martin*

*Rolls-Royce*

*Siemens Energy*

*Caterpillar*

*U.S Air Force Programs*

# Leadership Team with a Track Record of Success

*Led by an Experienced Executive Team with a Track Record of Developing Businesses Alongside Tenured Business Leaders at Each Segment*



**30+ Years**  
Average Experience



**Brent Borden**  
Chief Executive Officer  
30+ YEARS  
INDUSTRY EXPERTISE



**Joseph Thiewes**  
Chief Financial Officer  
20+ YEARS  
INDUSTRY EXPERTISE



### Engineering & Sustainment



**Dave Lawrence**  
Founder & CTO,  
Aerodyn Engineering



**Melinda Gerard**  
General Manager,  
Maney Aircraft



**Brian Hatcher**  
Founder & President,  
Diagnostic Solutions  
Intl.



**Jennifer Haskins**  
GM & CFO,  
V&M Precision  
Machining & Grinding



**TJ Judge**  
President,  
Southern Precision  
Machining



**Brad Bowder**  
President,  
Western Professional, Inc.



**Doug Melvin**  
Co-Founder & General  
Manager, Aerofab NDT

## Section 3: Case Studies



## Case Study



# Aerodyn Engineering

*Power Generation Technologies*

Dave Lawrence  
Founder & CTO



# • Aerodyn - Company Background and History



## Industries Served

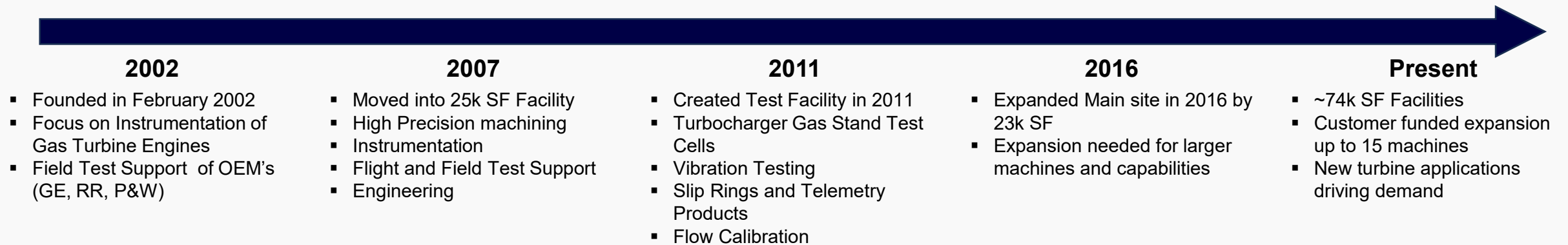
- Aerospace & Defense
- Space
- Heavy Industry
- Power Generation
- Waste Energy Recovery
- Automotive



Headquarters – Indianapolis, IN



Test Site – Whitestown, IN



# Aerodyn – What we do

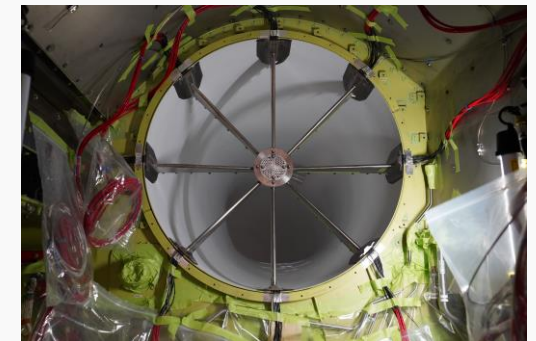
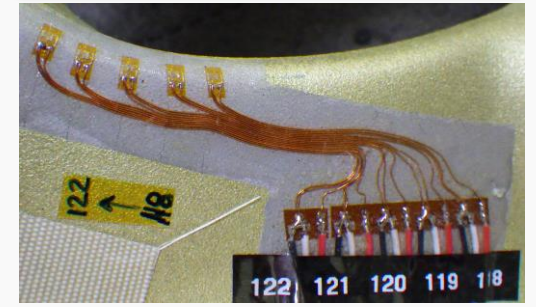
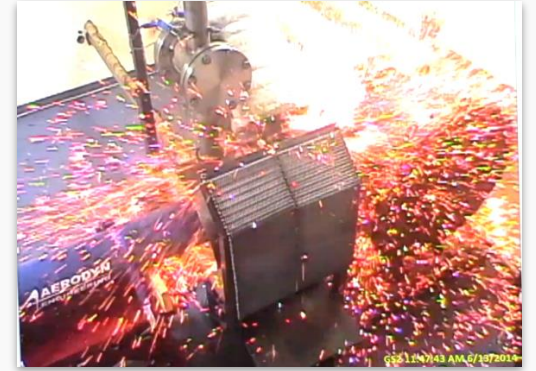
## New Product Development for OEMs

- Machining and Fabrication of Development Hardware
- Instrumentation of Components to Measure Performance and Durability
- Slip Rings and Telemetry Systems to Monitor Rotating Sensors
- Test Support- Flight, Field, and Test Cell Support
- Engineering Support- Analysis and Test Data Reduction
- Data Acquisition Systems



## OEM Testing Services

- Turbocharger Gas Stand Testing
- Vibration Testing
- Performance Testing



# Aerodyn – Credibility & Capability Create Barriers to Entry

## Must Have Industry Certifications

- Elaborate Quality System per ISO 9001 and AS9100
- ITAR Compliant and SAM Registration
- Customer Specific Certifications to Perform Work and Processes (e.g. Welding, EDM, Machining)

## Must Have Software and Systems

- ERP System to track orders and costs (Epicor, SAP)
- CAD Software to Design and Analysis (Unigraphics, SolidWorks, ANSYS)
- CAM Software to program Machines (MasterCAM, UG, Vericut, Open Mind)



DMG Mori DMU  
125P

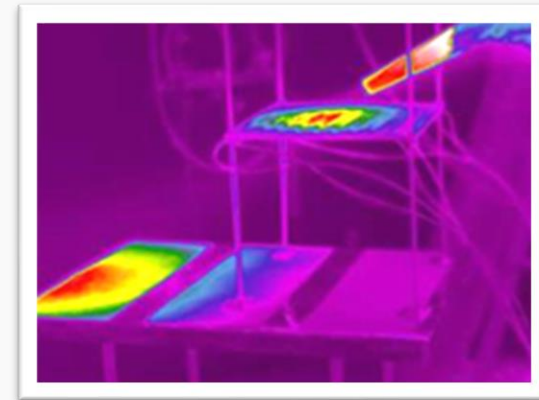


## Credibility & Personnel

- Years of Prior Successful Projects
- Strong Trust and Relationships
- Demonstrated Capability
- Years of Experience

## State of the Art Equipment

- 5-Axis Machining Centers
- Special Processes- EDM, WaterJet Cutting
- Inspection Equipment CMM's, Laser Scan



