



FTG CORPORATION



**Aerospace & Defence Electronic
Products & Subsystems**

Disclaimer

This presentation contains certain forward-looking statements. These forward-looking statements are related to, but not limited to, FTG's operations, anticipated financial performance, business prospects and strategies. Forward-looking information typically contains words such as "anticipate", "believe", "expect", "plan" or similar words suggesting future outcomes. Such statements are based on the current expectations of management of the Company and inherently involve numerous risks and uncertainties, known and unknown, including economic factors and the Company's industry, generally. The preceding list is not exhaustive of all possible factors. Such forward-looking statements are not guarantees of future performance and actual events and results could differ materially from those expressed or implied by forward-looking statements made by the Company. The reader is cautioned to consider these and other factors carefully when making decisions with respect to the Company and not place undue reliance on forward-looking statements. Other than as may be required by law, FTG disclaims any intention or obligation to update or revise any such forward-looking statements, whether as a result of new information, future events or otherwise.



FTG Today: Pioneering Aerospace & Defence Solutions

A Global Force, Crafting Cutting-Edge Electronic Products and Subsystems that Propel the Industry Forward

Markets



Aerospace & Defence

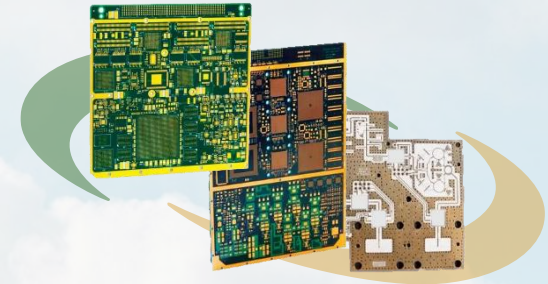
Products

Cockpit and Avionics
Products



FTG Aerospace

Printed Circuit Boards



FTG Circuits

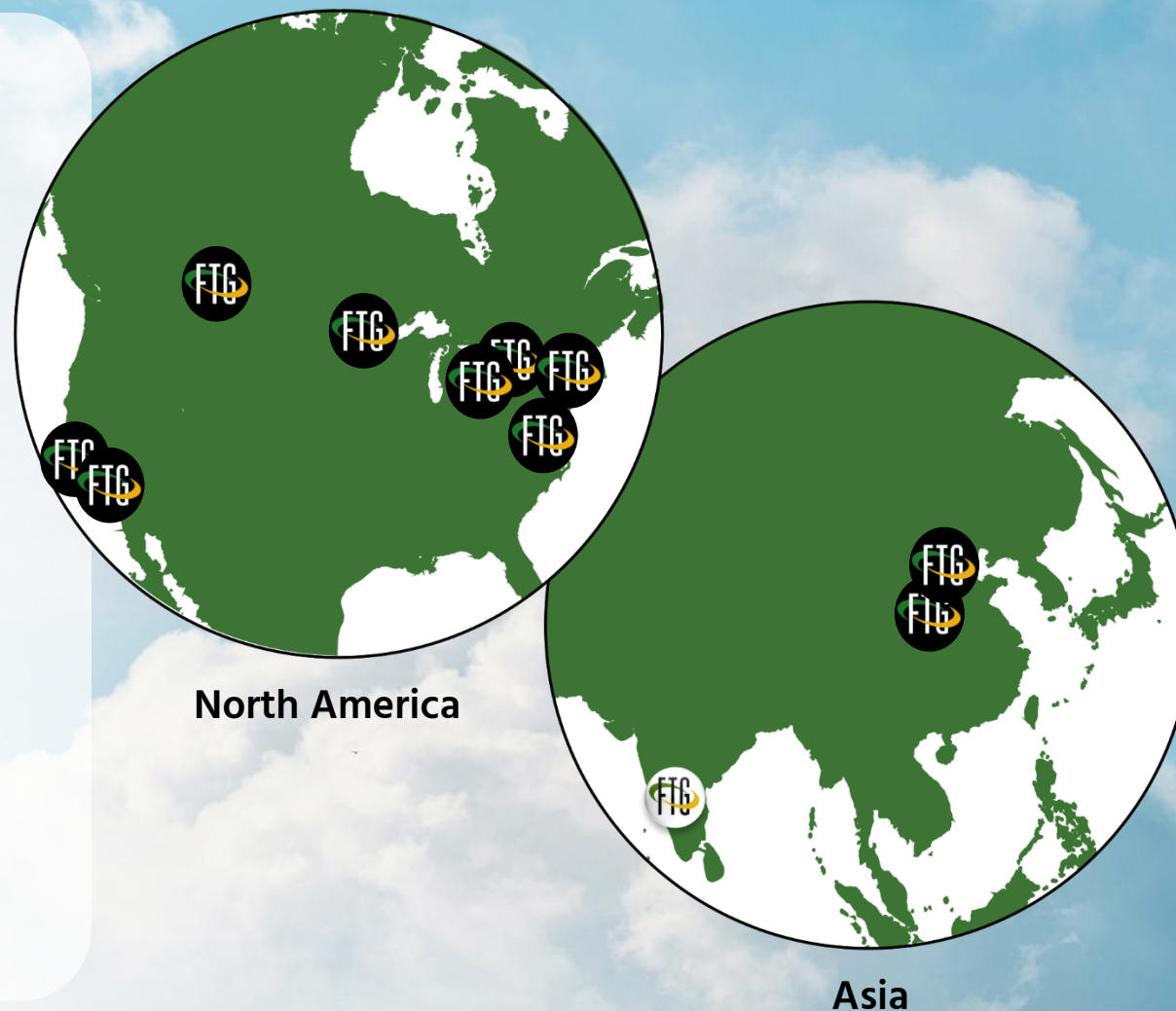


TSX: FTG

FTG at a Glance

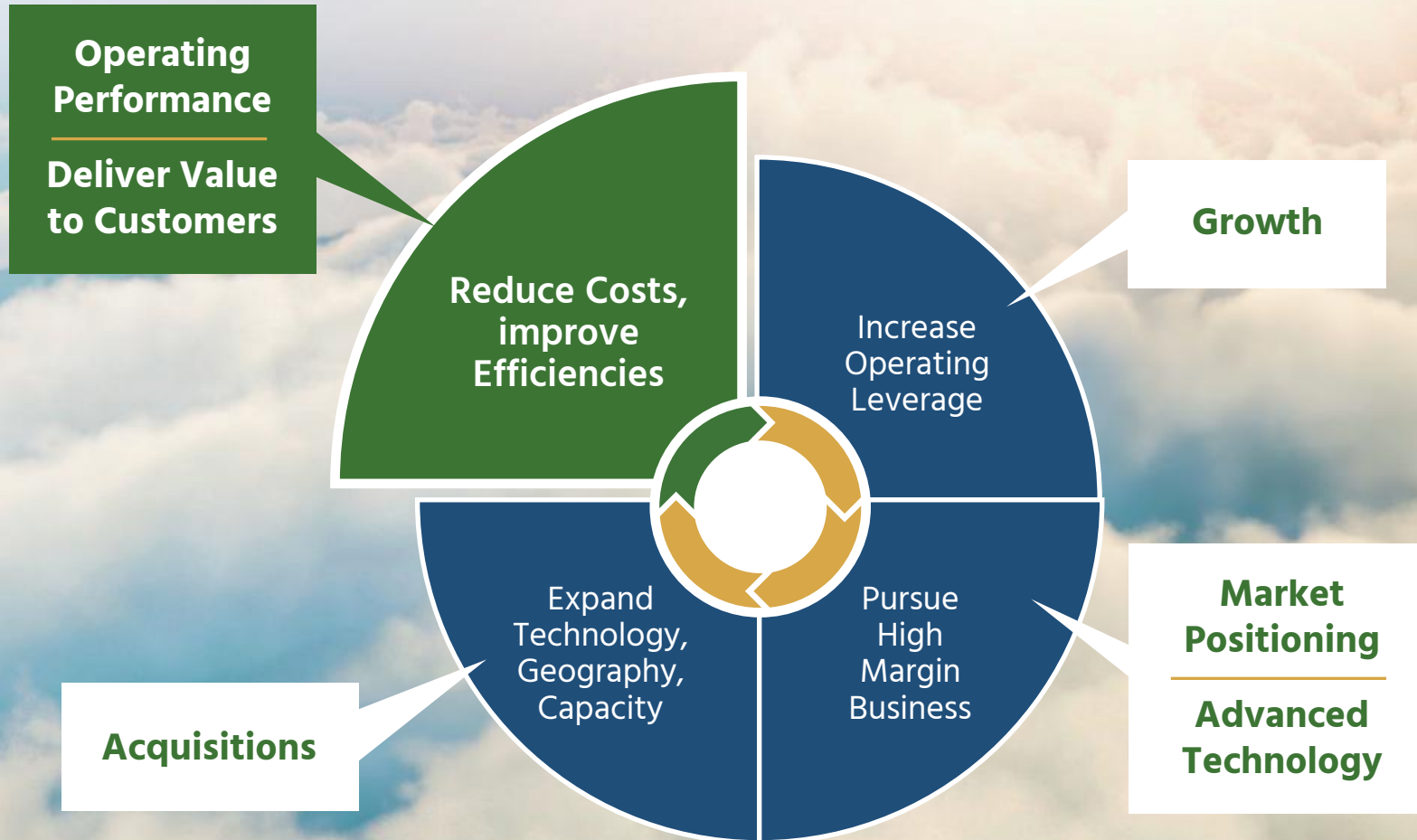
Financial And Operational Snapshot

- ✓ **TSX: FTG**
- ✓ **34% 3-year CAGR Driven by Acquisitions & Organic Growth:**
 - ✓ \$162M Sales in 2024
 - ✓ \$135M Sales in 2023
 - ✓ \$90M Sales in 2022
- ✓ **10 Sites Globally:**
 - ✓ 5 in USA
 - ✓ 3 in Canada
 - ✓ 2 in China
 - ✓ Plus 1 site under construction in India
- ✓ **25.2M Common Shares, approximately:**
 - ✓ 4.8M owned by Oakwest Ltd
 - ✓ 2.7M owned by Brad Bourne – CEO
 - ✓ 0.5M owned by other Mgmt/Directors
- ✓ **750 Employees Globally**



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FTG Strategic Initiatives



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FTG Operating System

Solidifying Leadership Team –

Laying The Groundwork To Scale Efficiently, Without Compromising Performance

- **Build/Strengthen the team**
- **Standardize FTG operating system across the company:**
 - Leverage best practices from inside and outside FTG
 - Ensure consistent performance across all sites
 - Ensure standard reporting across the company
- **Drive Efficiencies**
 - Understand key metrics
 - Streamline processes
 - Automate

