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DELTA REPORT

10-K

PKE - PARK AEROSPACE CORP

10-K - MARCH 03, 2024 COMPARED TO 10-K - FEBRUARY 26, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	1021
CHANGES	179
DELETIONS	421
ADDITIONS	421

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 10-K

(Mark One)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended February 26, 2023

For the fiscal year ended March 3, 2024

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ________ to _______

Commission file number 1-4415

PARK AEROSPACE CORP.,

(Exact Name of Registrant as Specified in Its Charter)

New York	11-1734643
(State or Other Jurisdiction of Incorporation of Organization)	(I.R.S. Employer Identification No.)
1400 Old Country Road, Westbury, New York	11590
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code (631) 465-3600

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, par value $.10 per share	PKE	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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Large Accelerated Filer ☐ Accelerated Filer ☐ Non-Accelerated Filer ☒ Smaller Reporting Company ☐
Emerging Growth Company ☐

Large Accelerated Filer ☐ Accelerated Filer ☐ Non-Accelerated Filer ☒ Smaller Reporting Company ☐ Emerging Growth Company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked prices of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter.

Title of Class	Aggregate Market Value	As of Close of Business On
Common Stock, par value $.10 per share	$240,332,005 257,598,800	August 26, 2022 27, 2023

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

Title of Class	Shares Outstanding	As of Close of Business On
Common Stock, par value $.10 per share	20,471,210 20,253,361	May 5, 2023 31, 2024

DOCUMENTS INCORPORATED BY REFERENCE

Proxy Statement for Annual Meeting of Shareholders to be held July 18, 2023 July 18, 2024 incorporated by reference into Part III of this Report.

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PART I

ITEM 1. BUSINESS.

General

Park Aerospace Corp. ("Park"), and its subsidiaries (unless the context otherwise requires, Park and its subsidiaries are hereinafter called the "Company"), is an aerospace company which develops and manufactures solution and hot-melt advanced composite materials used to produce composite structures for the global aerospace markets. Park's advanced composite materials include film adhesives and lightning strike protection materials. Park offers an array of composite materials specifically designed for hand lay-up or automated fiber placement (AFP) manufacturing applications. Park's advanced composite materials are used to produce primary and secondary structures for jet engines, large and regional transport aircraft, military aircraft, Unmanned Aerial Vehicles (UAVs commonly referred to as "drones"), business jets, general aviation aircraft and rotary wing aircraft. Park also offers specialty ablative materials for rocket motors and nozzles and specially designed materials for radome applications. As a complement to Park's advanced composite materials offering, Park designs and fabricates composite parts, structures and assemblies and low-volume tooling for the aerospace industry. Target markets for Park's composite parts and structures (which include Park's proprietary composite SigmaStrut™ and AlphaStrut™ product lines) are, among others, prototype and development aircraft, special mission aircraft, spares for legacy military and civilian aircraft and exotic spacecraft. Park's core capabilities are in the areas of polymer chemistry formulation and coating technology.

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On January 5, 2022, Park announced that it entered into a Business Partner Agreement with ArianeGroup SAS of Les Mureaux, France. Under the Business Partner Agreement, ArianeGroup SAS appointed Park as its exclusive North American distributor of ArianeGroup's RAYCARB C2®B NG proprietary product. RAYCARB C2®B NG is used to produce ablative composite materials for critical rocketry and missile systems.

Park is a long-term customer of ArianeGroup and uses ArianeGroup's RAYCARB C2®B NG product in the production of many of Park's key ablative materials, which Park supplies into critical rocket and missile programs. Park will continue to purchase RAYCARB C2®B NG for its own programs, and, through the Business Partner Agreement, Park is now taking on the new role of ArianeGroup's exclusive North American distributor for its RAYCARB C2®B product.

The Company's manufacturing and research and development facilities are located in Newton, Kansas.

Park was founded in 1954 by Jerry Shore, who was the Company's Chairman of the Board until July 14, 2004.

The Company makes available free of charge on its website, www.parkaerospace.com, its annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and all amendments to those reports as soon as reasonably practicable after such material is electronically filed with or furnished to the Securities and Exchange Commission. None of the information on the Company's website shall be deemed to be a part of this Report.

AEROGLIDE®, AEROADHERE®, COREFIX®, ELECTROGLIDE®, ELECTROVEIL® and RADARWAVE® are registered trademarks of Park Aerospace Corp., and ALPHASTRUT™ ALPHASTRUT®, PEELCOTE™ PEELCOTE® and SIGMASTRUT™ SIGMASTRUT® are common law trademarks of Park Aerospace Corp. Trademark applications for AEROADHERE™ and ELECTROVEIL™ are pending.

Operations

The Company designs, develops and manufactures engineered, advanced composite materials and advanced composite structures and assemblies and low-volume tooling for the aerospace markets and prototype tooling for such structures and assemblies.

The Company's aerospace composite materials are designed, developed and manufactured at its facility located at the Newton, Kansas Airport. The Company's aerospace composite structures and assemblies and low-volume tooling are also developed and manufactured at its facility located in Newton, Kansas.

Park offers a wide range of aerospace composite materials manufacturing capability, as well as composite structures design, assembly and production capability, all in its Newton facility. Park offers composite aircraft and space vehicle structures design and assembly services, in addition to "build-to-print" services. The Company believes that the ability to manufacture and develop both composite materials and structures at a single location can facilitate the needs of the aircraft and space vehicle industries.

Under a Business Partner Agreement with ArianeGroup SAS of Les Mureaux, France, Park is the exclusive North American distributor of ArianeGroup's RAYCARB C2®B C2B® NG proprietary product. RAYCARB C2®B C2B® NG is used to produce ablative composite materials for critical rocketry and missile systems. Park is a long-term customer of ArianeGroup and uses ArianeGroup's RAYCARB C2B® NG product in the production of many of Park's key ablative materials, which Park supplies into critical rocket and missile programs.

Industry Background

The aerospace composite materials manufactured by the Company and its competitors are used primarily to fabricate light-weight, high-strength structures with specifically designed performance properties. Composite materials are typically highly specified combinations of resin formulations and reinforcements. Reinforcements can be unidirectional fibers, woven fabrics, or non-woven goods such as mats or felts. Resin formulations are typically highly proprietary, and include various chemical and physical mixtures. The Company produces resin formulations using various epoxies, polyesters, phenolics, cyanate esters, polyimides and other complex matrices. The reinforcement combined with the resin is referred to as a "prepreg". Aerospace composite materials can be broadly categorized as either thermosets or thermoplastics. While both material types require the addition of heat to form a consolidated laminate, thermoplastics can be reformed using additional heat. Once fully cured, thermoset materials cannot be further reshaped. The Company believes that the demand for thermoset advanced materials is greater than that for thermoplastics due to the fact that parts fabrication processes for continuous fiber reinforced thermoplastics require much higher temperatures and pressures and are, therefore, typically more capital intensive than parts fabrication processes for most thermoset materials.

The Company works with aerospace OEMs, Original Equipment Manufacturers ("OEMs"), such as general aviation aircraft manufacturers and commercial aircraft manufacturers, and certain tier 1 suppliers (manufacturers of major components or systems such as engines, control systems, landing gear, braking systems, flight deck, avionics, aerostructures, electronic warfare systems and interior cabin products that are supplied to the OEMs) to qualify its aerospace composite materials or structures and assemblies for use on current and upcoming programs. The Company's customers typically design and specify a material specifically to meet the requirements of the customer's application and processing methods. Such customers sometimes work with a supplier to develop the specific resin system and reinforcement combination to match the application. Composite structure fabrication methods may include hand lay-up, resin infusion or more advanced automated

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lay-up processes. Automated lay-up processes include automated tape lay-up, automated fiber placement and filament winding. These automated fabrication processes required different material formats but similar materials to hand lay-up. After the lay-up process is completed, the material is cured by the addition of heat and pressure. Cure and consolidation processes typically include vacuum bag/oven curing, high pressure autoclave and press forming. After the structure has been cured, final finishing and trimming, and assembly of the structure, is performed by the fabricator or the Company.

Products

The aerospace composite materials products manufactured by the Company are primarily thermoset curing prepregs. The Company has developed proprietary resin formulations to suit the needs of the markets in which it participates by analyzing the needs of the markets and working with its customers. The complex process of developing resin formulations and selecting the proper reinforcement is accomplished through a collaborative effort of the Company's research and development, materials and process engineering and technical sales and marketing resources working with the customers' technical staff. The Company focuses on developing a thorough understanding of its customers' businesses, product lines, processes and technical challenges. The Company develops innovative solutions which utilize technologically advanced materials and concepts for its customers.

The Company's aerospace composite materials products include prepregs manufactured from proprietary formulations using modified epoxies, phenolics, polyesters, cyanate esters and polyimides combined with woven, non-woven and unidirectional reinforcements. Reinforcement materials used to produce the Company's products include polyacrylonitrile ("PAN") based carbon fiber, E-glass (fiberglass), S2 glass, quartz, aramids, such as Kevlar® ("Kevlar" is a registered trademark of E.I. du Pont de Nemours & Co.), Twaron® ("Twaron" is a registered trademark of Teijin Twaron B.V. LLC), polyester and other synthetic materials. The Company also sells certain specialty fabrics and prepregs with carbonized rayon fabric reinforcements that are used mainly in the rocket motor industry.

The Company's composite structures and assemblies are manufactured with carbon, fiberglass and other reinforcements impregnated with formulated resins. The Company also provides low-volume tooling in connection with its manufacture and sale of composite structures and assemblies.

Park is the exclusive North American distributor of ArianeGroup's RAYCARB C2®B C2B® NG proprietary product. RAYCARB C2®B C2B® NG is used to produce ablative composite materials for critical rocketry and missile systems.

Customers and End Markets

The Company's aerospace composite materials, structures and assemblies customers include manufacturers of turbofan engines, aircraft primary and secondary structures and radomes. A radome is a protective cover over an electrical antenna or signal generator, designed to minimize signal loss and distortion. Radomes are used in military aircraft, UAVs, business jets and turboprops, large and regional transport aircraft and helicopters, space vehicles, rocket motors and specialty industrial products.

The Company's aerospace composite materials are marketed primarily by sales personnel and, to a lesser extent, by independent distributors. The Company's aerospace composite structures and assemblies are marketed primarily by sales personnel.

The Company's aerospace customers include fabricators of aircraft composite structures and assemblies. The Company's aerospace composite materials are used by such fabricators and by the Company to produce primary and secondary structures, aircraft interiors and various other aircraft components. The Company's customers for aerospace materials, and the Company itself, produce structures and assemblies for commercial aircraft and for the general aviation and business aviation, kit aircraft, special mission, UAVs and military markets. Many of the Company's composite materials are used in the manufacture of aircraft certified by the Federal Aviation Administration (the "FAA").