## Case Study



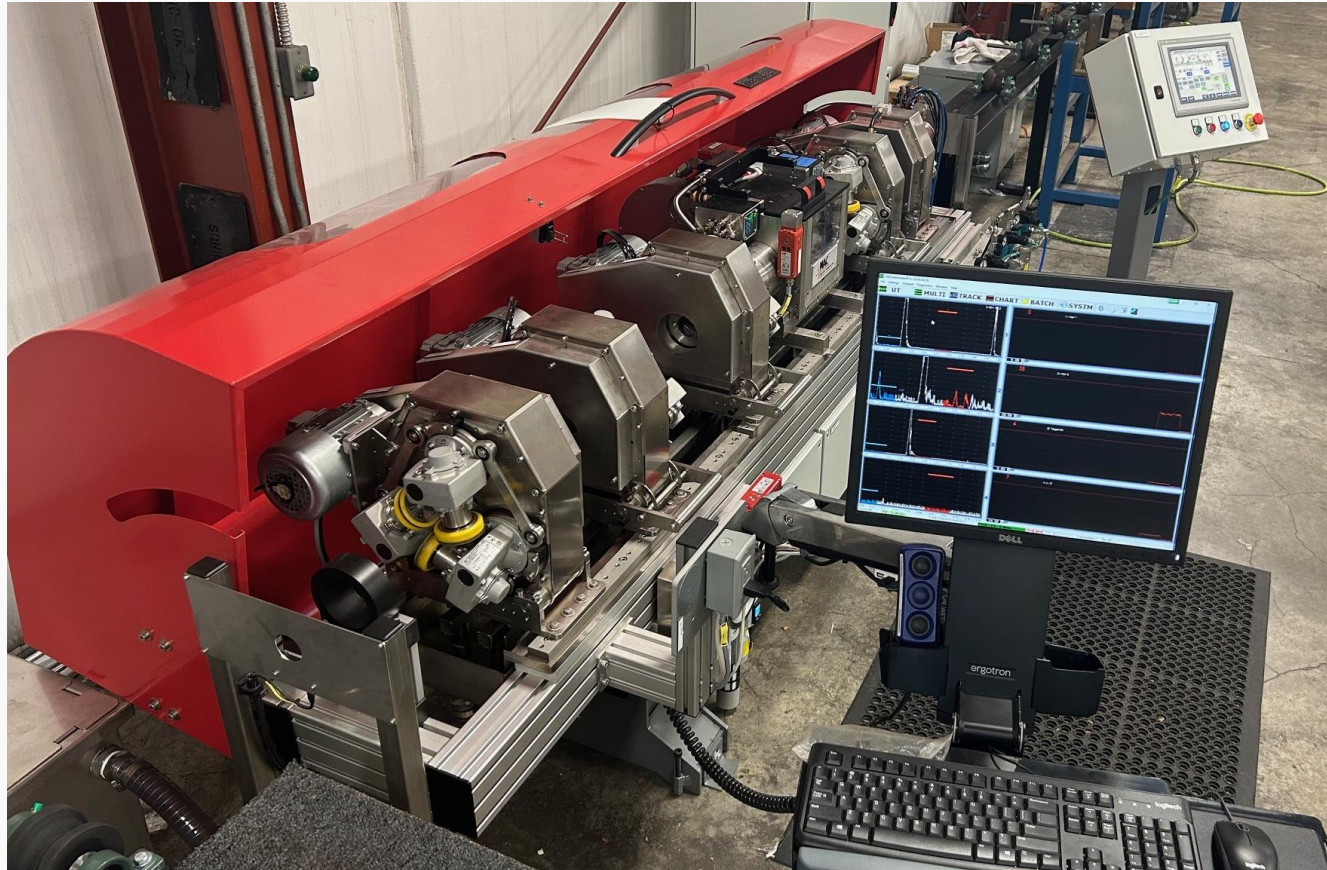
### Westpro Lab

*Space as a Growth Driver*

Brad Bowder / Todd Breeden  
President / VP of Operations



# Westpro Lab – Industry-leading NDT



# Westpro Lab – About Us



Headquarters: Salem, Oregon

*Serving major clients such as **SpaceX, Lockheed Martin, Blue Origin, and Boeing.***

## Core Service Offerings

- ✓ Phased Array Ultrasonics
- ✓ Conventional Ultrasonics
- ✓ Custom Inspection Systems
- ✓ Electrical Discharge Machining (EDM) / Dimensioning
- ✓ Calibration Standards

## Barriers to Entry in Aerospace NDE / NDT

- ✓ Zero Failure Culture
- ✓ Significant Capital Investment
- ✓ Experienced, Qualified And Certified Personnel
- ✓ Quality Management System Accreditation
- ✓ Technical & Regulatory Complexity

## Case Study



# V&M Precision Machining & Grinding

Jennifer Haskins  
GM & CFO



# V&M - Nature of Business + Customer Base



Headquarters: Brea, California

Facility Size: ~30,000 SF

Founded in 1946

## *Landing Gear Manufacturer*



### Core Capabilities

- Hard Metals Machining
- Complex Assembly's
- Tight Tolerances
- Re-Engineer and Build to Print

### OEM Approvals

- Boeing
- Triumph
- Goodrich
- ES3
- Mitsubishi

### Programs

- **Leading Small Tier Supplier – C-17 Program**
- Program Lifecycle Extended 50 years in 2022
- DPS 4.804 Approved (Limited Suppliers Remaining)
- Assisting Major Suppliers (Herous-Devtek, Collins Aerospace)
- Commercial DPS 4.804 Approved
- DC9/10, 777, 737, 787, 747

# V&M - New Market Developments



## Shimmy Damper Testing

- Customer Needs Over 250 Units
- Reduces Lead Time
- Limited Competition

## Kratos MQ-58B

- F-35 Wingman With Integrated Electronic Attack Capabilities
- New Version of XQ Valkyrie Requires Built-in Landing Gear
- Parachute Conversion to Runway Landing
- Increases Payloads & Range