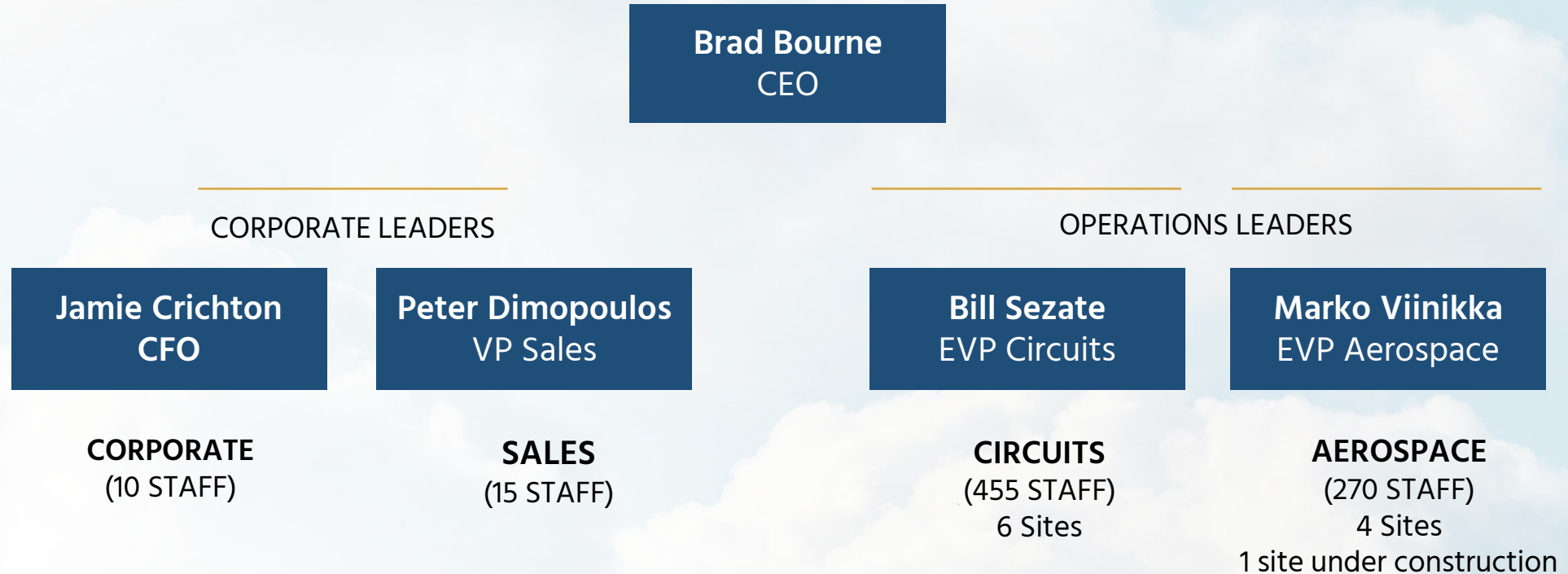


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FTG - Strong Leadership Team

Operational Excellence –

Building the team to support future growth and success –with dramatically increased bench-strength



Increased management depth and robust succession options drive FTG's long-term success



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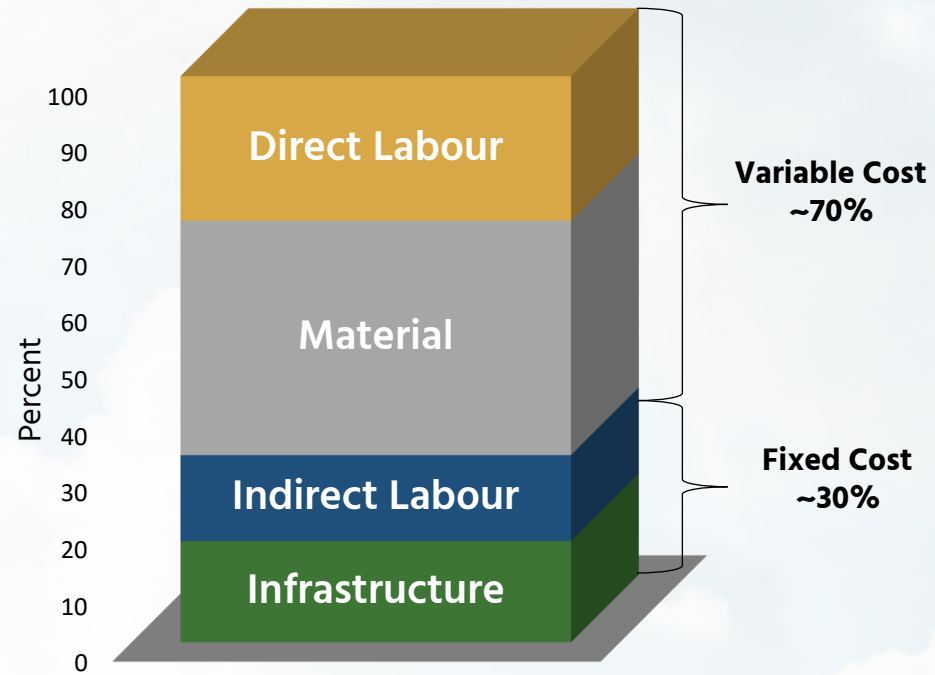
FTG Strategic Initiatives



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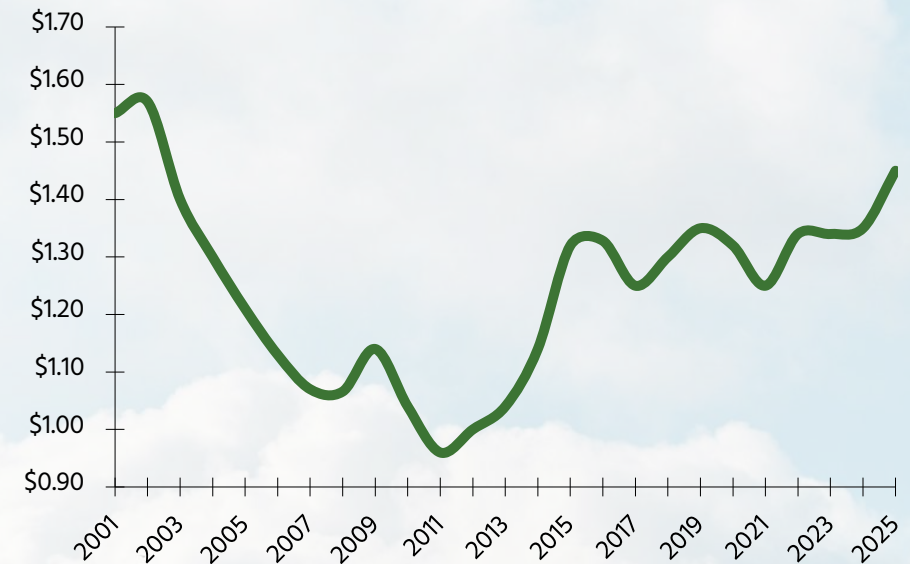
FTG Scalable Economics