Customers for the Company's rocket motor materials include United States defense prime contractors and subcontractors. These customers fabricate rocket motors for heavy lift space launchers, strategic defense weapons, tactical motors and various other applications. The Company's materials are used to produce heat shields, exhaust gas management devices and insulative and ablative nozzle components. Rocket motors are primarily used for commercial and military space launch, and for tactical and strategic weapons. The Company also has customers for these materials outside of the United States.

End markets include military aircraft, UAVs, business jets and turboprops, large and regional transport aircraft and helicopters, space vehicles, rocket motors and specialty industrial products. The Company's aerospace composite materials are marketed primarily by sales personnel and, to a lesser extent, by independent distributors. The Company's aerospace composite structures and assemblies are marketed primarily by sales personnel.

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During the Company's 2024, 2023 2022 and 2021 2022 fiscal years, 41.2% 37.7%, 49.5% 41.2% and 27.9% 49.5%, respectively, of the Company's total worldwide net sales were to affiliate and non-affiliate subtier suppliers of General Electric Company, GE Aerospace, a leading manufacturer of aerospace engines. Sales to AAE Aerospace were 20.7% of the Company's total worldwide sales in the 2021 fiscal year. During the 2024, 2023 2022 and 2021 2022 fiscal years, sales to no other customer of the Company equaled or exceeded 10% of the Company's total worldwide sales. The loss of a major customer or of a group of customers could have a material adverse effect on the Company's business or its consolidated results of operations or financial position.

Manufacturing

The Company's manufacturing facilities for aerospace composite materials and for composite structures and assemblies are located in Newton, Kansas. On August 19, 2019, the Company broke ground on the expansion of its facilities located in Newton, Kansas, which included the construction of a redundant manufacturing facility located adjacent to the existing facility. The 90,000 square feet Company completed the expansion essentially of its facilities in fiscal 2023, which doubled the size of the Company's existing Newton, Kansas facilities. The new facility was originally conceived of as a redundant manufacturing facility for Park's major aerospace customer and the large aerospace OEMs it supports, but it will also support provides additional manufacturing capacity. The expansion includes enhanced and upgraded hot-melt film and tape lines and mixing and delivery systems, an expanded production lab, a new R&D lab, additional freezer and storage space and additional infrastructure to support the expanded operation. The expansion includes space new facility was originally conceived as a redundant manufacturing facility for Park's major aerospace customer and the large aerospace OEMs it supports, but it will also support additional machinery and equipment. See Note 10 of the Notes to Consolidated Financial Statements included in Item 8 of Part II of this Report. manufacturing capacity. See "Operations" elsewhere in this Report.

The process for manufacturing composite materials, structures and assemblies is capital intensive and requires sophisticated equipment, significant technical know-how and very tight process controls. The key steps used in the manufacturing process include resin mixing, resin film casting and reinforcement impregnation via hot-melt process or a solution process.

Prepreg is manufactured by the Company using either solvent (solution) coating methods on a treater or by hot-melt impregnation. A solution treater is a roll-to-roll continuous process machine which sequences reinforcement through tension controllers and combines tension/pressure rollers combining the solvated resin with the reinforcement. reinforcement and then passing the reinforced solvated resin through a drying oven. The reinforcement is dipped in resin, passed through a drying oven which removes most of the solvent and advances (or partially cures) the resin. The prepreg material is interleafed with a carrier and cut to the roll lengths desired by the customer. The Company also manufactures prepreg using hot-melt impregnation methods which use no solvent. Hot-melt prepreg manufacturing is achieved by mixing a resin formulation in a heated resin vessel, casting a thin film on a carrier paper, and laminating the reinforcement with the resin film.

The Company also completes additional processing services, such as slitting, sheeting, biasing, sewing and cutting, if needed by the customer. Many of the products manufactured by the Company also undergo extensive testing of the chemical, physical and mechanical properties of the product. These testing requirements are completed in the laboratories and facilities located at the Company's manufacturing facilities.

Once the manufacturing process has been completed, the product is tested and packaged for shipment to the customer. The Company typically supplies final product to the customer in roll form.

The Company's laboratories have been approved by several aerospace OEMs, and the Company has achieved certification pursuant to the National Aerospace and Defense Contractors Accreditation Program ("NADCAP") for both non-metallic materials manufacturing and testing and composites fabrication. The Company believes its Newton Kansas facility is one of the few facilities in the world with NADCAP accreditation for manufacturing both composite materials and composite structures. The Company has also received AS9100C certification for its quality management system for the manufacture of advanced composite materials and design and manufacturing of structures for aircraft and aerospace industries.

Materials and Sources of Supply

The Company designs and manufactures its aerospace composite materials and film adhesives to its own specifications and to the specifications of its customers. Product development efforts are focused on developing prepreg materials that meet the specifications of the customers. The materials used in the manufacture of these engineered materials include graphite and carbon fibers and fabrics, carbonized rayon, aramids, such as Kevlar® ("Kevlar" is a registered trademark of E.I. du Pont de Nemours & Co.) and Twaron® ("Twaron" is a registered trademark of Teijin Twaron B.V. LLC), quartz, fiberglass, polyester, specialty chemicals, resins, films, plastics, adhesives and certain other synthetic materials. The Company purchases these materials from several suppliers. Substitutes for many of these materials are not readily available. The qualification and certification of aerospace composite materials for certain FAA certified aircraft typically include specific requirements for raw material supply and may restrict the Company's flexibility in qualifying alternative sources of supply for certain key raw materials. The Company continues to work to determine acceptable alternatives for several raw materials.

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Competition

The Company has many competitors in the aerospace composite materials, structures and assemblies markets, ranging in size from large international corporations to small regional producers. Several of the Company's largest competitors are vertically integrated, producing raw materials, such as carbon fiber and woven fabric, as well as composite structures and assemblies. Some of the Company's competitors may also serve as a supplier to the Company. The Company competes for business primarily on the basis of responsiveness, product performance and consistency, product qualification, FAA data base design allowables and innovative new product development.

Backlog

The Company considers an item as backlog when it receives a purchase order specifying the number of units to be purchased, the purchase price, specifications and other customary terms and conditions. At April 24, 2023 May 31, 2024, the unfilled portion of all purchase orders received by the Company, and believed by it to be firm, was $29,035,974, $31,085,988, compared to $25,895,809 $29,035,974 at April 25, 2022 April 24, 2023. A major portion of the Company's backlog consists of composite materials.

Various factors contribute to the size of the Company's backlog. Accordingly, the foregoing information may not be indicative of the Company's results of operations for any period subsequent to the fiscal year ended February 26, 2023 March 3, 2024.

Patents and Trademarks

The Company holds several patents and trademarks or licenses thereto. In the Company's opinion, some of these patents and trademarks are important to its products. Generally, however, the Company does not believe that an inability to obtain new; or to defend existing, patents and trademarks would have a material adverse effect on the Company.

The Company's Workforce

At February 26, 2023 March 3, 2024, the Company had 110 123 employees. The Company's success and future depends on the skills, experience, industry knowledge, passion and dedication of its work force. The Company places significant focus and attention on attracting, developing and retaining its employees, as well as ensuring its work force reflects Park's principles of integrity and humility. These principles ensure that every Park employee is held to his or her word, and that every Park employee continuously strives to excel. These two principles guide Park's actions, and the Company believes, foster a healthy work environment where all Park employees are treated with dignity and respect, irrespective of their backgrounds. The Company also believes that its principles are critical to fostering and maintaining what it calls Park's "niche" culture of doing what others are unwilling or unable to do.

Employee health and safety is a top priority. Park's safety performance has been an important focus of the Company. Safety performance is maintained by the Company ensuring appropriate safety equipment is installed and operational at all times and undertaking thorough reviews of any safety incidents that do occur.

The Company takes a comprehensive approach to developing its workforce, including by striving to use a fair recruiting process to select talented individuals. Park also believes that fair compensation, opportunities for career development, employee engagement, and a singular focus on the principles of integrity and humility, have organically cultivated a workforce that is diverse at all levels. Park believes that principle-based approach to hiring and retention makes the Company a desirable workplace for employees of all backgrounds while improving business performance by maintaining the Company's "niche" culture.

Environmental Matters

Aviation is one of the fastest growing sources of the greenhouse gas emissions. Air travel is also considered to be one of the most carbon intensive activity an individual can make. As air travel rebounds from the COVID-19 Pandemic and gradually returns to its aggressive pre-pandemic growth trajectory, aircraft Aircraft fuel efficiency will return to being is an increasingly important factor in addressing the reduction of greenhouse gas. Park's composite material products and the aircraft parts that are crafted using such products, enable aircraft to operate on substantially less fuel than would be the case using comparable aluminum-crafted aircraft parts. This reduced fuel consumption creates economic savings for end-users of applicable aircraft, while also substantially reducing the carbon based emissions of such aircraft.

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The Company is subject to stringent environmental regulation of its use, storage, treatment, disposal of hazardous materials and the release of emissions into the environment. The Company believes that it is currently is in substantial compliance with the applicable Federal, state and local environmental laws and regulations to which it is subject and that continuing compliance therewith will not have a material effect on its capital expenditures, earnings or competitive position. The Company does not currently anticipate making material capital expenditures for environmental control facilities for its existing manufacturing operations during the remainder of its current fiscal year or its succeeding fiscal year. However, developments, such as the enactment or adoption of even more stringent environmental laws and regulations, could conceivably result in substantial additional costs to the Company.

The Company and certain of its subsidiaries have been named by the Environmental Protection Agency (the "EPA") or a comparable state agency under the Comprehensive Environmental Response, Compensation and Liability Act (the "Superfund Act") or similar state law as potentially responsible parties in connection with alleged releases of hazardous substances at three sites.

Under the Superfund Act and similar state laws, all parties who may have contributed any waste to a hazardous waste disposal site or contaminated area identified by the EPA or comparable state agency may be jointly and severally liable for the cost of cleanup. Generally, these sites are locations at which numerous persons disposed of hazardous waste. In the case of the Company's subsidiaries, generally the waste was removed from their manufacturing facilities and disposed at the waste sites by various companies which contracted with the subsidiaries to provide waste disposal services. Neither the Company nor any of its subsidiaries has been accused of or charged with any wrongdoing or illegal acts in connection with any such sites. The Company believes it maintains an effective and comprehensive environmental compliance program. Management believes the ultimate disposition of known environmental matters will not have a material adverse effect on the liquidity, capital resources, business, consolidated results of operations or financial position of the Company.

See "Management's Discussion and Analysis of Financial Condition and Results of Operations – Environmental Matters" included in Item 7 of Part II of this Report and Note 11 of the Notes to Consolidated Financial Statements included in Item 8 of Part II of this Report.