## Maintenance, Repair and Overhaul

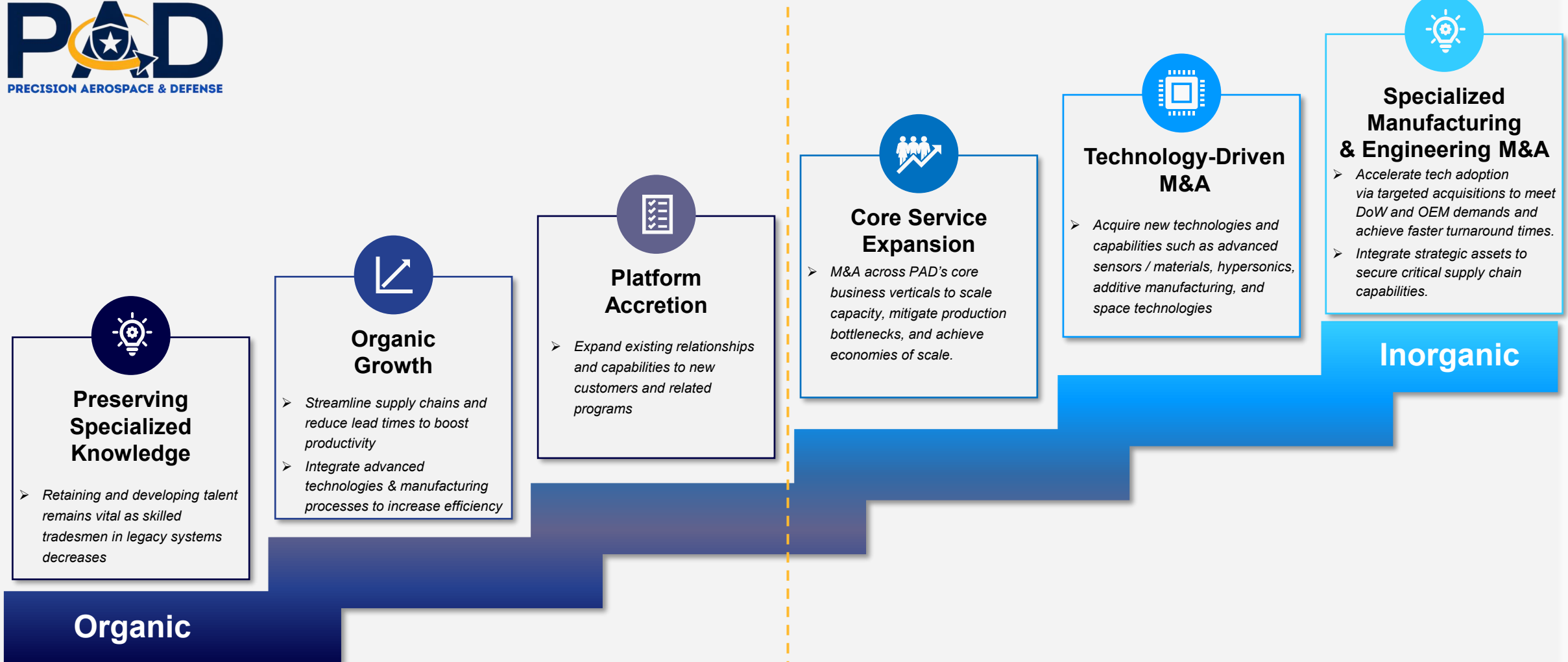
- AS9110 Approval
- Opens Door To New MRO Markets

# SECTION 4: Approach to Growth and M&A Strategy



# Growth Levers For PAD

Company-identified strategic initiatives to grow and execute key business objectives



Source: Company Provided Materials.

# PAD Positioned for Sustained Organic Expansion



# M&A Momentum Supports Growth and Strategic Expansion

## Typical Target Profile

- Founder owned legacy businesses
- Proven profitability with long term customers
- Complementary capabilities
- Immediately accretive transactions
- Expanding footprint within OEM supply chains

## Preferred Transaction Structure

- Balanced cash and equity consideration
- Founder retention and operational continuity
- EBITDA based performance earn outs
- Disciplined valuation multiples
- Post close incentive alignment across platform

# Disciplined M&A Strategy Supporting Strategic Initiatives

## Targeted Capability Expansion Pipeline

### Manufacturing & Engineering Services

- Additive Manufacturing
- Composites Manufacturing
- Robotics Integration
- Electrical & Mechanical Engineering
- Electron Beam Welding
- Electronics Integration

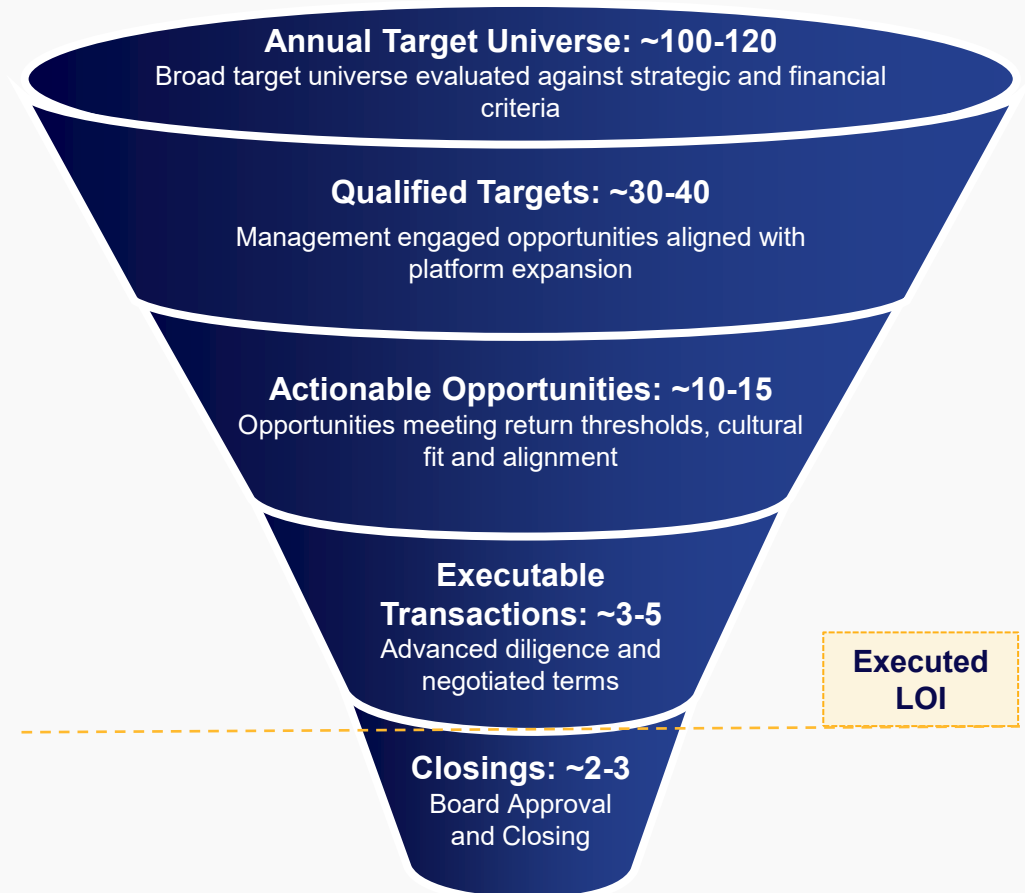
### New NDT Technologies

- Radiography
- Magnetic Particle Inspection
- Digital Radioscopy Testing Department

### Innovative Technologies & Capabilities

- Radio Frequency Products
- Sensor Technologies
- Surveillance Technologies
- Hypersonic Tech
- Battery Storage