Top Line Drives Bottom Line



Contribution Margin of ~30% on incremental revenue

CAD/USD Exchange Rate

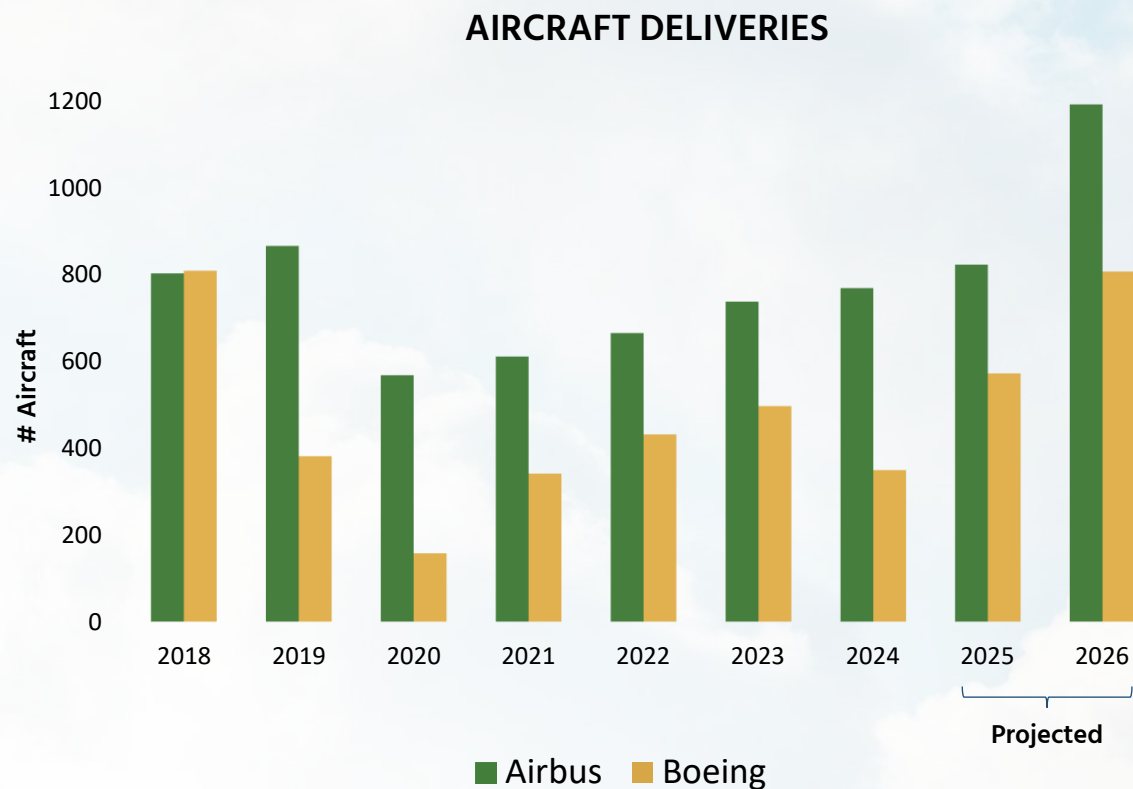


Over 90% of FTG's revenue denominated in USD



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Commercial Aircraft Deliveries



Airbus total backlog

8,658
AIRCRAFT

Boeing total backlog

5,595
AIRCRAFT

Airbus

- Airbus shipped double Boeing's shipments in 2024
- Airbus expected to approach 2019 shipments levels in 2025

Boeing

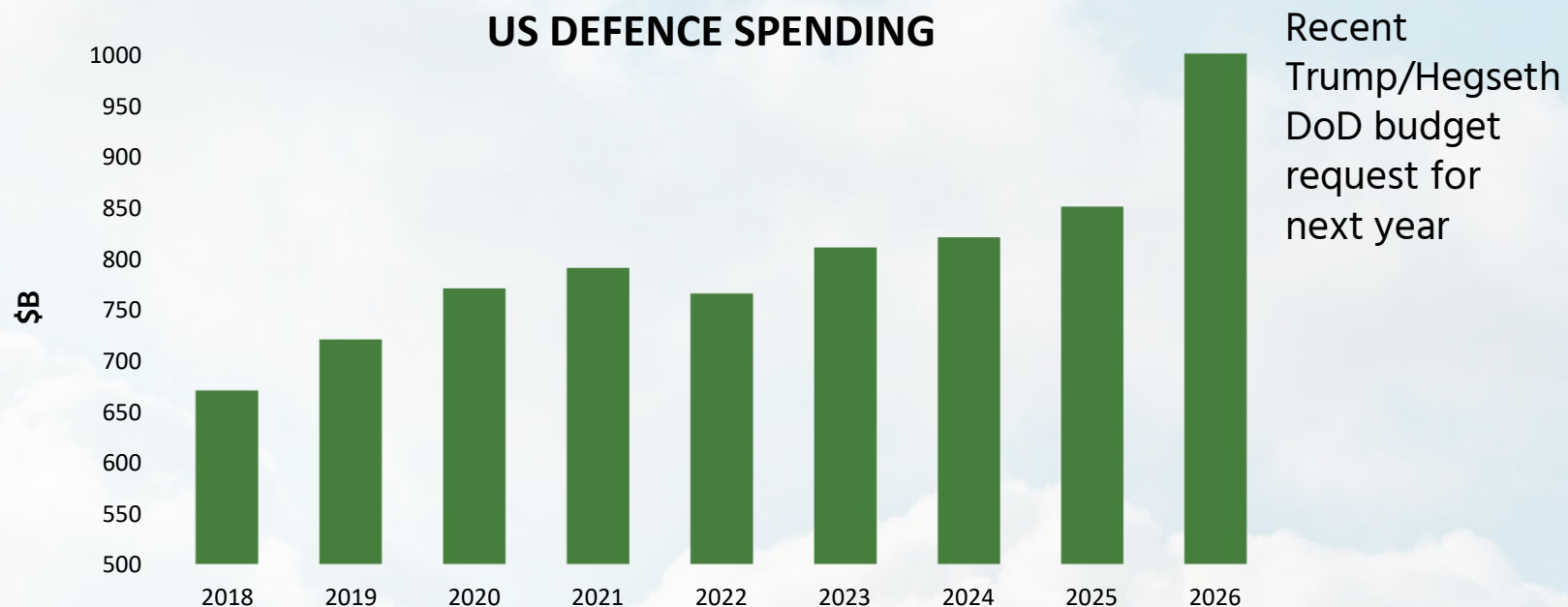
- Boeing impacted by Alaska Air incident in 2024, and a strike
- New CEO at Boeing refocusing the company on its core business
- 2025 shipments forecast to be up 50%+ from 2024

Airbus is outperforming Boeing in the next few years



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US Defence Spending



Defence spending is increasing as geopolitical tensions increase around the globe