Factors That May Affect Future Results

The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for forward-looking statements to encourage companies to provide prospective information about their companies without fear of litigation so long as those statements are identified as forward-looking and are accompanied by meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those projected in the statement. Certain portions of this Report which do not relate to historical financial information may be deemed to constitute forward-looking statements that are subject to various factors which could cause actual results to differ materially from Park's expectations or from results which might be projected, forecasted, estimated or budgeted by the Company in forward-looking statements.

Generally, forward-looking statements can be identified by the use of words such as "expect," "estimate," "project," "budget," "forecast," "anticipate," "goal," "intend," "plan," "may," "will," "could," "should," "believes," "predicts," "potential," "continue" and similar expressions or the negative or other variations thereof. Such forward-looking statements are based on current expectations that involve a number of uncertainties and risks that may cause actual events or results to differ materially from the Company's expectations.

The factors described under "Risk Factors" in Item 1A of this Report could cause the Company's actual results to differ materially from any such results which might be projected, forecasted, estimated or budgeted by the Company in forward-looking statements.

ITEM 1A. ITEM 1A. RISK FACTORS.

The business of the Company faces numerous risks, including those set forth below or those described elsewhere in this Form 10-K Annual Report or in the Company's other filings with the Securities and Exchange Commission. The risks described below are not the only risks that the Company faces, nor are they necessarily listed in order of significance. Other risks and uncertainties may also affect the Company's business. Any of these risks may have a material adverse effect on the Company's business, financial condition, results of operations or cash flow.

Geopolitical Events

The Company's operating results could be negatively affected if the Company were unable to attain the raw materials required in its manufacturing process. The Company's suppliers of raw material, supplies and equipment could be impacted by geopolitical events, such as the war wars in Ukraine and the Middle East, thus interrupting the Company's supply chain. Additionally, the Company's customers may experience interruptions from other suppliers that could cause a customer to delay or cancel orders.

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The Company's business could suffer if the Company is unable to develop new products on a timely basis.

The Company's operating results could be negatively affected if the Company were unable to maintain and increase its technological and manufacturing capability and expertise to develop new products on a timely basis. Although the Company believes that it has certain technological and other advantages over its competitors, maintaining such advantages will require the Company to continue investing in research and development and sales and marketing. There can be no assurance that the Company will be able to make the technological advances necessary to maintain such competitive advantages or that the Company can recover major research and development expenses.

The industries in which the Company operates are very competitive.

Certain of the Company's principal competitors are substantially larger and have greater financial resources than the Company, and the Company's operating results will be affected by its ability to maintain its competitive positions in these industries. The aerospace composite materials and composite structures and assemblies industries are intensely competitive, and the Company competes worldwide in the markets for such products.

The Company is vulnerable to an increase in inflation.

Changes in the cost raw materials, supplies, labor, utilities or services could materially increase the Company's cost of operations. The Company is experiencing inflation in raw material and other costs. The impact of inflation on the Company’s profits has been partially mitigated by the Company’s ability to adjust pricing for a large portion of its sales to pass the impact of inflation through to its customers. Significant increases in the cost of materials, supplies, labor, utilities or services purchased by the Company could also materially increase the Company’s cost of operations and could have a material adverse effect on the Company’s business and results of operations if the Company were unable to pass such increases through to its customers.

The Company is vulnerable to disruptions and shortages in the supply of, and increases in the prices of, certain raw materials.

There are a limited number of qualified suppliers of the principal materials used by the Company in its manufacture of aerospace composite materials and composite structures and assemblies. The Company has qualified alternate sources of supply for many, but not all, of its raw materials, but certain raw materials are produced by only one supplier. In some cases, substitutes for certain raw materials are not always readily available, and in the past, there have been shortages in the market for certain of these materials. Raw material substitutions for certain aircraft related products may require governmental (such as FAA) approval. While the Company considers its relationships with its suppliers to be strong, a shortage of these materials or a disruption of the supply of these materials caused by a natural disaster or otherwise could materially increase the Company’s cost of operations and could materially adversely affect the business and results of operations of the Company. Likewise, significant increases in the cost of materials purchased by the Company could also materially increase the Company’s cost of operations and could have a material adverse effect on the Company’s business and results of operations if the Company were unable to pass such increases through to its customers. If one or more of the Company’s suppliers is required to temporarily close manufacturing facilities, the Company’s ability to procure raw materials for its manufacturing processes may become limited and this could ultimately limit the Company’s ability to manufacture its products.

The Company's customer base is highly concentrated, and the loss of one or more customers could adversely affect the Company's business.

A loss of one or more key customers could adversely affect the Company's profitability. The Company's customer base is concentrated, in part, because the Company's business strategy has been to develop long-term relationships with a select group of customers. During the Company's fiscal years ended March 3, 2024, February 26, 2023, and February 27, 2022 and February 28, 2021, the Company's ten largest customers accounted for approximately 71% 64%, 77% 69% and 71% 75%, respectively, of net sales. The Company expects sales to a relatively small number of customers will continue to account for a significant portion of its net sales for the foreseeable future. See “Customers and End Markets” in Item 1 of Part I of this Report.

The Company's business is dependent on the aerospace industry, which is cyclical in nature.

The aerospace industry is cyclical and has experienced downturns. The downturns can occur at any time as a result of events that are industry specific or macroeconomic, and in the event of a downturn, the Company may have no way of knowing if, when and to what extent there might be a recovery. Deterioration in the market for aerospace products has often reduced demand for, and prices of, advanced composite materials, structures and assemblies. A potential future reduction in demand and prices could have a negative impact on the Company’s business and operating results.

In addition, the Company is subject to the effects of general regional and global economic and financial conditions.

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The Company relies on short-term orders from its customers.

A variety of conditions, both specific to the individual customer and generally affecting the customer's industry, can cause a customer to reduce or delay orders previously anticipated by the Company, which could negatively impact the Company's business and operating results. While some customers place orders based on long-term pricing agreements, such agreements are typically requirements-based and do not set forth minimum purchase obligations. As a result, the Company must continually communicate with its customers to validate forecasts and anticipate the future volume of purchase orders.

The Company's customers may require the Company to undergo a lengthy and expensive qualification process with respect to its products, with no assurance of sales. Any delay or failure in such qualification process could negatively affect the Company's business and operating results.

The Company's customers frequently require that the Company's products undergo an extensive qualification process, which may include testing for performance, structural integrity and reliability. This qualification process may be lengthy and does not assure any sales of the product to that customer. The Company devotes substantial resources, including design, engineering, sales, marketing and management efforts, and often substantial expense, to qualifying the Company's products with customers in anticipation of sales. Any delay or failure in qualifying any of its products with a customer may preclude or delay sales of those products to the customer, which may impede the Company's growth and cause its business to suffer.

In addition, the Company engages in product development efforts with OEMs. The Company will not recover the cost of this product development directly even if the Company actually produces and sells any resulting product. There can be no guarantee that such efforts will result in any sales.

Consolidation among the Company's customers could negatively impact the Company's business.

A number of the Company's customers have combined in recent years and consolidation of other customers may occur. If an existing customer is not the controlling entity following a combination, the Company may not be retained as a supplier. While there is potential for increasing the Company's position with the combined customer, the Company's revenues may decrease if the Company is not retained as a supplier.

The Company is subject to a variety of environmental regulations.

The Company's production processes require the use, storage, treatment and disposal of certain materials which are considered hazardous under applicable environmental laws, and the Company is subject to a variety of regulatory requirements relating to the handling of such materials and the release of emissions and effluents into the environment, non-compliance with which could have a negative impact on the Company's business or results of operations. Other possible developments, such as the enactment or adoption of additional environmental laws, could result in substantial costs to the Company.

If the Company's efforts to protect its proprietary information are not sufficient, the Company may be adversely affected.

The Company's business relies upon proprietary information, trade secrets and know-how in its product formulations and its manufacturing and research and development activities. The Company takes steps to protect its proprietary rights and information, including the use of confidentiality and other agreements with employees and consultants and in commercial relationships, including with suppliers and customers. If these steps prove to be inadequate or are violated, the Company's competitors might gain access to the Company's trade secrets, and there may be no adequate remedy available to the Company.

The Company depends upon the experience and expertise of its senior management team and key technical employees, and the loss of any key employee may impair the Company's ability to operate effectively.

The Company's success depends, to a certain extent, on the continued availability of its senior management team and key technical employees. Each of the Company's executive officers, key technical personnel and other employees could terminate his or her employment at any time. The loss of any member of the Company's senior management team might significantly delay or prevent the achievement of the Company's business objectives and could materially harm the Company's business and customer relationships. In addition, because of the highly technical nature of the Company's business, the loss of any significant number of the Company's key technical personnel could have a material adverse effect on the Company. The Company competes for manufacturing and engineering talent in a competitive labor market. Personnel turnover and training costs could negatively impact the Company's operations.

The Company's business and operations may be adversely affected by cybersecurity breaches or other information technology system or network intrusions.

The Company depends on information technology and computerized systems to communicate and operate effectively, some of which are connected to networks of third parties that are not under the Company's direct control. The Company stores sensitive data on its servers and databases including proprietary

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business information, intellectual property and confidential employee or other personal data pertaining to the Company’s business, customers, suppliers, OEMs, employees and other third parties. Attempts by others to gain unauthorized access to the Company’s information technology systems and data have become more frequent and sophisticated. These attempts, which might be related to industrial or foreign government espionage, activism, or other motivations, include covertly introducing malware and “ransomware” to the Company’s computers and networks, performing reconnaissance, impersonating authorized users, and stealing, corrupting or restricting the Company’s access to data, among other activities.

As with most companies, the Company has experienced cyber-attacks, attempts to breach the Company’s systems and other similar incidents, none of which, has resulted in loss of data or materially affected the Company’s business, operations or financial results. The Company has addressed past cybersecurity breaches by working with leading providers of incident response, risk management and digital forensics services. In coordination with such service providers, Park also continues to update its infrastructure, security tools (including firewalls and anti-virus software), and employee training and processes, to protect against security incidents and to prevent their recurrence. While Company personnel have been tasked to detect and investigate such incidents, cybersecurity attacks and other data security breaches can and are expected to occur in the future and the Company may be unable to implement adequate preventive or remediation measures, as breach and disruption techniques change frequently and are generally not detected until after an incident has occurred.

The unauthorized use of the Company’s intellectual property and/or confidential or personal information or any material disruption in the systems that store such information could materially harm the Company’s competitive position, reduce the value of the Company’s investment in research and development (through the loss of trade secrets or other proprietary and competitively sensitive information) and other strategic initiatives, compromise personally identifiable information regarding customers or employees, delay the Company’s ability to access its information systems at critical times, cause operational disruptions and delays, jeopardize the security of the Company’s facilities or otherwise materially and adversely affect the Company’s business or financial results. Any intrusion may also result in material fines, penalties, governmental investigations and proceedings, litigation, diminished competitive advantages through reputational damages and increased operational expenses (including remediation and damage expenses). Many victims of cyber-attacks also are forced to pay significant ransoms or incur significant expenses to recover critical business systems and data. Additionally, the Company may incur additional costs to comply with its customers’, including the U.S. Government’s, requirements for data security and increased cybersecurity protections and standards. The Company may be similarly harmed if any of the foregoing incidents occur at third parties that are connected to the Company’s networks and that are not under the Company’s direct control.