## Illustrative Annual Target Selection Process



# Section 5: Financial Information

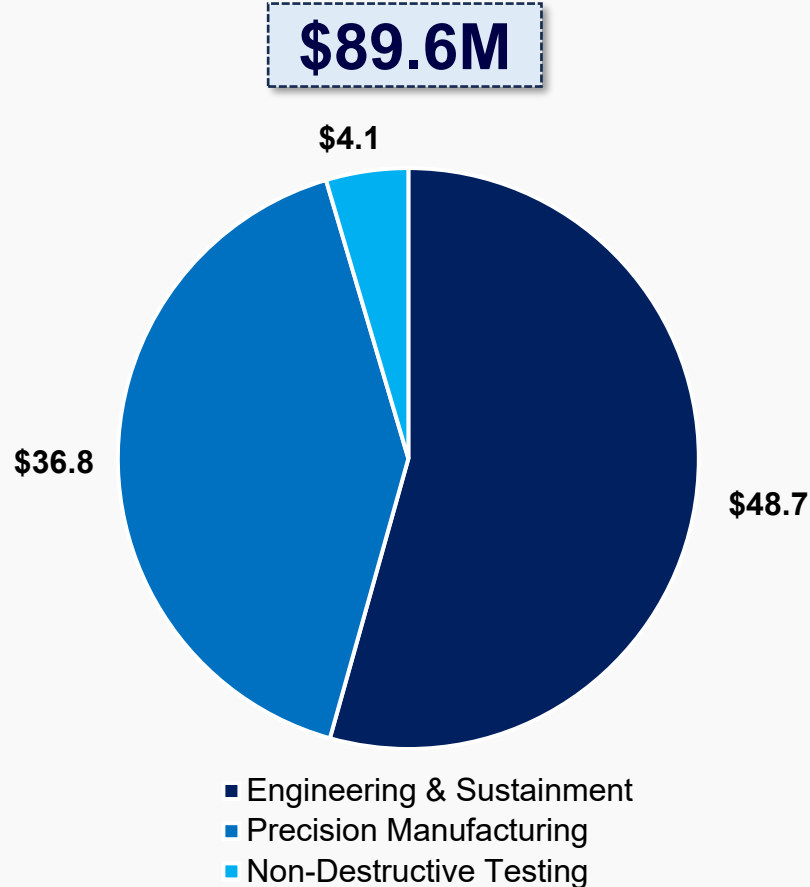


# PAD Backlog

PAD's backlog supports a variety of end markets and positions the company for strong YoY growth

## PAD Entity Backlog Through 2030<sup>(1)</sup>

(\$ in millions; as of Jan 1, 2026)



## Highlights<sup>(2)</sup>

**+63%**  
of Projected FY'26PF  
Revenue in Backlog

**+35%**  
Growth in Total Backlog  
since Q1'25PF

**\$37.0M**  
of FY'27PF - FY'28PF  
Revenue in Backlog

**PRECISION MANUFACTURING**

Diversified backlog build with DoW (DC-9, CH-47, & CH53K King Stallion programs) and Boeing (747, 767 and 777 platforms) resulting in less reliance on C-17 program.

Backlog reflects a diversified mix of **eight** aerospace & defense OEMs/Tier 1s, anchored by robust commitments in premium business aviation from **Gulfstream** and a reliable \$14M from defense programs via **Lockheed Martin**.

**V&M PRECISION**  
MACHINERY AND SERVICES

**SPM**  
Southern Precision Machining

**ENGINEERING & SUSTAINMENT**

Significant backlog build with **GE Aerospace** (82% YoY) and **ProEnergy** (1088% YoY), as well as **Pratt & Whitney** holding \$3.3M. All time high of \$36.3M in backlog, with ~\$20.0 booked for 2026 sales

**Maney**  
AEROSPACE

**Backlog surpassing \$12M** for first time, driven by **B-1B Lancer** program and new program awards

**NON-DESTRUCTIVE TESTING**

Proprietary phased array processes and customized inspection solutions developed with **SpaceX** driving sales outlook for 2026CY, with additional collaborations with **NASA** and **Boeing** increase their scope and demand.

**WESTPRO LAB**

# PAD Financial Core 7 Business Growth Outlook

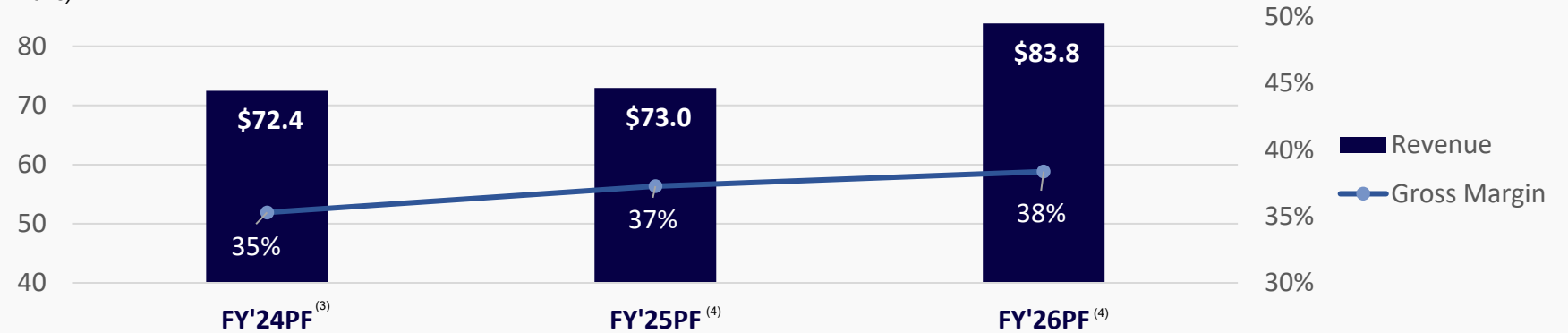
Sustainable growth, margin expansion and high-efficiency cash conversion

## Commentary

- 15% Growth FY'26 v FY'25, supported by 63% of sales in backlog
- 8% CAGR FY'24 – FY'26
- Sustained 35%+ Gross Margin
- Consistent Margin Expansion YoY

## Pro Forma Historical & Projected Revenue & Gross Margin Profile<sup>(1)</sup>

(\$ in millions)



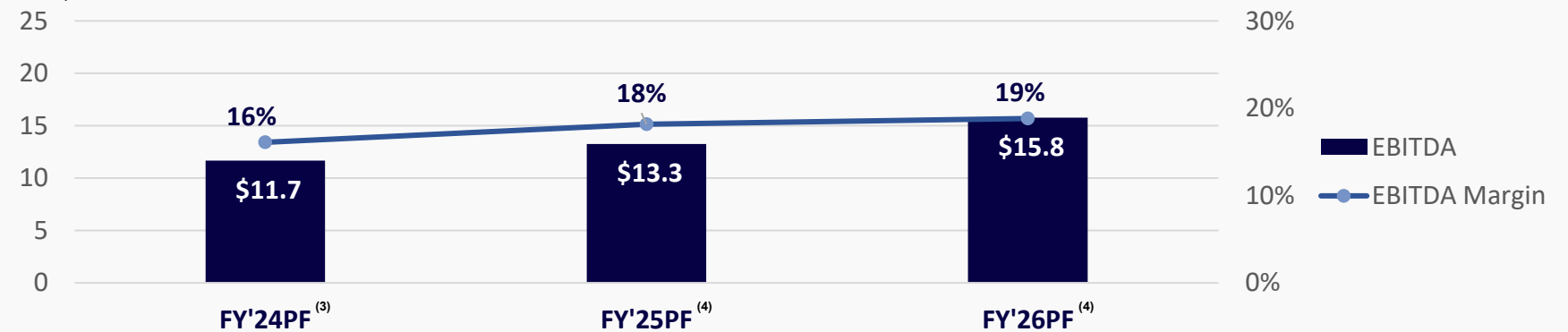
## Cashflow Snapshot as of FY'25PF

EBITDA	FCF	FCF Yield
\$13.3M	\$8.0M	60.2%

- FCF Conversion of ~60% in FY'25
- All entities generated positive FCF in FY'25, with ~70% FCF conversion at the operating level