FTG's Multiple Levers For Continued Growth



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US Tariffs

- The new US Administration is implementing tariffs on imports into the US
- FTG sales include approximately \$55M in sales to the US from Canada or China
- Mitigation plans include:
 - ◆ It will take time for the Aerospace and Defence supply chain to move sources of supply so any negative impact to FTG would be felt over time
 - ◆ The US-based acquisitions by FTG in 2023 have expanded our US manufacturing capacity
 - ◆ The acquisition of FLYHT in December 2024 reduces our exposure to tariffs as their largest customer is in Canada and they sell globally
 - ◆ We are moving to be more locally focused with US sites selling into US customers and non- US sites selling to non-US customers
 - ◆ FTG's non-US sites will target increased market share from Airbus
 - ◆ FTG is developing plans to add sales resources in Canada, Europe and Asia
 - ◆ The recent win of cockpit assemblies on the DeHavilland Canadair 515 water bomber will be Canadian revenue generated in our Canadian aerospace site
 - ◆ FTG's plans to open a facility in Hyderabad India will help open a new non-US market
- Today our Canadian sites are least impacted by US Tariffs
 - ◆ No tariffs on input costs
 - ◆ No tariffs on shipments to US customers as products fall under USMCA



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FTG Strategic Initiatives



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Barriers to Entry

-  Technology/Capabilities
-  Government certifications
-  Customer certifications and approvals
-  Customer Relationships
-  Operational Performance
-  Financial Strength
-  Global Footprint



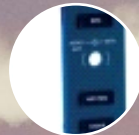
Aerospace Technology Growth

Technology Growth Drives Higher Content Per Aircraft And Accelerates Revenue Growth

Panel



Switch Panel



Keyboard



Power Supply



Electro-mech Assembly



Electronic Assembly

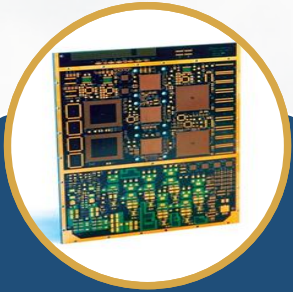


45%
of 2024 sales
are assemblies

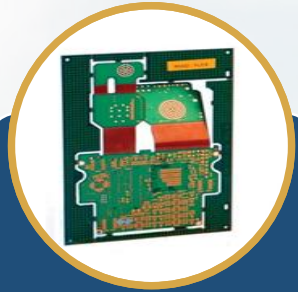


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Circuits – Technology Growth



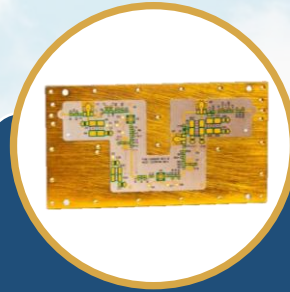
HDI
Micro Vias
Sequential
Lamination
Filled Vias



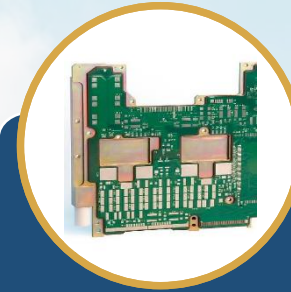
Rigid Flex
Assembly



High Frequency
RF Circuitry



Hybrid Materials
RF Circuitry
Digital Circuitry



Thermal
Management



Semi / Fully
Additive Process
UHDI



Over 50% of sales are high technology or specialty products







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FTG's Market Segmentation Dynamics