Acquisitions, mergers, business combinations or joint ventures may entail certain operational and financial risks.

The Company may acquire businesses, product lines or technologies that expand or complement those of the Company. It may also enter into mergers, business combinations or joint ventures for similar purposes. The integration and management of an acquired company or business may strain the Company's management resources and technical, financial and operating systems. In addition, implementation of acquisitions can result in large one-time charges and costs. A given acquisition, if consummated, may materially affect the Company's business, financial condition and results of operations.

The Company’s securities may fluctuate in value.

The market price of the Company’s securities can be subject to fluctuations in response to quarter-to-quarter variations in operating results, changes in analyst earnings estimates, market conditions in the aerospace composite materials and composite structures and assemblies industries, as well as general economic conditions and other factors external to the Company.

The Company’s Common Stock is included in certain market indices. Funds that are based on the indices the Company’s stock Common Stock is included in are required to own the Company’s stock. Common Stock. A change in any index the Company is included in could create sudden movement in the Company’s stock Common Stock price.

ITEM 1B. UNRESOLVED STAFF COMMENTS.

None.

ITEM 1C. CYBERSECURITY

Safeguarding the Company’s information technology (“IT”) systems, intellectual property, and the confidential information and personal data that customers, suppliers, business partners, employees and others share is a critical concern. As such, the Company has processes in place to assess, identify, and manage material cybersecurity threats and incidents. The Company’s cybersecurity strategy includes policies, procedures, and technology that proactively safeguard its operations against cybersecurity threats. The Company utilizes IT that enables its team to access both operational and financial performance data in real time, while, at the same

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time, identifying and preventing cybersecurity threats and risks. The Company aims to incorporate industry best practices throughout its cybersecurity processes and its cybersecurity framework leverages internationally recognized standards, including the National Institute of Standards and Technology's ("NIST") Cybersecurity Framework (Identify, Protect, Detect, Respond and Recover). These processes incorporate preventative, detective and corrective controls to identify relevant cyber risks and include network and endpoint protection technologies that are designed to block and detect security events at the perimeter and within its network as well as evaluation and monitoring of detected security events. The Company continuously monitors activity, frequently scans applications and systems for vulnerabilities to risk from cybersecurity threats. Continuous monitoring of the Company's networks and systems for threats and vulnerabilities is a key component of the Company's strategy, supported by the analysis of threat intelligence from external sources. This multi-layered approach enables early detection and facilitates prompt response to potential cybersecurity threats.

Management reviews the Company's IT, data security and other systems, processes, policies, procedures and controls at least annually to (a) identify, assess, monitor and mitigate cybersecurity risks; and (b) identify measures to protect and safeguard against cybersecurity threats and breaches of confidential information and data and IT infrastructure and its other assets or assets of its customers or other third parties in the Company's possession or custody.

The Company has not identified risks from known cybersecurity threats, including as a result of any prior cybersecurity incidents, that have materially affected it or are reasonably likely to materially affect it, including its operations, business strategy, results of operations, or financial condition.

The Company's management supervises efforts to prevent, detect, mitigate, and remediate cybersecurity risks and incidents through various means, which may include briefings from internal security personnel; threat intelligence and other information obtained from governmental, public or private sources, including external consultants engaged by it; and alerts and reports produced by security tools deployed in the IT environment.

ITEM 2. PROPERTIES.

Set forth below are the locations of the significant properties owned and leased by the Company, the business use of the properties and the size of each such property. The Newton, Kansas property is used principally as a manufacturing facility. The lease for the Newton, Kansas location is a ground lease.

Location	Owned or Leased	Use	Size (Square Footage)
Westbury, NY	Leased	Administrative Offices	2,000
Newton, KS	Leased	Advanced Composite Materials, Parts and Assemblies	183,500

The Company believes its facilities and equipment to be in good condition and reasonably suited and adequate for its current needs. The Company's manufacturing facilities have the capacity to substantially increase their production levels.

During the 2022 fiscal year, the Company completed the closure of its dormant Park Aerospace Technologies Asia Pte. Ltd. facility located in Singapore.

In December 2018, the Company entered into a Development Agreement with the City of Newton, Kansas and the Board of County Commissioners of Harvey County, Kansas. Pursuant to this agreement, the Company agreed to construct and operate a redundant manufacturing facility of approximately 90,000 square feet for the design, development and manufacture of advanced composite materials and parts, structures and assemblies for aerospace. The Company further agreed to equip the facility through the purchase of machinery, equipment and furnishings and to create additional new full-time employment of specified levels during a five-year period. In exchange for these agreements, the City and the County agreed to lease to the Company three acres of land at the Newton, Kansas Airport, in addition to the eight acres previously leased to the Company by the City and County. The City and County further agreed to provide financial and other assistance toward the construction of the additional facility as set forth in the Development Agreement. The total cost of the additional facility was approximately $19.8 million, and the expansion is complete. As of February 26, 2023, the Company had $99,000 in equipment purchase obligations related to the additional facility.

Pursuant to the Development Agreement, the City provided a sales tax exemption for materials the Company purchased for the facility, subject to issuance of Industrial Revenue Bonds ("IRBs"). On June 7, 2022, the City issued IRB Series 2022, in an aggregate principal amount not to exceed $18,500,000, pursuant to a Trust Indenture between the City and Security Bank of Kansas City. The Company simultaneously entered into a Bond Purchase Agreement with the City, whereby the Company agreed to buy the IRBs at a purchase price equal to the par amount of the IRBs issued. The Company redeemed the IRBs in August 2022. Neither the purchase nor redemption of the IRBs had an impact on the Company's Consolidated Statements of Operations.

ITEM 3. LEGAL PROCEEDINGS.

No material pending legal proceedings.

ITEM 4. MINE SAFETY DISCLOSURES.

None.

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EXECUTIVE OFFICERS OF THE REGISTRANT.

Name	*Title*	*Age*
Brian E. Shore	Chief Executive Officer and Chairman of the Board of Directors	71 72
P. Matthew Farabaugh	Senior Vice President and Chief Financial Officer	62 63
Mark A. Esquivel	President and Chief Operating Officer	50 51
Cory Nickel	Senior Vice President and General Manager	51 52
Christopher Goldner	Vice President – Finance	55

Mr. Brian Shore has served as a Director of the Company since 1983 and as Chairman of the Board of Directors since July 2004. He was elected a Vice President of the Company in January 1993, Executive Vice President in May 1994, President in March 1996, and Chief Executive Officer in November 1996. He was President until July 28, 2014. Mr. Shore also served as General Counsel of the Company from April 1988 until April 1994.

Mr. Farabaugh was elected Senior Vice President and Chief Financial Officer on March 10, 2016. He had been Vice President and Chief Financial Officer of the Company since April 2012 and Vice President and Controller of the Company since October 2007. Prior to joining the Company, Mr. Farabaugh was Corporate Controller of American Technical Ceramics, a publicly traded international company and a manufacturer of electronic components, located in Huntington Station, New York, from 2004 to September 2007 and Assistant Controller from 2000 to 2004. Prior thereto, Mr. Farabaugh was Assistant Controller of Park Aerospace Corp. from 1989 to 2000. Prior to joining Park in 1989, Mr. Farabaugh had been a senior accountant with KPMG.

Mr. Esquivel was promoted to President and Chief Operating Officer of the Company on November 2, 2020, after having been elected Executive Vice President and Chief Operating Officer of the Company on May 7, 2019, and having been elected Senior Vice President and Chief Operating Officer in December 2018. He had been Senior Vice President – Aerospace of the Company since October 2017 and Vice President – Aerospace of the Company and President of the Company's Park Aerospace Technologies Corp. business unit in Newton, Kansas since April 2015. Mr. Esquivel has been employed by the Company and its subsidiaries in various positions since 1994. He was Vice President of Aerospace Composite Structures of Park Aerospace Technologies Corp. from March 2012 to April 2015 and President of Park Aerospace Technologies Corp. from June 2010 to March 2012. Prior to June 2010, Mr. Esquivel was Vice President and General Manager of the Company's former Neltec, Inc. business unit located in Tempe, Arizona, and was responsible for the day-to-day operations of Neltec, Inc. since his appointment to that position in September 2008, having held various positions since he originally joined Neltec, Inc. in 1994.

Mr. Nickel was elected Senior Vice President and General Manager of the Company on August 15, 2022. He was appointed as Vice President and General Manager of the Company in October 2020. Mr. Nickel originally joined Park Aerospace Corp. in 2011 as a Solution Treater Operator, an entry level position. He was promoted to Second Shift Production Supervisor in 2012, Production Manager in 2013, Materials Manufacturing Manager in 2014, Production Control Manager in 2015 and Operations Manager in 2017. Prior to joining Park, Mr. Nickel served as a local High School Science Teacher with a focus on chemistry, physics and manufacturing technology.

Mr. Goldner joined Park Aerospace Corp. on March 4, 2024 and was elected Vice President – Finance on April 25, 2024. Prior to joining Park Aerospace Corp., Mr. Goldner served as Controller and Interim Chief Financial Officer at Spruce Power Holding Corporation (previous XL Fleet Corp.) from 2021 through 2023. Prior to that, Mr. Goldner served in a variety of roles for Hasbro, Inc. from 2000 through 2021, most recently as Vice President Fiscal Responsibility from 2019 through 2021 and Vice President, Assistant Corporate Controller from 2011 through 2019.

There are no family relationships between the directors or executive officers of the Company.

Each executive officer of the Company serves at the pleasure of the Board of Directors of the Company.

PART II

ITEM 5. **MARKET FOR THE REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.**

The Company's Common Stock is listed and trades on the New York Stock Exchange (trading symbol PKE). The Common Stock also trades on the Chicago Stock Exchange. The following table sets forth, for each of the quarterly periods indicated, the high and low sales prices for the Common Stock as reported on the New

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York Stock Exchange Composite Tape and dividends declared on the Common Stock.

