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BEI Precision Overview

BEI Precision along with Thistle Design and Wenzel Associates, Inc. provide an unrivaled capability in motion control and feedback sensor for mission critical applications.

- Industry leading product offerings
  - Optical encoders
  - Resolvers & RVDTs
  - Accelerometers
  - Dither Scanners
  - Crystal Oscillators
  - Low Noise Amplifiers

**BUSINESS OVERVIEW**

<table>
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<tr>
<th>Locations:</th>
<th>Maumelle, AR Edinburgh, Scotland Austin, Texas</th>
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<tbody>
<tr>
<td>Organization:</td>
<td>C Corporation</td>
</tr>
<tr>
<td>Facility Footprint:</td>
<td>+100,000 ft²</td>
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<tr>
<td>Leadership:</td>
<td>Mark Mirelez</td>
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**DIFFERENTIATED PRODUCT PORTFOLIO**

- Optical Encoders
- Resolvers & RVDTs
- Accelerometers
- Optical Scanners / Microscanners

Technology Driven Company Committed to Delivering the optimum solution and Exceptional Customer Satisfaction
Corporate History – 70 Years

A History of Innovation and Performance Grounded in Technology-Enabled Solutions

- Founding
- 1951: Invented the Optical Encoder
- 1952: Originally spun out from the D.H. Baldwin Company, relocated to Arkansas
- 1958: First product deployment into space (TRIOS-SBUV)
- 1960: First successful product deployment into space (TRIOS-AEAS)
- 1965: Developed the FES for the Hubble Telescope
- 1970: Began decades-long relationship supporting GOES and predecessor platforms
- 1982: Added scanners and accelerometers to offerings
- 1990: Began to provide accelerometers to the Black Hawk program
- 1997: Added to the SBIRS program via Lockheed Martin
- 1998: Designed and implemented the FES for the Hubble Telescope
- 1999: Began working with National Polar-Orbiting Operational Environmental Satellite System ("NPOESS") / JPSS
- 2003: Completed development of ARA and AIME modular optical encoders
- 2005: Qualified for deployment on JSF via Northrop Grumman and Lockheed Martin
- 2008: Deployed products on the International Space Station ("ISS")
- 2016: Began working with National Polar-Orbiting Operational Environmental Satellite System ("NPOESS") / JPSS
- 2017: Company acquired by JFLCO
- 2018: Thistle Design Acquired by BEI Precision
- 2020: Completed development of ARA and AIME modular optical encoders

Financial Highlights:

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue (in millions)</th>
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<tr>
<td>1990</td>
<td>$10</td>
</tr>
<tr>
<td>2000</td>
<td>$20</td>
</tr>
<tr>
<td>2010</td>
<td>$30</td>
</tr>
<tr>
<td>2020</td>
<td>$50</td>
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J.F. Lehman & Company

JFLCO is a leading U.S. private equity investment firm that focuses exclusively on acquiring and growing companies in the aerospace, defense, and maritime industries.

- New York headquarters with offices and operating executives in Washington and London
- Acquired over 50 companies with an aggregate transaction value of ~$3.7 billion
  - 28 platform investments, augmented by 25+ strategic “bolt-ons”
- JFLCO’s investment program targets
  - Differentiated companies in the aerospace, defense and maritime supply chain
  - $100 to $300 million enterprise value
  - Proven technology-driven products and services whose performance is critical
  - Companies whose defense-based technologies could have attractive commercial applications and where our experience and resources can help build value
- Cohesive group of investment professionals have more than 150 years of combined industry experience
  - Managing partners have invested as a team for more than 20 years
- Intensive “hands-on” operating approach reflects deep management and investment expertise
Where are we - Platforms

F-35 Lightning

BEI Precision Dither Scanner

UH-60 Black Hawk

BEI Precision PG3A Accelerometer

M1A2 Abrams Tank

BEI Precision GCC40 Azimuth & Elevation Encoders

GOES-R Satellite ABI Sensor Unit

BEI Precision Optical Encoder
BEI Precision encoders range in precision and accuracy from relatively standard, productized sensors (single-digit bit resolution) to some of the world’s most advanced optical encoders (>28 bits) that are specifically designed for the most rugged and mission-critical space and military environments.

- Representative Military Grade Platforms: Black Hawk, JSF, M1 Abrams, Virginia/Columbia Class Sub, and various fixed-wing aircraft and tracked and light assault vehicles
- Representative Space Platforms: JPSS, SBIRS, GOES, International Space Station, and Hubble Space Telescope

Resolution / Accuracy (Measured in “Bits”)

- Commercial Grade: 3-9 Bits
- Military Grade: 10-20 Bits
- Space Grade: >20 Bits

THISTLE DESIGN
Primary Market Segments

BEI Precision’s Primary Market Segments
Just how precise are we?

28 Bits ($2^{28}$) of resolution divides a circle in $268,435,456$ equal sections

That is a SMALL section of a circle but what does that mean?

28 Bits of resolution is equivalent to the angle created from the width of a single grain of salt (0.3 mm) as seen from 8.0 miles away.

28 Bits of resolution would allow you to line up a golf put (4.5 inches) from 3034 miles away.

28 Bits of resolution would allow you to hit a tennis ball in play from the Moon.

Width of Court = 36 feet
Distance to Moon = 238,900 Miles
Leadership Timeline
Leadership Timeline

- Commissioned in Air Force
- M.S. from ACU
- Joined National Instruments
- Promoted to Supply Chain Director
- SVP at Norvell
- VP – Supply Chain at DI
- President and CEO – BEI
- Assignment – Saudi Arabia
- Assignment – Balkans
- Tough Boss at NI
- Assignment – Debrecen, Hungary
- Tough Boss at Rockwell Collins
- VP/GM – Aviation at DI
- 5 CEOs in 2.5 years at DI

Timeline:
- '93: Commissioned in Air Force
- '95: M.S. from ACU
- '97: Joined National Instruments
- '01: Promoted to Supply Chain Director
- '03: SVP at Norvell
- '05: VP – Supply Chain at DI
- '09: President and CEO – BEI
- '11: Assignment – Debrecen, Hungary
- '15: VP/GM – Aviation at DI
- '18: 5 CEOs in 2.5 years at DI
My Views on Leadership
Leadership

➤ Style – Evolution of autocratic to a situational mix

➤ Impact on Leadership style – Take the good with the bad
  ■ First boss in the Air Force – Open door policy
  ■ Army Lt. Col in the Balkans – Work ethic
  ■ 2nd Boss at NI – Soft skills
  ■ Tough Boss at NI and Tough Boss at Rockwell
  ■ Find out who you are and stay true to that
  ■ Pick and choose lessons to complement your style
  ■ Pick people on your team to round your team/leadership out

➤ Development areas
  ■ Low Need to Engage in Nurturing Behavior
  ■ High Need for Order and Structure
  ■ High Need of Dominance
Final Thoughts
1. Leadership
► The world continues to place an increased value on leaders
► Learn from everyone you can - Find out what works best for you
► Stay true to your core values
► Take opportunities to work on those leadership skills
► Routine reflection and feedback

2. Career
► Find something your passionate about
► Big fan of core competency
► Get your advanced degree, if possible
► Work overseas if you get a chance
► Network tirelessly
► If given the opportunity, take it, even if you think you’re not ready
► Failure is not a permanent condition
► Grit – passion and perseverance for very long term goals; having stamina

3. So what is the difference between a Bookkeeper and a CEO?
► A generation, marked with opportunity and grit
Q&A