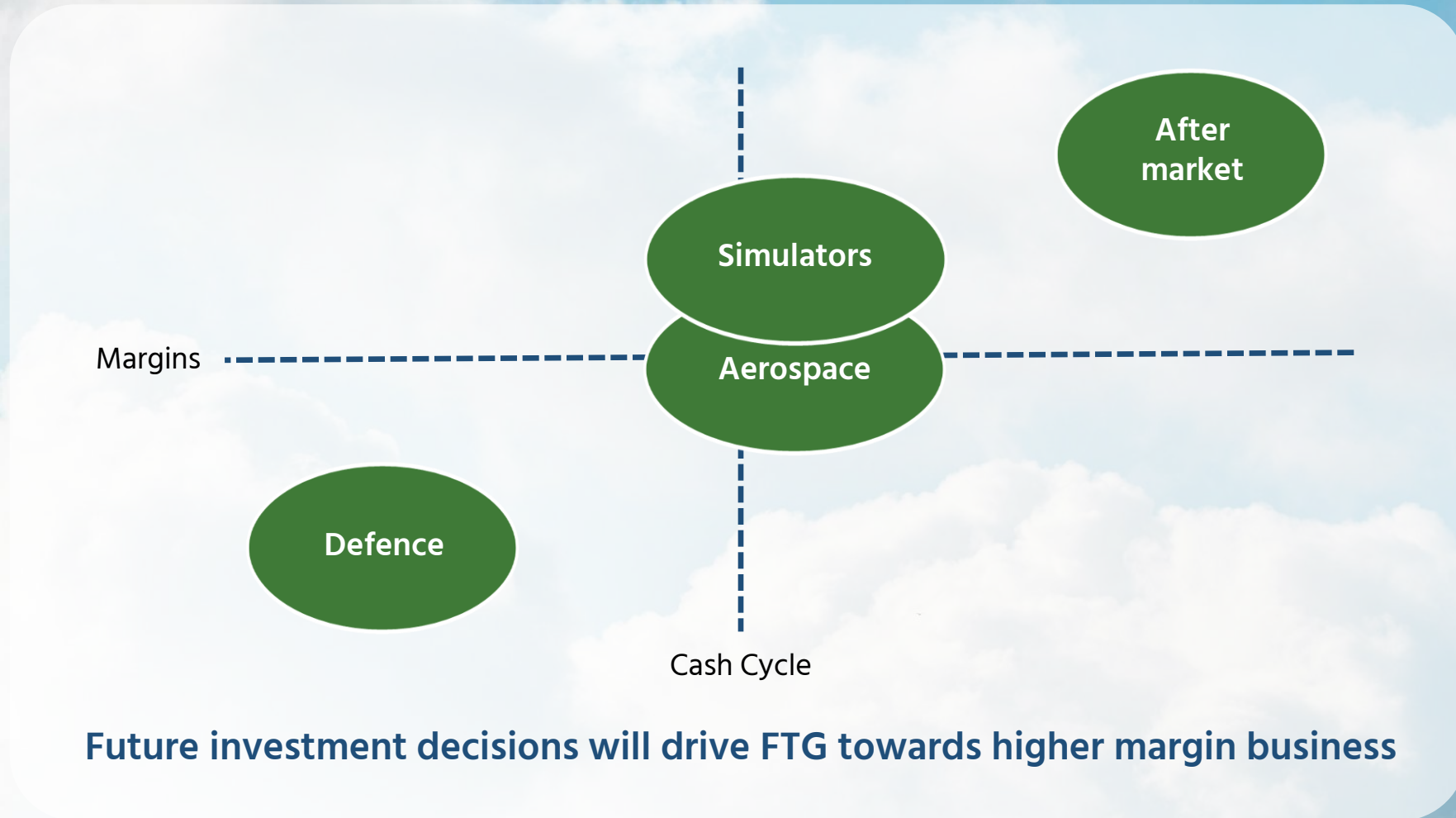
Analysis For Optimal Capital Deployment

Benchmarking data used to assess financial attractiveness of various market segments

	 Defence Production	 Aerospace Production	 Simulation	 Aftermarket Spares, Repairs, and Support
POSITIVES	<ul style="list-style-type: none">▪ Short cash cycles▪ Long term programs	<ul style="list-style-type: none">▪ Good margins▪ Long term programs	<ul style="list-style-type: none">▪ Higher margins	<ul style="list-style-type: none">▪ Highest margins
NEGATIVES	<ul style="list-style-type: none">▪ Lower margins▪ Subject to annual funding approvals	<ul style="list-style-type: none">▪ Annual productivity expectations▪ Longer cash cycles	<ul style="list-style-type: none">▪ Lower production rates▪ Higher engineering needs	<ul style="list-style-type: none">▪ Longest cash cycles

Market Positioning

Benchmarking Process Used To Assess Financial Attractiveness Of Various Market Segments



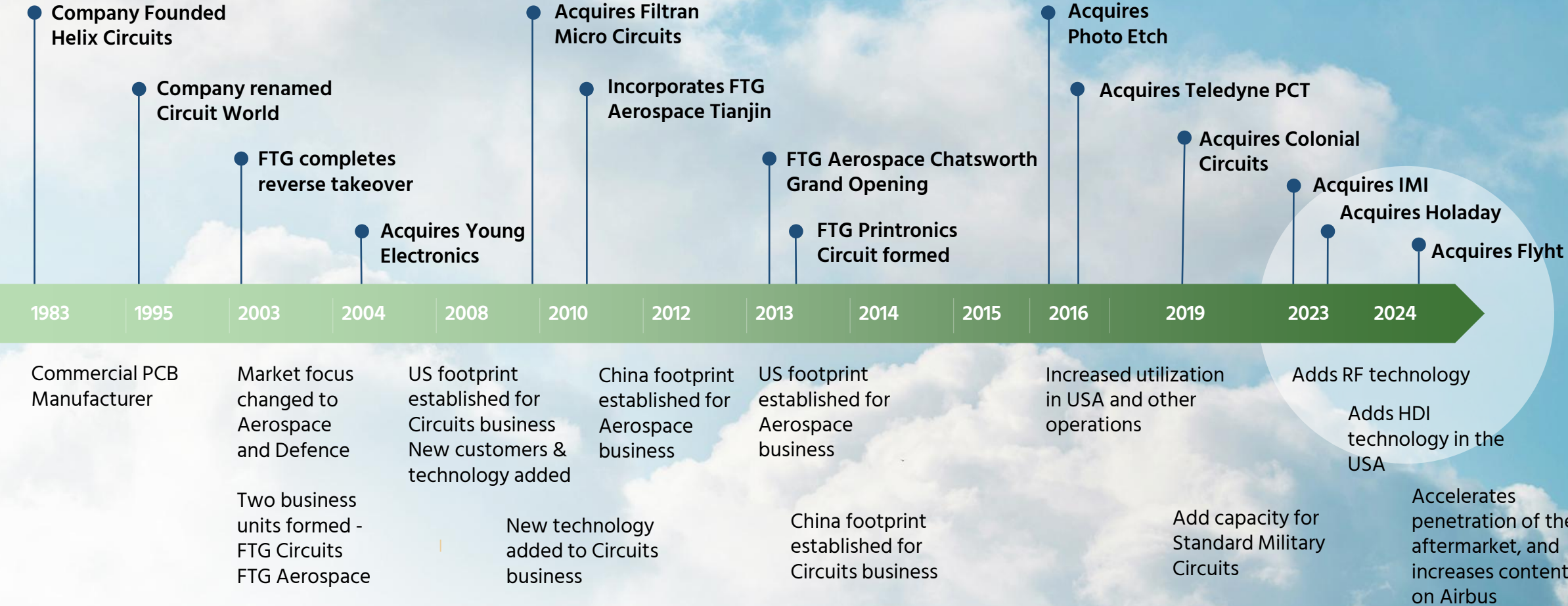
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FTG Strategic Initiatives



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Corporate Development Milestones



FLYHT Acquisition

- Deal closed December 20, 2024
- Enterprise value of approximately \$23M
 - ◆ ~\$13.7M in equity and assumption of debt (debenture and Government debt)
- Approximately \$20M in sales
 - ◆ Nearing completion of 3 new/updated aftermarket products

Key Strategic Benefits

- Increase FTG's penetration of the Commercial Aerospace Aftermarket
 - ◆ High margin business
- Increase FTG's content on Airbus aircraft
 - ◆ Airbus is the leading performer in the Air Transport market
- First Avionics products for FTG
 - ◆ Next step up in technology
- Insource manufacturing of FLYHT products to FTG sites
 - ◆ Capture manufacturing margin in house



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FLYHT Acquisition

Products



● **Satcom communications via Iridium Satellite system (AFIRS 228)**

- ◆ Backup aircraft safety communications system
- ◆ Aircraft data transmission system for enhanced operations management
- ◆ In service for many years, with design update just completed
- ◆ Factory option for all Airbus aircraft – via licencing arrangement – 200-300 installed annually
 - Licencing revenue to resume in 2026
- ◆ Hardware sales and satellite data service sales