For the Fiscal Year Ended	Stock Price		Dividends
March 3, 2024	High	Low	Declared
First Quarter	$ 16.92	$ 11.91	$ 0.125
Second Quarter	15.09	12.89	0.125
Third Quarter	16.23	13.14	0.125
Fourth Quarter	15.89	13.69	0.125
For the Fiscal Year Ended	**Stock Price**		**Dividends**
February 26, 2023	**High**	**Low**	**Declared**
First Quarter	$ 14.21	$ 11.27	$ 0.10
Second Quarter	13.19	11.40	0.10
Third Quarter	13.82	10.08	0.10
Fourth Quarter	16.54	10.80	1.10 (a)

(a)

For the Fiscal Year Ended	Stock Price		Dividends
February 27, 2022	High	Low	Declared
First Quarter	$ 15.57	$ 13.03	$ 0.10
Second Quarter	16.20	14.40	0.10
Third Quarter	15.11	12.74	0.10
Fourth Quarter	13.74	12.73	0.10

(a) On February 9, 2023, the Company's Board of Directors declared a special dividend of $1.00 per share payable April 6, 2023 to shareholders of record at the close of business on March 9, 2023. The total amount of this special dividend was approximately $20.5 million.

As of May 5, 2023 May 31, 2024, there were 459 438 holders of record of the Company's Common Stock.

The Company expects, for the foreseeable future, to continue to pay regular cash dividends.

The following table provides information with respect to shares of the Company's Common Stock acquired by the Company during each month included in the Company's 2023 2024 fiscal year fourth quarter ended February 26, 2023 March 3, 2024:

Period	Total Number of Shares (or Units) Purchased	Average Price Paid Per Share (or Unit)	Total Number of Shares (or Units)
Period	Total Number of Shares (or Units) Purchased	Average Price Paid Per Share (or Unit)	
November 28 27 - December 26 3	0	$ -	
December 27 4 - January 26 3	0	$ -	
January 27 4 - February 26 March 3	0	$ -	

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Total	0	$	-

(a) Aggregate number of shares available to be purchased by the Company pursuant to a share purchase authorization a
Company is authorized to purchase its shares from time to time on the open market or in privately negotiated transaction

On May 18, 2022, the Company's Board of Directors authorized the Company's purchase, on the open market and in privately Stock. This represents approximately 7% of the Company's 20,458,210 total outstanding shares as of the close of business on May 1 Directors' authorizations to purchase shares of the Company's Common Stock. As of February 26, 2023 March 3, 2024, the Company l stock pursuant to the above authorization.

As previously announced by the Company, shares purchased by the Company will be retained as treasury stock and will be other corporate purposes.

Stock Performance Graph

The graph set forth below compares the annual cumulative total return for the Company's five fiscal years ended February Exchange Market Index (the "NYSE Index"), and the Nasdaq US Small Cap Aerospace and Defense Index (the "Nasdaq Index"). The r according to the Company's stock market capitalization. The graph has been prepared based on an assumed investment of $100 on F (where applicable).

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	2018	2019	2020	2021
Park Aerospace Corp.	$ 100.00	$ 127.88	$ 111.03	$ 114.66	$
NYSE Index	$ 100.00	$ 101.37	$ 101.35	$ 125.80	$
NASDAQ US Small Cap Aerospace and Defense Index	$ 100.00	$ 124.89	$ 122.18	$ 151.36	$

	2019	2020	2021	2022
Park Aerospace Corp.	$ 100.00	$ 86.82	$ 89.66	$ 90.52	$
NYSE Index	$ 100.00	$ 99.98	$ 124.10	$ 138.71	$
NASDAQ US Small Cap Aerospace and Defense Index	$ 100.00	$ 97.83	$ 121.20	$ 116.40	$

ITEM 6. [RESERVED].

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

General:

Park Aerospace Corp. ("Park" or the "Company") is an aerospace company which develops and manufactures solution and h structures for the global aerospace markets. Park's advanced composite materials include film adhesives and lightning strike p specifically designed for hand lay-up or automated fiber placement (AFP) manufacturing applications. Park's advanced composite ma jet engines, large and regional transport aircraft, military aircraft, Unmanned Aerial Vehicles (UAVs commonly referred to as "drones' Park also offers specialty ablative materials for rocket motors and nozzles and specially designed materials for radome applications. A Park designs and fabricates composite parts, structures and assemblies and low volume tooling for the aerospace industry. Target r Park's proprietary composite SigmaStrut™ and AlphaStrut™ product lines) are, among others, prototype and development aircraft aircraft and exotic spacecraft.

The Company's fiscal year is the 52- or 53-week period ending the Sunday nearest to the last day of February. The 2024, 2023 2 3, 2024, February 27, 2022 February 26, 2023 and February 28, 2021 February 27, 2022, respectively. The 2024 fiscal year consisted

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consisted of 52 weeks. Unless otherwise indicated in this Discussion and Analysis, all references to years and quarters in this Disc
quarters, and all annual and quarterly information in this Discussion and Analysis is for such fiscal years and quarters, respectively.

2023 2024 Financial Overview

In 2019, the Company announced the major expansion of its aerospace manufacturing, development and design facilities loc
expansion includes the construction of a manufacturing facility located adjacent to Park's existing Newton, Kansas facilities. This fac
customer, includes approximately 90,000 square feet of manufacturing and office space, and essentially doubled the size of Park's ex
the expansion was approximately $19.8 million. The expansion is complete and includes new resin mixing and delivery systems, new h
an additional hot-melt tape line or solution treating line, space to accommodate a confidential joint development project with a ma
additional freezer and storage space, an expanded production lab, a new R&D lab and additional office space. Through February 2
expansion.

On February 9, 2023, the Company's Board of Directors declared a special dividend of $1.00 per share payable April 6, 2023 to
The total amount of this special dividend was approximately $20.5 million.

The Company's total net sales worldwide in 2023 2024 were 1% 4% higher than in 2022. Sales 2023. The increase in 2023, sales v
sales to each of the other markets the Company serves were relatively even with the prior year sales levels.

The Company's gross profit margin, measured as a percentage of sales, decreased to 29.5% in 2024 from 30.5% in 2023 fro
freight, labor, employee benefits, depreciation, utilities, costs related to the new equipment trials and qualifications property taxes mo
increased change-over resulting from supply chain challenges and uncertainties led to the decrease in gross margins. pricing.

The Company's earnings from operations in 2023 2024 were 13% 16% lower than in 2022, 2023, primarily as a result of high
incentive payments, as well as higher legal expenses resulting from shareholder defense actions, costs for raw materials, supplies, fre
equipment trials and qualifications result of the bankruptcy of an insurer and higher waste costs from increased change-over resultin
The Company's net earnings from continuing operations in 2023 2024 were 27% higher 30% lower than in 2022, 2023, primarily due to a
described above offset by higher interest income and income. The increase in the 2024 tax rate compared to the 2023 tax rate resulted
partially offset by the cost and expense increases mentioned above. in 2024 as compared to 2023.

The Company is experiencing continues to experience inflation in costs of raw materials and supplies, freight costs and othe
profits has been partially mitigated by the Company's ability to adjust pricing for a large portion of its sales to pass the impact of inflati

With the recovery of the aerospace markets, some companies Programs in the aerospace supply chain have not been fully prep
created a risk to the Company of not getting enough raw materials on participates as a timely basis to fully support the Company's
impacted the Company's production level and have caused inefficiencies in the Company's manufacturing operations. The Company c
Programs that the Company supplies into supplier are, in some cases, experiencing supply chain issues from other suppliers to
for certain customers of the Company. The Company's sales could be impacted by supply chain challenges its customers are experien

The tight labor market has created challenges in hiring personnel. Although While the Company feels very positive about its wo
the Company. The Company's cross-training "Customer Flexibility Program" continues to help the Company to deal with the staffing sh
The war wars in Ukraine has not and the Middle East have had a negative material impact on the Company's results of opera
for may experience an increase in future sales due to increases in spending worldwide on missile defense systems and other defense
in Russia or Ukraine. Ukraine but does have customers in Israel. The Company has experienced some increases to raw material cos
Ukraine. Ukraine and the Middle East.

The Company has a number of long-term contracts pursuant to which certain of its customers, some of which represent a subs
contracts with the Company's customers are primarily requirements based and do not guarantee quantities. An order forecast is gene
contract. This order forecast is then typically updated periodically during the term of the underlying contract. Purchase orders are gen

Results of Operations:

2024 Compared to 2023

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(Amounts in thousands, except per share amounts)	Year Ended March 3, 2024	F
Net sales	$ 56,004	$
Cost of sales	39,470	
Gross profit	16,534	
Selling, general and administrative expenses	8,154	
Earnings from operations	8,380	
Interest and other income	1,053	
Earnings before income taxes	9,433	
Income tax provision	1,960	
Net earnings	$ 7,473	$
Earnings per share:		
Basic earnings per share	$ 0.37	$
Diluted earnings per share	$ 0.37	$

Net Sales

The Company's total net sales worldwide in 2024 were 4% higher than in 2023. Higher sales in 2024 were primarily driven by inc

Gross Profit

The Company's gross profit margin, measured as a percentage of sales, decreased to 29.5% in 2024 from 30.5% in 2023. Th labor, employee benefits, depreciation, utilities, property taxes and other items, partially offset by a favorable sales mix and higher pric

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased by $1.6 million, or 25%, during 2024 compared to 2023. Such expenses 2024 and 2023, respectively.

The increase in selling, general and administrative expenses in 2024 was primarily due to shareholder activist defense cos option expense due to the modification of previously granted stock options, costs to settle an insurance claim as the result of the compensation and the additional week in 2024 compared to 2023, which resulted in higher fixed expenses.

Earnings from Operations

For the reasons set forth above, the Company's earnings from operations were $8.4 million for 2024 compared to earnings from

Interest and Other Income

Interest and other income were $1.1 million in both 2024 and 2023. Higher weighted average interest rates in 2024 were offset b of the special dividend in the first quarter. During 2024 and 2023, the Company earned interest income principally from its investm market funds.

Income Tax Provision

The Company's effective income tax rate was 20.8% for 2024 compared to an effective rate of 2.7% for 2023. The increased ra reductions in uncertain tax positions. The benefits from the reductions in 2024 and 2023 were $574,000 and $2,800,000, respectively, r taken in prior years regarding the taxability of funds repatriated from the Company's subsidiary in Singapore in 2023 and to the expir 2024.

Net Earnings from Operations

The Company's net earnings from continuing operations for 2024 were $7.5 million compared to $10.7 million in 2023. As noted costs, a charge related to the modification of previously issued stock options, legal costs stemming from the settlement of an ins recruiting fees, partially offset by the tax benefit from the reduction in uncertain tax positions. The 2023 earnings included the benefit f

Basic and Diluted Earnings Per Share

Basic and diluted earnings per share for 2024 were $0.37 compared to basic and diluted earnings per share for 2023 of $0.5 higher costs in 2024 and the tax benefit from the reduction in uncertain tax positions in 2023.