## Pro Forma Historical & Projected Adj. EBITDA Profile<sup>(1)(2)</sup>

(\$ in millions)



# PAD Projected Growth w/ M&A Outlook

Strategically identified acquisitions bolster organic growth and additional cross-selling opportunities



## FY'26E Planned Acquisitions<sup>(5)(6)</sup>

**Target #2:**  
**Capabilities:** Rapid Deployment  
 Mesh Network & C4S Capable

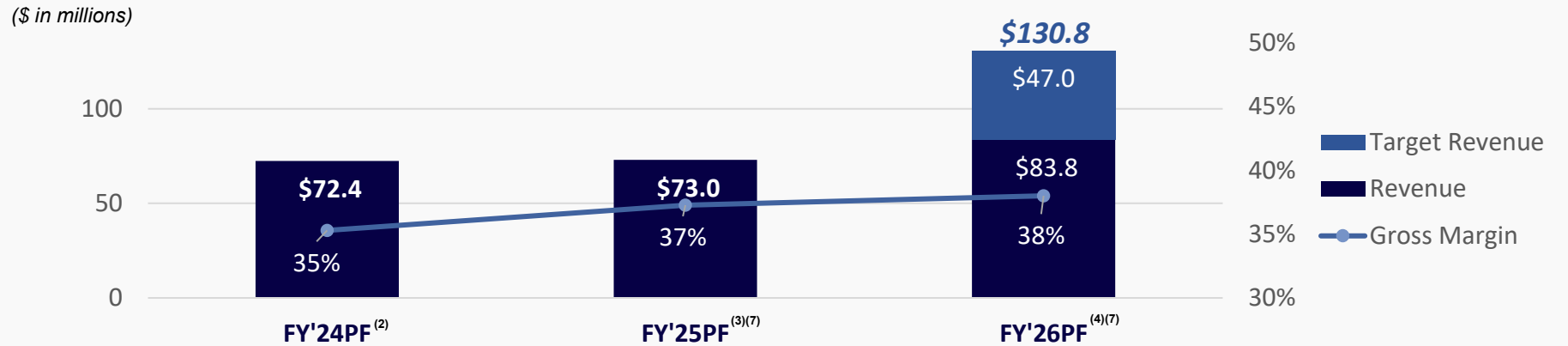


**Target #3:**  
**Capabilities:** Optics & Surveillance

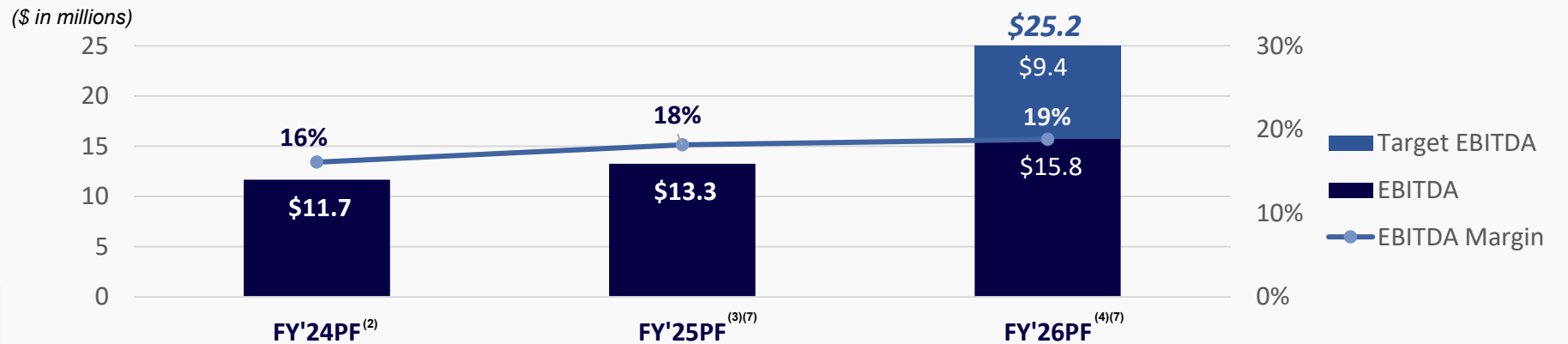


 \*Growth from planned acquisitions in FY'26E  
 \*Organic growth without any synergies

## Pro Forma Historical & Projected Revenue & Gross Margin Profile<sup>(1)</sup>



## Pro Forma Historical & Projected Adj. EBITDA Profile<sup>(1)</sup>



## Section 6: Sponsor & Transaction Overview



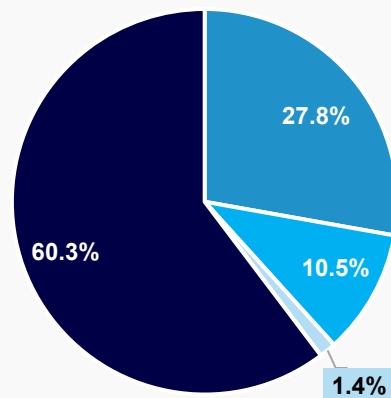
# Transaction Overview

BCA Dated November 27, 2025 between PAD and FACT

## Pro-Forma Capitalization Assuming 50% Trust Redemptions

### Pro-Forma Ownership %

- SPAC Public Shareholders<sup>(4)</sup>
- FACT Sponsor Shares<sup>(7)</sup>
- Board Member / IPO UW Shares<sup>(12)</sup>
- Precision Aerospace & Defense Group Shareholders



Sources	\$M
Existing Common Shareholder Rollover <sup>(1)(2)</sup>	\$123.9
Preferred Equity Conversion <sup>(3)</sup>	11.2
Equity to Fund Acquisitions <sup>(5)</sup>	54.5
Sponsor & Affiliates Rollover	37.4
SPAC Cash in Trust & Potential Financings <sup>(4)</sup>	91.0
Private Credit Facility	50.0
<b>Total Sources</b>	<b>\$368.0</b>