● **Wireless Quick Access Recorder (WQAR) (Edge and Edge +)**

- ◆ 5G wireless connection from aircraft to airline flight operations
- ◆ Collect data in flight and transmit aircraft data while at an airport
- ◆ Development complete – for two versions
- ◆ Hardware sales and wireless service sales



Weather - Water Vapour Sensing System (WVSS II)

- ◆ Systems installed on aircraft to collect high altitude weather and water vapour data
- ◆ System update complete
- ◆ Data sold to National weather agencies such as NOAA and UK Met
- ◆ Hardware and weather data sales



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FLYHT Acquisition

Path Forward

- **Reduce operating costs**
 - ◆ Reduce internal costs - FLYHT restructured in September 2024 significantly reducing labour costs
 - Product development efforts winding down
 - ◆ Eliminate public company costs
 - ◆ Total savings estimated at ~\$4M annually
- **Aggressively sell all products against existing Supplemental Type Certificates (STCs)**
 - ◆ STCs are required government approvals (Transport Canada, FAA, EASA, CAAC) to install equipment on specific aircraft types in their jurisdiction
 - ◆ Satcom product has wide range of STCs
- **Pursue new STCs for additional aircraft types and countries**
 - ◆ New product priority STCs are Boeing 737 and Airbus A320 variants for the EDGE+ product
 - First STC received for B737 aircraft in Canada
 - ◆ Also pursue STCs for the WVSS-II product in conjunction with implementation programs with NOAA and UK Met
- **In-source product manufacturing to FTG site(s)**
 - ◆ Looking to in-source to US and other FTG sites to ensure we can manage around tariffs
- **Shield future profits with existing tax losses at FLYHT**



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Future M&A Considerations

Future Acquisitions

Key criteria for future acquisitions include:

- Aligned with FTG market and product focus
- Expand technology offering
- Expand geographic coverage
 - Europe for commercial airspace
 - Europe, India, other top ten countries outside of US for defence
- Accelerate FTG's penetration of the aftermarket segment
- Drive up plant utilization
- Attractive price, attractive multiple
- Accretive to earnings



Capital Allocation

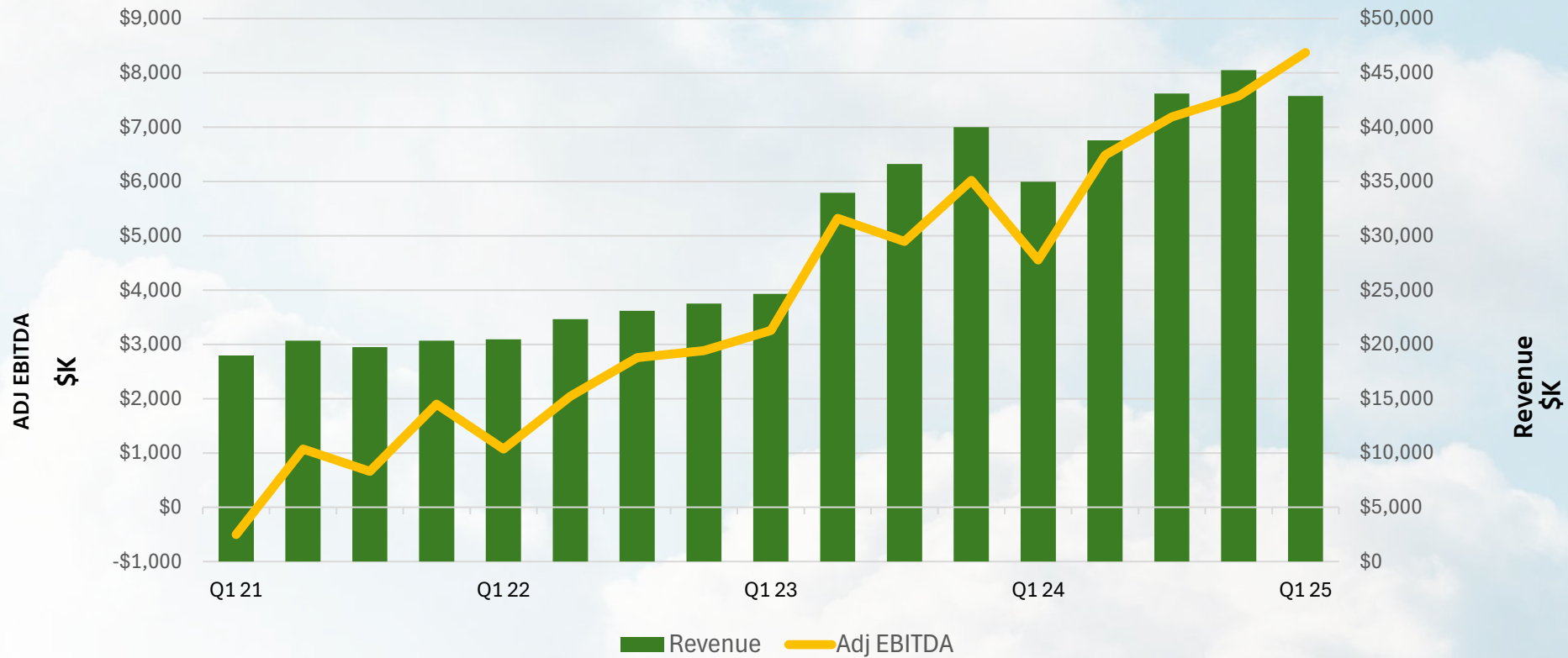
Capital allocation plans include:

1. Invest organically to ramp throughput and drive technology
2. Pursue corporate development opportunities
3. We have an NCIB to buy back up to 5% of outstanding shareholder stock
 - 616,400 shares repurchased since 2022