2023 Compared to 2022

Year Ended

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(Amounts in thousands, except per share amounts)	February 26, 2023	February 27, 2022	Increas
Net sales	$ 54,055	$ 53,578	$ 4
Cost of sales	37,582	35,661	1,9
Gross profit	16,473	17,917	(1,4
Selling, general and administrative expenses	6,519	6,249	2
Restructuring charges	-	259	(2
Earnings from operations	9,954	11,409	(1,4
Interest and other income	1,078	375	7
Earnings before income taxes	11,032	11,784	(7
Income tax provision	301	3,320	(3,0
Net earnings	$ 10,731	$ 8,464	$ 2,2
Earnings per share:			
Basic:			
Basic earnings per share	$ 0.52	$ 0.41	$ 0.
Diluted:			
Diluted earnings per share	$ 0.52	$ 0.41	$ 0.

Net Sales

The Company's total net sales worldwide in 2023 were 1% higher than in 2022. Sales in 2023, to each of the markets the Compa

Gross Profit

The Company's gross profit margin, measured as a percentage of sales, decreased to 30.5% in 2023 from 33.4% in 2022. Higher the new equipment trials and qualifications and higher waste costs from increased change-over resulting from supply chain challenge

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased by $270,000, or 4%, during 2023 compared to 2022. Such expenses, 2023 and 2022, respectively.

Selling, general and administrative expenses in 2023 included $369,000 of stock option expenses compared to $285,000 of such

Restructuring Charges

Restructuring charges were nil in 2023 compared to $259,000 in 2022 related to the closure of the Company's Park Aerospace T

Earnings from Operations

For the reasons set forth above, the Company's earnings from operations were $10.0 million for 2023. The Company's earnings the pretax charges of $259,000 for the closure of the facility located in Singapore.

Interest and Other Income

Interest and other income were $1.1 million and $375,000 for 2023 and 2022, respectively. The increase from 2022 was due p 2022, the Company earned interest income principally from its investments, which were primarily in short-term instruments and money

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Income Tax Provision

The Company's effective income tax rate of 2.7% for 2023 was due primarily to the U.S. Federal rate and state income taxes, in unavailable related to stock options expiring unexercised in the 2023 fiscal year, offset by a reduction in uncertain tax positions rela prior years regarding the taxability of funds repatriated from the Company's subsidiary in Singapore of $2.8 million. The Company's eff of the uncertain tax position reduction as occurred in 2023.

Net Earnings from Operations

The Company's net earnings from continuing operations for 2023 were $10.7 million, including the reduction in uncertain tax deductions becoming unavailable as a result of stock options expiring unexercised. The Company's net earnings from continuing ope $259,000 for the closure of the facility located in Singapore.

Basic and Diluted Earnings Per Share

Basic and diluted earnings per share for 2023 were $0.52, including the additional tax due to tax deductions becoming unav reduction in uncertain tax positions, compared to basic and diluted earnings per share for 2022 of $0.41, including the pretax charges of the items described above was to increase basic and diluted earnings per share by $0.13 in 2023 and decrease basic and diluted ear

2022 Compared to 2021

	Year Ended	
	February 27,	F
(Amounts in thousands, except per share amounts)	2022	
Net sales	$ 53,578	$
Cost of sales	35,661	
Gross profit	17,917	
Selling, general and administrative expenses	6,249	
Restructuring charges	259	
Earnings from continuing operations	11,409	
Interest and other income	375	
Earnings from continuing operations before income taxes	11,784	
Income tax provision	3,320	
Net earnings from continuing operations	8,464	
Loss from discontinued operations, net of tax	-	
Net earnings	$ 8,464	$
Earnings (loss) per share:		
Basic:		
Continuing operations	$ 0.41	$
Discontinued operations	-	
Basic earnings per share	$ 0.41	$
Diluted:		
Continuing operations	$ 0.41	$
Discontinued operations	-	
Diluted earnings per share	$ 0.41	$

Net Sales

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The Company's total net sales worldwide in 2022 were 16% higher than in 2021 due primarily to the higher sales to commerc decreasing impacts of the Pandemic on those markets, partially offset by lower military sales during 2022.

Gross Profit

The Company's gross profit margin, measured as a percentage of sales, increased to 33.4% in 2022 from 28.5% in 2021. High certain overhead costs led to higher gross margins.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased by $136,000, or 2%, during 2022 compared to 2021. Such expenses, 2022 and 2021, respectively.

Selling, general and administrative expenses in 2022 included $285,000 of stock option expenses compared to $191,000 of such

Restructuring Charges

The Company recorded restructuring charges of $259,000 in 2022 compared to $1.6 million in 2021 related to the closure of th located in Singapore.

Earnings from Continuing Operations

For the reasons set forth above, the Company's earnings from continuing operations were $11.4 million for 2022, including the Singapore. The Company's earnings from continuing operations were $5.5 million for 2021, including the pretax charges of $1.6 million

Interest and Other Income

Interest and other income were $375,000 and $1.8 million for 2022 and 2021, respectively. The decrease from 2021 was due pri weighted average interest rates. During 2022 and 2021, the Company earned interest income principally from its investments, which we

Income Tax Provision

The Company's effective income tax rate of 28.2% for 2022 was due primarily to the U.S. Federal rate and state income taxes. T unfavorable adjustments to valuation allowances on state tax credits and a higher state effective tax rate in 2021.

Net Earnings from Continuing Operations

The Company's net earnings from continuing operations for 2022 were $8.5 million, including the pretax charges of $259,000 f net earnings from continuing operations for 2021 were $5.2 million, including the pretax charges of $1.6 million for the closure of the fa

Discontinued Operations

On December 4, 2018, the Company completed the sale of its Electronics Business, including manufacturing facilities in Singapore and Arizona, to AGC Inc. for an aggregate purchase price of $145 million in cash, subject to post-closing adjustments fo capital, excluding cash in certain acquired subsidiaries and certain accrued and unpaid taxes of certain acquired subsidiaries. See N Financial Statements elsewhere in this Report for additional information on the sale.

The operating results of the Electronics Business are classified, together with certain costs related to the sale, as discon Operations.

The Company's loss from discontinued operations was lower in 2022 compared to 2021 primarily as a result of exiting the operations, at the beginning of the third fiscal quarter of 2021.

Basic and Diluted Earnings Per Share

Basic and diluted earnings per share from continuing operations for 2022 were $0.41, including the pretax charges for the cl diluted earnings per share for 2021 of $0.25, including the pretax charges for the closure of the facility located in Singapore. The ne diluted earnings per share by $0.01 in 2022 and $0.07 in 2021.

Liquidity and Capital Resources:

(Amounts in thousands)	February 26, 2023	February 27, 2022
Cash and marketable securities	$ 105,440	$ 110,361
Working capital	96,455	120,147

From continuing operations	Fiscal Year Ended		
(Amounts in thousands)	February 26, 2023	February 27, 2022	F
Net cash provided by operating activities	$ 6,491	$ 8,201	$
Net cash (used in) provided by investing activities	(7,018)	(29,556)	

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Net cash used in financing activities	(8,047)	(7,429)

From continuing operations	Fiscal Year Ended		
(Amounts in thousands)	March 3, 2024	February 26, 2023	February 2022
Net cash provided by operating activities	$ 4,408	$ 6,491	$
Net cash (used in) provided by investing activities	31,388	(7,018)	
Net cash used in financing activities	(33,466)	(8,047)	

Cash and Marketable Securities

The Company believes it has sufficient liquidity to fund its operating activities for the 12 months from the date of the filing thereafter.

The change in cash and marketable securities at February 26, 2023 March 3, 2024 compared to February 27, 2022 February 26, 2 than offset by capital expenditures the special dividend of $1.00 per share paid in April 2023, which totaled $20.5 million, stock repurc well as regular quarterly dividends paid by the Company to its shareholders during 2023 and a number of additional factors. $10.2 activities were as follows:

- accounts receivable increased by 20% 24% at February 26, 2023 March 3, 2024 compared to February 27, 2022 February 26, 20 of 2023; 2024;
- inventory increased 45% decreased 5% due primarily to higher sales in the fourth quarter of 2024 compared to the fourth February 2023, offset by higher material costs and an increase of RAYCARB C2B material inventoried in support of the distrib
- prepaid expenses and other current assets accounts payable decreased 8% 23% due primarily to higher raw material purchas and timing of other payments;
- accounts payable accrued liabilities increased 79% 48% due primarily to the higher raw material purchases at the end of Febru
- accrued liabilities decreased 10% due primarily to the reduction of property tax accruals and higher incentive payroll and serv
- income taxes payable decreased 12% increased 89% at February 26, 2023 March 3, 2024 compared to February 27, 2 provision installment due in excess of the tax payments. fiscal 2025.

In addition, the Company paid $30.6 million and $8.2 million in cash dividends during 2024 and 2023, and 2022. respectively.

In February 2023, the Company declared a special dividend of $1.00 per share. The Company recorded a dividend payable of $2

Working Capital

Working capital at February 26, 2023 March 3, 2024 was lower compared to February 27, 2022 February 26, 2023. Decrease inventories and increases in accounts payable accrued expenses and dividends payable accrued income taxes were partially offset by expenses lower dividends payable and other current assets. accounts payable.

The Company's current ratio (the ratio of current assets to current liabilities) was 10.2 to 1 at March 3, 2024 compared to 4.4 to 1

Cash Flows

During 2023, 2024, the Company's net earnings from continuing operations, before depreciation and amortization, stock-based fixed assets, were $12.6 million $11.1 million. Such earnings were decreased by changes in operating assets and liabilities of $6.1

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provided by operating activities from continuing operations. During 2023, 2024, the Company expended $1.0 million $0.6 million for t
million $1.0 million during 2022 2023, and the Company paid $30.6 and $8.2 million in cash dividends in 2024 and 2023, and 2022. res
$20.5 million paid in the first quarter of 2024.

Other Liquidity Factors

On December 22, 2017, the U.S. government enacted comprehensive tax reform commonly referred to as the Tax Cuts an corporate income tax by, among other things, lowering corporate income tax rates, imposing a one-time transition tax on deemed r territorial tax system. As a result of the Tax Act, the Company recorded taxes payable to be paid in installments over eight years. The 26, 2023 March 3, 2024, was approximately $12.6 million $9.5 million to be paid over the next four two years.

The Company believes that its existing cash, cash equivalents and marketable securities, and cash flow from operations will b cash requirements for at least the next twelve months from the date of the filing of this Form 10-K Annual Report. The Company t position are very strong.

Contractual Obligations:

The Company's contractual obligations and other commercial commitments to make future payments under contracts, such as commitments to purchase raw materials and commitments to purchase equipment, as described in Note 10 of the Notes to Consolid Company has no other long-term debt, capital lease obligations, unconditional purchase obligations or other long-term obligati obligations or other commercial commitments or contingent commitments, other than two standby letters of credit in the total amou workers' compensation insurance program.