### Pro-Forma Valuation

Illustrative Share Price at Closing	\$10.00
Pro-Forma Shares Outstanding (M) <sup>(3)(4)(5)(6)</sup>	31.5
Pro-Forma Equity Value (\$M)	\$314.5
Estimated Net Debt (\$M) <sup>(8)</sup>	(\$4.2)
<b>Pro-Forma Enterprise Value (\$M)</b>	<b>\$310.3</b>

### Uses

Uses	\$M
Existing Shareholder Rollover (Common Stock & Preferred Equity Conversion) <sup>(1)(2)</sup>	\$135.1
Equity to Fund Acquisitions <sup>(5)</sup>	54.5
Repayment to Preferred Shareholders <sup>(9)</sup>	9.6
FACT II & Affiliates Rollover	37.4
Acquisition Costs <sup>(10)</sup>	60.9
Deal Fees <sup>(11)</sup>	18.7
Cash to Balance Sheet	51.8
<b>Total Uses</b>	<b>\$368.0</b>



Source: Company Provided Financials. (1) Assumes \$189.6M Pre-Transaction Equity Value (existing shareholder rollover of \$135.1M (\$123.9M Common Equity; \$11.2M Preferred Equity) and \$54.5M equity issued to fund acquisitions). (2) Assumes 100% Rollover Equity. (3) Represents Equity Conversion of 1,122,500 Series A-E Preferred Shares; Assumes Series E 100% committed. (4) Assumes 50% Potential Redemptions = \$91.0M cash in Trust (8,750,000 shares at \$10.40 per share). (5) Represents the equity portion of acquisition for Aerodyn, Aerofab, WestPro & DSI alongside a reserve of shares for future acquisitions (including Targets #1 and #2 on Slide 36). (6) Pro forma share count includes 12.4M of rollover-equity, 1.1M to Preferred Shareholders, 5.4M shares issued to satisfy acquisitions and acquisition reserve, 8.75M shares based on a 50% redemption scenario at \$10.40 per share and shares issued to other financing investors, 3.3M to SPAC Sponsor founder shares, 0.2M shares to SPAC IPO underwriters, and 0.2M shares to FACT board members. (7) FACT Sponsor shares are capped at 11.0% pro-forma ownership at close, excluding any earnout share considerations. This illustrative analysis assumes no remaining sponsor shares in excess of the cap. (8) Assumes full paydown of Aerodyn's \$46M Promissory Note and \$2.5M of Aerofab Promissory Notes + \$50.0M of new debt facility totaling \$57.0M of Debt and \$61.2M of Cash at transaction close. (9) Represents repayment to preferred shareholders from PAD's Series A – Series E Rounds. (10) Represents the cash & promissory note portion of acquisition costs for Aerodyn, Aerofab, SPM, WestPro and DSI. (11) Includes Deferred Underwriter's Fee, Legal Fees, M&A Advisory Fees and estimated Working Capital Adjustments related to acquisitions. (12) Represents SPAC IPO Underwriter Shares of 0.2M, and FACT Board Member Shares of 0.2M.

# BC Partners - Up to \$80M of Additional Growth Capital

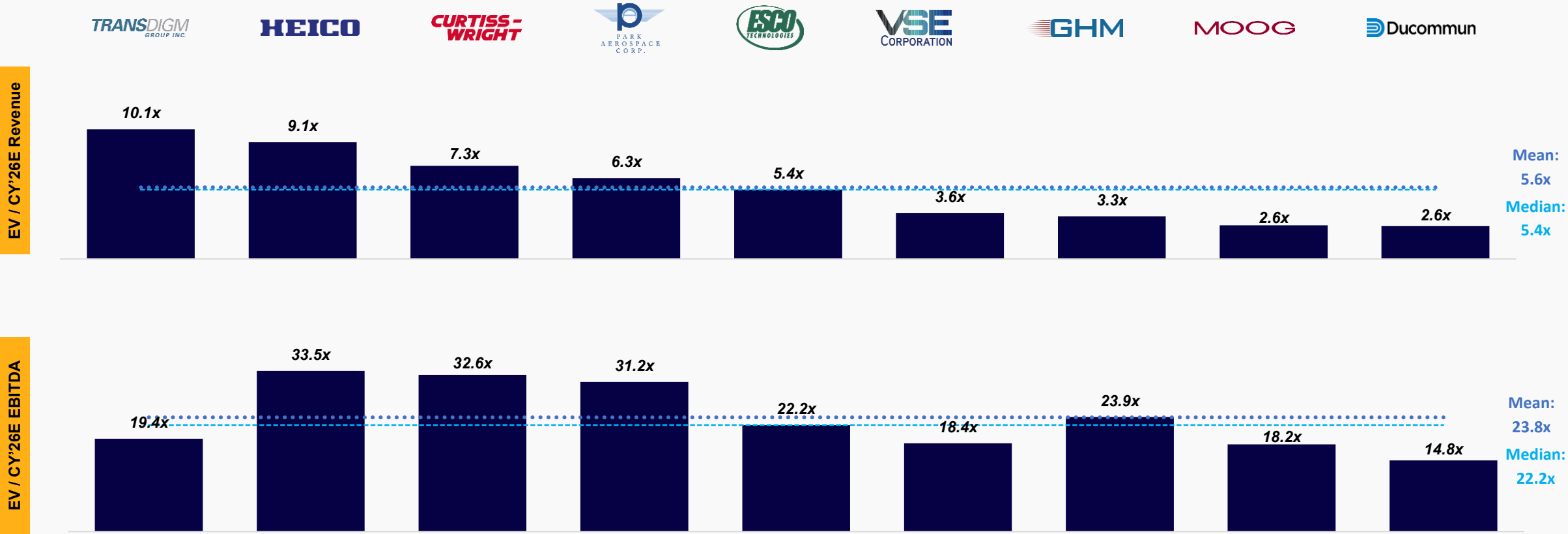


- ✓ Executed non-binding indicative term sheet for up to **\$80M credit and equity financing**<sup>(1)(3)</sup>
- ✓ Bolster **balance sheet** and **potential acquisition activity** alongside SPAC trust proceeds<sup>(2)(3)</sup>
- ✓ Provides a framework to **pursue institutional capital in connection with the proposed transaction**