Deploy cash available to improve profitability and shareholder returns



Financial Highlights – By Quarter

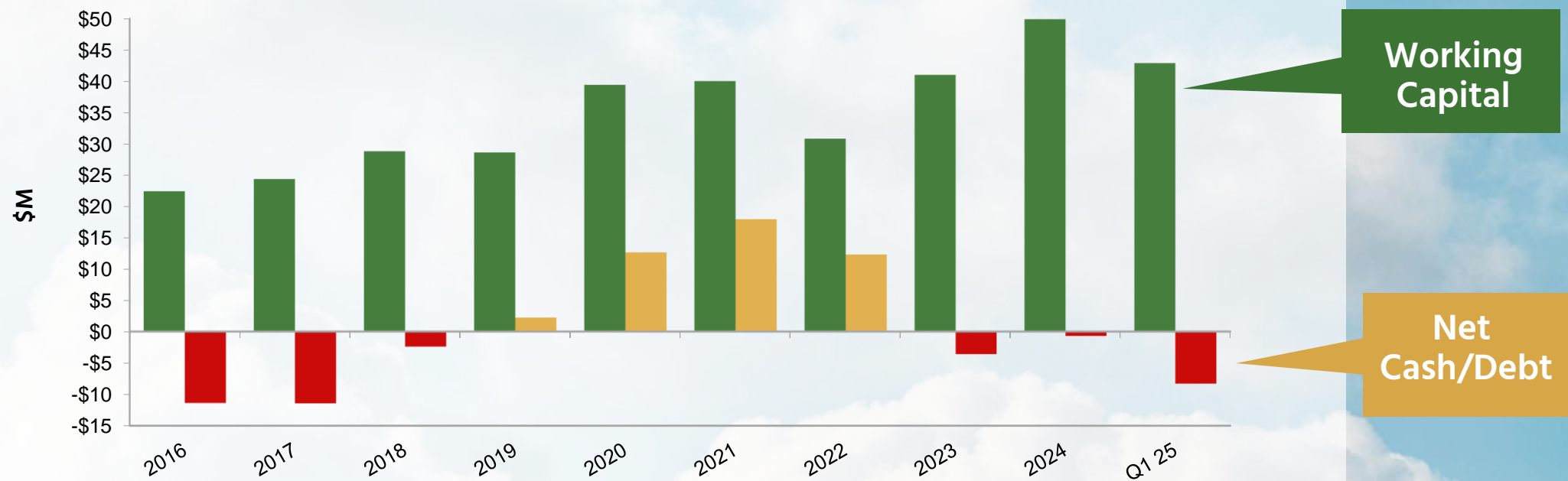


Revenue has more than doubled since pandemic lows



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Balance Sheet Highlights



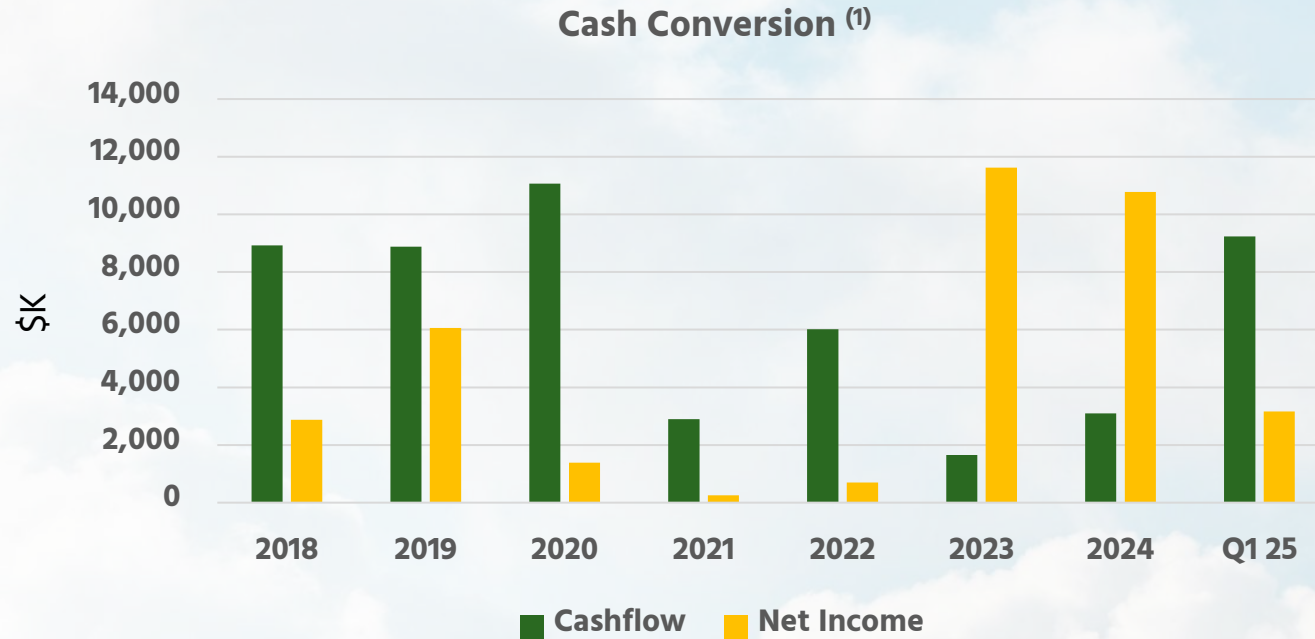
Working Capital | Working capital remains strong after the acquisitions

Net Cash | FTG has minimal debt after completing two acquisitions in 2023 and one in 2024



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Cash Flow Highlights



**Cash conversion above 100% every year except 2023/24.
2023/24 cash conversion impacted by large ramp in production**



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(1) Cashflow excludes acquisition costs and building purchase/sale.

FTG's Stock Performance



Stock is up about 450% in the last decade

FTG TTM EV/EBITDA is ~8.5X

FTG now trades on the OTCQX market in the US – ticker FTGFF

Investor Research Reports:

Company	Raymond James	Acumen	Beacon
Rating	Outperform 2	Buy	Buy
Target Price	\$11.00	\$12.00	\$12.00



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ESG at FTG

Focus On Environmental, Social & Governance Factors Across All Operations



Environment: Reduction of impact on the environment in areas such as water recycling, higher efficiency equipment, and committed further investments, with the support of the Canadian and Ontario Governments.



Social: FTG is committed to having a safe, secure and diverse workforce. We proactively review and improve all aspects of safety at our sites.



Governance: Increased board diversity, robust business ethics policies, strong risk management practices.



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