Environmental Matters:

The Company is subject to various Federal, state and local government govern-ment and foreign government requirements rel that, as a general matter, its policies, practices and procedures are properly designed to prevent unreasonable risk of environmenta hazardous or toxic substances are in accord with environmental laws and regulations. However, mainly because of past operations predecessor companies, which were generally in compliance with applicable laws at the time of the operations in question, the Compa to claims by government govern-ment agencies and third parties and has incurred remedial response and voluntary cleanup costs as involving past environmental matters may continue to arise in the future. It is the Company's policy to record appropriate liabilities fo can be reasonably estimated.

In 2024, 2023 2022 and 2021, 2022, the Company incurred approximately $29,000, $14,000 $13,000 and $9,000, $13,000, resp related legal fees, and the Company received, or expects to receive, reimbursement pursuant to general liability insurance coverage respectively, of such amounts. While annual environmental remedial response and voluntary cleanup expenditures, including legal increase over time, the Company expects it will be able to fund such expenditures from cash flow from operations. The timing of ex approval of cleanup projects, remedial techniques to be utilized and agreements with other parties. At February 26, 2023 March 3, 2024 recorded in accrued liabilities for environmental matters.

Management does not expect that environmental matters will have a material adverse effect on the liquidity, capital resourc financial position of the Company. See Note 11 of the Notes to Consolidated Financial Statements included in Item 8 of Part II of this F those related to environmental matters.

Critical Accounting Policies and Estimates:

The following information is provided regarding critical accounting policies that are important to the Consolidated Financi estimates, assumptions and the application of management's judgment.

General

The Company's Discussion and Analysis of its Financial Condition and Results of Operations are based upon the Company's accordance with accounting principles generally accepted in the United States. The preparation of these Consolidated Financial Stater

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judgments that affect the reported amounts of assets, liabilities, revenues and expenses and the related disclosure of contingent liabi
including those related to sales allowances, allowances for doubtful accounts, inventories, valuation of long-lived assets, income t
benefit programs. The Company bases its estimates on historical experience and on various other assumptions that are believed to b
the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources
assumptions or conditions.

The Company believes the following critical accounting policies affect its more significant judgments and estimates used in the

Recently Adopted Accounting Pronouncement

See Note 15 14 of the Notes to Consolidated Financial Statements included in Item 8 of Part II of this Report for a discussion of t

Revenue Recognition

The Company recognizes revenue when a customer obtains control of promised goods or services in an amount that reflec
entitled in exchange for those goods or services. We recognize revenue when all of the following criteria are met: (1) we have entere
been identified, (3) the transaction price to the customer has been determined, (4) the transaction price has been allocated to the p
obligations have been satisfied. The majority of the Company's shipping terms define the performance obligation to be satisfied upon s

Accounts Receivable

The Company's accounts receivable are due from purchasers of the Company's products. Credit is extended based on evaluat
not required. Accounts receivable are due within established payment terms and are stated at amounts due from customers net of a
than established payment terms are considered past due. The Company determines its allowance by considering a number of factors,
Company's previous loss history, the customer's current ability to pay its obligation to the Company, and the conditions of the genera
the Company's customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances ma
they become uncollectible.

Inventories

Inventories are stated at the lower of cost (first-in, first-out method) or net realizable value. The Company writes down its inve
the age of the inventory and assumptions about future demand for the Company's products and market conditions.

Valuation of Long-Lived Assets

The Company assesses the impairment of long-lived assets whenever events or changes in circumstances indicate that the c
the Company assesses the impairment of goodwill at least annually. Important factors that could trigger an impairment review include
trends and significant changes in the use of the Company's assets or strategy of the overall business.

Income Taxes

As part of the processes of preparing its consolidated financial statements, the Company is required to estimate the income ta
involves estimating the actual current tax expense together with assessing temporary differences resulting from differing treatment o
in deferred tax assets and liabilities, which are included in the Company's Consolidated Balance Sheets. Deferred income taxes are pr
such as depreciation and undistributed earnings of foreign subsidiaries, for income tax purposes compared to financial accounti
deferred tax assets within the jurisdiction from which they arise, all positive and negative evidence is considered, including the sche
income, tax planning strategies and results of recent acquisitions. If these estimates and assumptions change in the future, the Com
against its deferred tax assets, resulting in additional income tax expense in the Company's Consolidated Statements of Operations,
resulting in less income tax expense. The Company evaluates the realizability of the deferred tax assets and assesses the need for add

Tax benefits are recognized for an uncertain tax position when, in the Company's judgment, it is more likely than not that the p
For a tax position that meets the more-likely-than-not recognition threshold, the tax benefit is measured as the largest amount that is ju
ultimate settlement with a taxing authority. The liability associated with unrecognized tax benefits is adjusted periodically due to chang

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Such adjustments are recognized entirely in the period in which they are identified. The effective tax rate includes the net impact of cha
adjustments as considered appropriate by the Company. While it is often difficult to predict the final outcome or the timing of resolutio
unrecognized tax benefits is adequate. Interest and penalties recognized on the liability for unrecognized tax benefits are recorded as i

Contingencies and Litigation

The Company is subject to a number of proceedings, lawsuits and other claims related to environmental, employment, pro
likelihood of any adverse judgments or outcomes in these matters as well as potential ranges of probable losses. A determination of t
made after careful analysis of each individual issue. The required reserves may change in the future due to new developments in eac
strategy in dealing with these matters.

ITEM 7A.QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.	QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Interest Rate Risk – The exposure to market risks for changes in interest rates relates to the Company's short-term inves
instruments in its investment portfolio. The Company's short-term investment portfolio is managed in accordance with guidelines issu
high quality fixed income portfolio of government and highly rated corporate debt securities with a maximum weighted maturity of less
investment portfolio at the end of the 2023 2024 fiscal year, the Company does not believe that a hypothetical 10% fluctuation in sh
consolidated results of operations or financial position of the Company.

Commodities Risk – The Company is subject to fluctuations in the cost of raw materials used to manufacture its materials
fluctuations in commodity pricing as the Company utilizes certain materials that are key materials in certain of its products. The Co
costs through to its customers. The Company currently does not use hedging strategies to minimize the risk of price fluctuations on
reviews such strategies on an ongoing basis. See "Materials and Sources of Supply" in Item 1 of this Report.

ITEM 8.FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.	FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

The Company's Financial Statements begin on the next page.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRI

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of
Park Aerospace Corp. Corp

Opinion on the Consolidated Financial Statements

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We have audited the accompanying consolidated balance sheets of Park Aerospace Corp. and subsidiaries (the "Company") as of Fe
2023, and the related consolidated statements of operations, comprehensive earnings, shareholders' equity, and cash flows for each o
3, 2024, and the related notes (collectively referred to as the "financial "consolidated financial statements"). In our opinion, the conso
the financial position of the Company as of February 26, 2023 March 3, 2024 and February 27, 2022 February 26, 2023, and the results
the period ended February 26, 2023 March 3, 2024, in conformity with the accounting principles generally accepted in the United States

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's entity's management. Our responsibility is to expres
our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB"
in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commissio

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the aud
financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were w
reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for t
entity's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whet
to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolid
accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the cons
reasonable basis for our opinion.

Critical Audit Matters

Critical audit matters are matters arising from the current period audit of the consolidated financial statements that were communicate
(1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challen
are no critical audit matters.

/s/ CohnReznick LLP

We have served as the Company's auditor since 2014.

Parsippany, New Jersey

May 12, 2023 June 11, 2024

PARK AEROSPACE CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Amounts in thousands, except share and per share amounts)

	Februa
ASSETS	
Current assets:	
Cash and cash equivalents	$
Marketable securities (Note 2)	
Accounts receivable, less allowance for doubtful accounts of $120 and $104, respectively	
Accounts receivable, less allowance for doubtful accounts of $128 and $120, respectively	
Inventories (Note 3)	
Prepaid expenses and other current assets	
Total current assets	

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Property, plant and equipment, net (Note 3)	
Operating right-of-use assets (Note 10)	
Goodwill and other intangible assets, net (Note 3)	
Other assets	
Total assets	$
LIABILITIES AND SHAREHOLDERS' EQUITY	
Current liabilities:	
Accounts payable	$
Operating lease liabilities (Note 10)	
Accrued liabilities (Note 3)	
Dividend Payable	
Dividend payable	
Income taxes payable	
Total current liabilities	
Long-term operating lease liabilities (Note 10)	
Non-current income taxes payable (Note 4)	
Deferred income taxes (Note 4)	
Other liabilities (Note 4)	
Total liabilities	
Commitments and contingencies (Notes 10 and 11)	
Shareholders' equity (Note 6):	
Preferred stock, $1 par value per shares-authorized, 500,000 shares; issued, none	
Common stock, $0.10 par value per shares-authorized, 60,000,000 shares; issued, 20,965,144 shares	
Additional paid-in capital	
Accumulated deficit	
Accumulated other comprehensive loss	
Less treasury stock, at cost, 493,934 and 506,934 shares, respectively	
Less treasury stock, at cost, 711,783 and 493,934 shares, respectively	
Total shareholders' equity	
Total liabilities and shareholders' equity	$

See Notes to Consolidated Financial Statements.

PARK AEROSPACE CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Amounts in thousands, except per share amounts)

				Fiscal Year End
		February 26, 2023		February 27, 2022
Net sales	$	54,055	$	53

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Cost of sales	37,582	35
Gross profit	16,473	17
Selling, general and administrative expenses	6,519	6
Restructuring charges (Note 8)	-	
Earnings from continuing operations	9,954	11
Earnings from operations		
Interest and other income	1,078	
Earnings from continuing operations before income taxes	11,032	11
Earnings from operations before income taxes		
Income tax provision (Note 4)	301	3
Net earnings from continuing operations	10,731	8
Loss from discontinued operations, net of tax (Note 12)	-	
Net earnings	$ 10,731	$ 8
Earnings (loss) per share (Note 7)		
Earnings per share (Note 7)		
Basic:		
Continuing operations	$ 0.52	$
Discontinued operations	-	
Basic earnings per share	$ 0.52	$
Basic weighted average shares	20,465	20
Diluted:		
Continuing operations	$ 0.52	$
Discontinued operations	-	
Diluted earnings per share	$ 0.52	$
Diluted weighted average shares	20,509	20

See Notes to Consolidated Financial Statements.

PARK AEROSPACE CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS

(Amounts in thousands)

	Fiscal Year Ended	
	February 26, 2023	February 27, 2022
Net earnings	$ 10,731	$ 8,46
Other comprehensive loss, net of tax:		
Other comprehensive earnings (loss), net of tax:		
Unrealized gains on marketable securities:		
Unrealized holding gains arising during the period	240	10
Less: reclassification adjustment for gains included in net earnings	(7)	(3
Unrealized losses on marketable securities:		
Unrealized holding losses arising during the period	(2,567)	(1,71
Less: reclassification adjustment for losses included in net earnings	55	1
Other comprehensive loss	(2,279)	(1,62
Other comprehensive earnings (loss)		

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Total comprehensive earnings	$ 8,452	$ 6,83

See Notes to Consolidated Financial Statements.