# Select Public Comparables Benchmarking

## Valuation Performance

PAD Public Comparables Universe\*

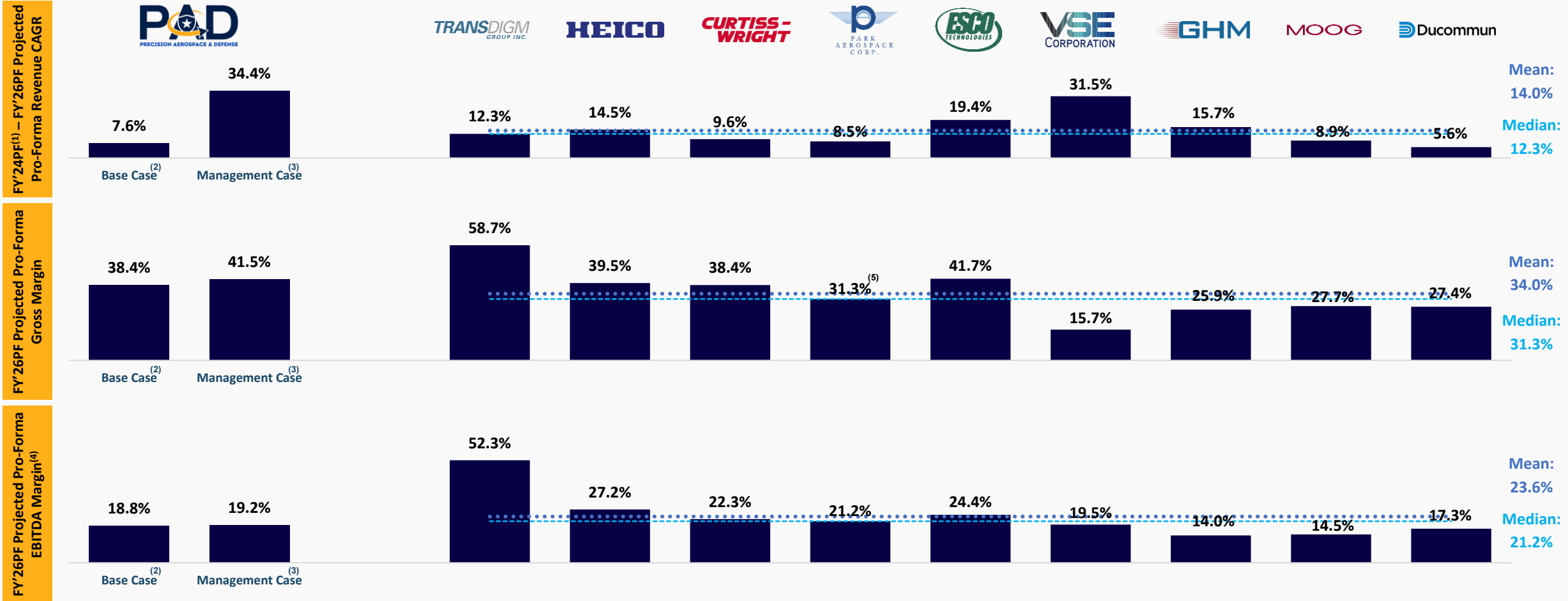


Source: Company financials & FactSet as of 3/10/2026  
 \*Note: Forward revenue and EBITDA margin for public comparables are based on FactSet consensus estimates where available. Enterprise Value ("EV") is calculated using public market data and SEC filings. Projections are inherently uncertain and may not materialize. PAD's comparable universe reflects companies with similar offerings, scale, end markets, and operating models within Aerospace & Defense. PKE lacks sell-side coverage; 2026E is based on company guidance.

# Select Public Comparables Benchmarking

## Operational Performance

### PAD Public Comparables Universe\*



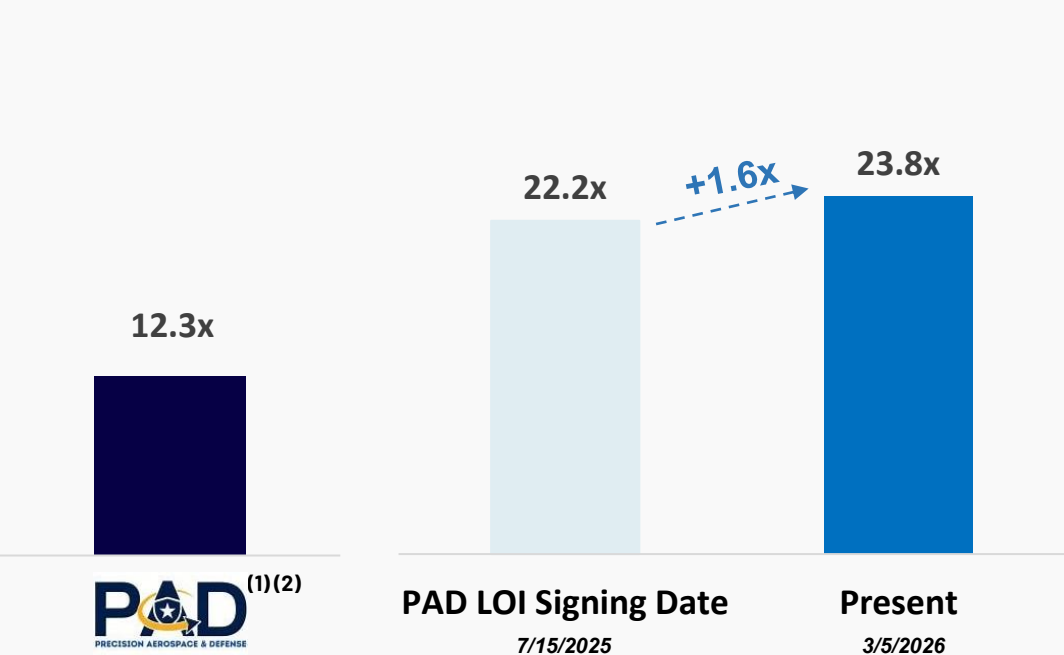
# Select Public Comparables Benchmarking

EBITDA Multiple Expansion & Index Comparisons

## EBITDA Multiple Expansion<sup>(2)</sup>

### PAD Select Public Comparables<sup>(4)</sup>

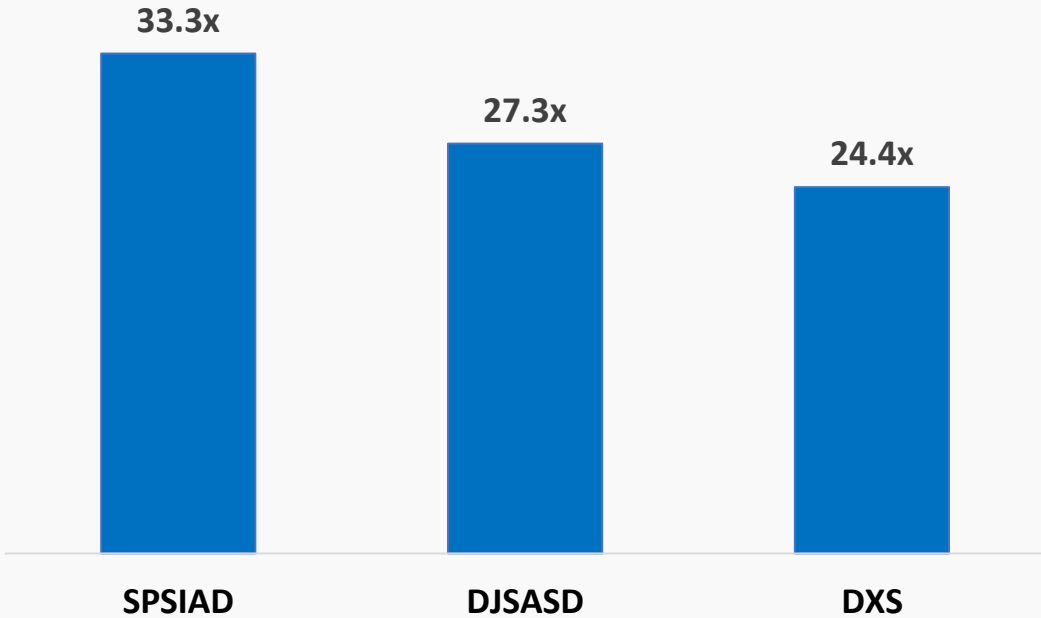
\*FYE 2026 EV/EBITDA Multiples



## Aerospace & Defense Indices<sup>(2)(3)</sup>

### Index Multiple Comparisons

\*TTM EV/EBITDA Multiples



Source: FactSet and Bloomberg data as of 3/10/2026  
 (1) PAD multiple based of FY'26PF financials, which includes Maney, Aerofab, V&M, Aerodyn, SPM, WestPro, DSI and 2 potential acquisition targets referenced on Slide 36. (2) EBITDA Margin is a non-GAAP calculation. For additional detail on EBITDA Margin reconciliation, please see the Disclaimer. (3) Indices references are as follows: S&P Aerospace & Defense Select Industry Index (SPSIAD), Dow Jones U.S. Select Aerospace & Defense Index (DJSASD), and SPADE Defense Index (DXS). (4) Select Public Comparables: Transdigm, Park Aerospace Corp., Curtiss-Wright, Moog, ESCO Technologies, HEICO, VSE Corporation, Ducommun, and Graham Corporation. PAD's comparables universe was selected based on companies with a similar suite of offerings, scale, end-market exposure, and operating model within the broader Aerospace & Defense universe. Figures presented above reflect the mean EV/EBITDA multiple of the selected public comparables.

# Precision Aerospace & Defense Group, Inc. (PAD)



**Purpose Built Platform Poised for Significant Growth**

**Long-Standing Customer Relationships Across Capability Sets and End Markets**

**Coveted Positioning Throughout the Manufacturing Supply Chains Drives Attractive Revenue Growth and Margin Profile**

# Appendix: Non-GAAP Reconciliations Business Overview



# PAD Pro-Forma Historical & Projected Summary

## Consolidated Income Statement

PAD Pro-Forma Historical & Projected Summary Financials										
	Q1'25PF	Q2'25PF	Q3'25PF	Q4'25PF	FY'25PF <sup>(3)</sup>	Q1'26PF	Q2'26PF	Q3'26PF	Q4'26PF	FY'26PF <sup>(4)</sup>
<b>Revenues</b>	\$18.5	\$19.3	\$18.6	\$16.7	\$73.0	\$20.5	\$21.8	\$22.0	\$19.5	\$83.8
Cost of sales	11.2	12.7	11.7	10.2	\$45.8	13.0	13.4	13.5	11.7	51.7
<b>Gross profit</b>	\$7.3	\$6.6	\$6.9	\$6.5	\$27.2	\$7.5	\$8.3	\$8.6	\$7.8	\$32.2
	39%	34%	37%	39%	37%	37%	38%	39%	40%	38%
<b>Operating</b>										
SG&A (Less Interest Expense)	\$4.4	\$4.0	\$4.1	\$4.9	\$17.5	\$4.5	\$4.3	\$4.4	\$4.9	18.2
<b>Total Operating Income (Expense)</b>	\$2.9	\$2.5	\$2.7	\$1.5	\$9.7	\$3.0	\$4.0	\$4.2	\$2.9	\$14.0
<b>Other Income (Expense)</b>										
Interest Expense	(0.5)	(0.5)	(0.4)	(0.5)	(\$1.9)	(0.2)	(0.2)	(0.2)	(0.2)	(0.8)
Other income (expense)	0.6	0.6	(0.1)	(0.1)	\$1.0	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Taxes	0.2	0.5	0.7	0.5	\$1.9	0.6	0.8	0.8	0.6	2.8
<b>Total other income (expense)</b>	(\$0.1)	(\$0.4)	(\$1.2)	(\$1.1)	(\$2.8)	(\$0.8)	(\$1.0)	(\$1.0)	(\$0.8)	(3.6)
<b>Net income (loss)</b>	\$2.8	\$2.1	\$1.6	\$0.5	\$6.9	\$2.2	\$3.0	\$3.1	\$2.1	\$10.4

# Reconciliation of Non-GAAP Financial Measures

PAD Pro-Forma Historical & Projected EBITDA Reconciliation										
	Q1'25PF	Q2'25PF	Q3'25PF	Q4'25PF	FY'25PF <sup>(2)</sup>	Q1'26PF	Q2'26PF	Q3'26PF	Q4'26PF	FY'26PF <sup>(3)</sup>
<b>Net income (loss)</b>	<b>\$2.8</b>	<b>\$2.1</b>	<b>\$1.6</b>	<b>\$0.5</b>	<b>\$6.9</b>	<b>\$2.2</b>	<b>\$3.0</b>	<b>\$3.1</b>	<b>\$2.1</b>	<b>10.4</b>
Depreciation & Amortization	\$0.6	\$0.5	\$0.4	\$0.4	\$2.0	\$0.4	\$0.4	\$0.4	\$0.4	1.8
Interest expense	\$0.5	\$0.5	\$0.4	\$0.5	\$1.9	\$0.2	\$0.2	\$0.2	\$0.2	0.8
Taxes	\$0.2	\$0.5	\$0.7	\$0.5	\$1.9	\$0.6	\$0.8	\$0.8	\$0.6	2.8
<b>EBITDA</b>	<b>\$4.0</b>	<b>\$3.6</b>	<b>\$3.1</b>	<b>\$1.9</b>	<b>\$12.7</b>	<b>\$3.4</b>	<b>\$4.5</b>	<b>\$4.6</b>	<b>\$3.3</b>	<b>15.8</b>
WestPro One-Time Expenses <sup>(4)</sup>	\$0.1	\$0.1	\$0.1	\$0.1	\$0.4	\$0.0	\$0.0	\$0.0	\$0.0	-
PAD One-Time Expenses <sup>(5)</sup>	(\$0.3)	(\$0.2)	\$0.3	\$0.2	(\$0.0)	\$0.0	\$0.0	\$0.0	\$0.0	-
Aerodyn Professional Fees <sup>(6)</sup>	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	-
SPM Professional Fees <sup>(7)</sup>	\$0.1	\$0.1	\$0.1	\$0.0	\$0.2	\$0.0	\$0.0	\$0.0	\$0.0	-
<b>Adj. EBITDA</b>	<b>\$4.0</b>	<b>\$3.6</b>	<b>\$3.5</b>	<b>\$2.2</b>	<b>\$13.3</b>	<b>\$3.4</b>	<b>\$4.5</b>	<b>\$4.6</b>	<b>\$3.3</b>	<b>15.8</b>
	21%	19%	19%	13%	18%	17%	20%	21%	17%	19%