PARK AEROSPACE CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(Amounts in thousands, except share and per share amounts)

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Earnings (Loss)	Treasury Stock		Common Stock	
	Shares	Amount				Shares	Amount	Shares	Amou
Balance, March 1, 2020	20,965,144	$ 2,096	$ 169,862	$ (21,774)	$ 668	446,321	$ (9,177)		
Net earnings	-	-	-	4,864	-	-	-		
Unrealized gain on marketable securities, net of tax	-	-	-	-	(1,004)	-	-		
Stock options exercised	-	-	(15)	-	-	(1,450)	27		
Stock-based compensation	-	-	191	-	-	-	-		
Purchase of treasury stock	-	-	-	-	-	137,397	(1,644)		
Cash dividends ($.40 per share)	-	-	-	(8,153)	-	-	-		
Balance, February 28, 2021	20,965,144	2,096	170,038	(25,063)	(336)	582,268	(10,794)	20,965,144	$ 2,
Net earnings	-	-	-	8,464	-	-	-	-	
Unrealized loss on marketable securities, net of tax	-	-	-	-	(1,629)	-	-	-	
Stock options exercised	-	-	(658)	-	-	(75,334)	1,397	-	
Stock-based compensation	-	-	285	-	-	-	-	-	
Cash dividends ($.40 per share)	-	-	-	(8,168)	-	-	-	-	
Balance, February 27, 2022	20,965,144	2,096	169,665	(24,767)	(1,965)	506,934	(9,397)	20,965,144	2,
Net earnings	-	-	-	10,731	-	-	-	-	
Unrealized loss on marketable	-	-	-	-	(2,279)	-	-		

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Unrealized loss on marketable securities, net of tax								-	
Stock options exercised	-	-	(102)	-	-	(13,000)	241	-	
Stock-based compensation	-	-	369	-	-	-	-	-	
Cash dividends ($1.40 per share)	-	-	-	(28,658)	-	-	-		
Cash dividends ($1.40 per share)								-	
Balance, February 26, 2023	20,965,144	$ 2,096	$ 169,932	$ (42,694)	$ (4,244)	493,934	$ (9,156)	20,965,144	2,(
Net earnings								-	
Unrealized gain on marketable securities, net of tax								-	
Stock options exercised								-	
Stock-based compensation								-	
Repurchase of treasury shares								-	
Cash dividends ($0.50 per share)								-	
Balance, March 3, 2024								20,965,144	$ 2,(

See Notes to Consolidated Financial Statements.

PARK AEROSPACE CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in thousands)

	Fiscal Year Ende	
	February 26, 2023	February 27, 2022
Cash flows from operating activities:		
Net earnings	$ 10,731	$ 8,
Loss from discontinued operations, net of tax	-	
Net earnings from continuing operations	10,731	8,
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	1,136	1,
Stock-based compensation	369	
Allowance for bad debt	16	
Provision for deferred income taxes	322	
Amortization of bond premium	42	

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Loss (gain) on sale of marketable securities	5	
Loss on sale of marketable securities		
(Gain) loss on sale of fixed assets	(8)	
Non-cash restructuring	-	
Changes in operating assets and liabilities:		
Accounts receivable	(1,665)	(
Inventories	(2,112)	
Prepaid expenses and other current assets	238	(
Other assets and liabilities	(2,723)	
Accounts payable	2,011	(
Accrued liabilities	(148)	(
Income taxes payable	(1,723)	(1,
Net cash provided by operating activities - continuing operations	6,491	8,
Net cash used in operating activities - discontinued operations	-	
Net cash provided by operating activities	6,491	8,
Cash flows from investing activities:		
Purchases of property, plant and equipment	(1,047)	(4,
Proceeds from sales of property, plant and equipment	8	
Purchases of marketable securities	(63,275)	(59,
Proceeds from sales and maturities of marketable securities	57,296	34,
Net cash (used in) provided by investing activities - continuing operations	(7,018)	(29,
Net cash provided by investing activities - discontinued operations	-	
Net cash (used in) provided by investing activities	(7,018)	(29,
Net cash provided by (used in) investing activities		
Cash flows from financing activities:		
Dividends paid	(8,186)	(8,
Proceeds from exercise of stock options	139	
Purchase of treasury stock	-	
Net cash used in financing activities - continuing operations	(8,047)	(7,
Net cash used in financing activities - discontinued operations	-	
Net cash used in financing activities	(8,047)	(7,
(Decrease) increase in cash and cash equivalents - continuing operations	(8,574)	(28,
Decrease in cash and cash equivalents - discontinued operations	-	
(Decrease) increase in cash and cash equivalents	(8,574)	(28,
(Decrease) increase in cash and cash equivalents	(8,574)	(28,
Increase (decrease) in cash and cash equivalents		
Cash and cash equivalents, beginning of year	12,811	41,
Cash and cash equivalents, end of year	$ 4,237	$ 12,
Supplemental disclosure of non-cash activities:		
Dividend payable included in current liabilities	$ 20,471	$

See Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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Three years ended February 26, 2023 March 3, 2024

(Amounts in thousands, except share (unless otherwise stated), per share and option amounts)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Park Aerospace Corp. and its subsidiaries (collectively, "Park" or the "Company"), is a global advanced materials company w primary and secondary structures and assemblies and low-volume tooling for the aerospace markets.

a. *Principles of Consolidation* – The consolidated financial statements include the accounts of Park and its subsidiari been eliminated.

b. *Basis of Presentation* – On July 25, 2018, the Company entered into a definitive agreement to sell its Electronics Bu December 4, 2018. (See Note 12).

The Company has classified the operating results of its Electronics Business, together with certain costs related t Consolidated Statements of Operations and Consolidated Statements of Cash Flows, in accordance with Accounting (See Note 12).

c. *Use of Estimates* – The preparation of consolidated financial statements in conformity with accounting principles g requires management to make estimates and assumptions that affect the amounts reported in the consolidated financ from those estimates.

d. c. *Accounting Period* – The Company's fiscal year is the 52- or 53-week period ending the Sunday nearest to the last d consisted of 53 weeks; the 2023 2022 and 2021 2022 fiscal years ended on February 26, 2023 and February 27, 2022, F Fiscal years 2023, 2022 and 2021 each consisted of 52 weeks.

e. d. *Fair Value Measurements* – Fair value is defined as the price that would be received to sell an asset or paid to transfer market participants at the measurement date.

Fair value measurements are broken down into three levels based on the reliability of inputs as follows:

Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the Company has the ability to a liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, e similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liabi quoted intervals or current market) and contractual prices for the underlying financial instrument, as well as other releva

Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair valu allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

The fair value of the Company's cash and cash equivalents, accounts receivable, accounts payable and current liabiliti Certain assets and liabilities of the Company are required to be recorded at fair value on either a recurring or non marketable securities at fair value using Level 1 or Level 2 inputs. (See Note 2).

The Company's non-financial assets measured at fair value on a non-recurring basis, for purposes of calculating impai fair value. To measure fair value of such assets, the Company uses Level 3 inputs consisting of techniques including a is based on a discounted cash flow analysis and calculates the fair value by estimating the after-tax cash flows attrib flows to a present value using a risk-adjusted discount rate. Assumptions used in the discounted cash flow analysis about appropriate discount rates, terminal values, growth rates and the amount and timing of expected future cash fl hierarchy during the 2024, 2023 2022 or 2022 fiscal years.

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f. e. *Cash and Cash Equivalents* – The Company considers all money market securities and investments with contractua equivalents. The Company had $0 and $5,998 in no debt securities included in cash equivalents at March 3, 2024 or F valued based on Level 2 inputs. . Certain of the Company's cash and cash equivalents are in excess of U.S. governme $28,194, respectively, of the $105,440 of cash and marketable securities at February 26, 2023 were owned by one of th

Supplemental cash flow information:

	Fisca			
	2023		20	
Cash paid during the year for:				
Income taxes, net of refunds	$	3,235	$	

	I			
	2024			
Cash paid during the year for income taxes, net of refunds	$	6,017	$	

On February 9, 2023, the Company's Board of Directors declared a special dividend of $1.00 per share payable April 6, 2 2023. The total amount of this special dividend was approximately $20.5 million.

At February 26, 2023 and February 27, 2022, the Company held $773 and $2,929, respectively, of cash and cash equivale

g. f. *Marketable Securities* – All marketable securities are classified as available-for-sale and are carried at fair value comprehensive earnings. Realized gains and losses, amortization of premiums and discounts, and interest and divi cost of securities sold is based on the specific identification method.

h g. *Inventories* – Inventories are stated at the lower of cost (first-in, first-out method) or net realizable value. The Co unmarketability based upon the age of the inventory and assumptions about future demand for the Company's produc

i h. *Revenue Recognition* – The Company recognizes revenue when a customer obtains control of promised goods or s providing entity expects to be entitled in exchange for those goods or services. We recognize revenue when all of agreement, (2) the performance obligations have been identified, (3) the transaction price to the customer has bee performance obligations in the contract, and (5) the performance obligations have been satisfied. Revenue is re represents the Company's performance obligation. Shipping and handling costs are treated as fulfillment costs.

j i. *Sales Allowances and Product Warranties* – The Company records estimated reductions to revenue for custome reductions are recorded in the period the sale is recorded and are derived from historical trends and other releva specifications and tested for adherence to specifications before shipment to customers. Composite structures an customers after receipt at the customers' locations. There are no future performance requirements other than the pr for providing sales allowances for returns are known situations in which products may have failed due to manufactur returns and allowances resulting from defective or damaged products have been less than 1.0% of sales for each of th

k. j. *Accounts Receivable* – The Company's accounts receivable are due from purchasers of the Company's products. condition and, generally, collateral is not required. Accounts receivable are due within established payment terms ar for doubtful accounts. Accounts outstanding longer than established payment terms are considered past due. The factors, including the length of time accounts receivable are past due, the Company's previous loss history, the custo conditions of the general economy and the aerospace industry. If the financial condition of the Company's customer make payments, additional allowances may be required. The Company writes off accounts receivable when they beco

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l k. *Valuation of Long-Lived Assets* – The Company assesses the impairment of long-lived assets whenever events or c assets may not be recoverable. Important factors that could trigger an impairment review include, but are not li significant changes in the use of the Company's assets or strategy of the overall business. $1,318of impairments of l impairments of long-lived assets were recognized in the 2024, 2023 or 2022 fiscal years.

m. l. *Goodwill and Other Intangible Assets* – Goodwill is not amortized. Other intangible assets are amortized over the use The Company tests for impairment of intangible assets whenever events or changes in circumstances indicate that respect to goodwill, the Company first assesses qualitative factors to determine whether it is more likely than not th assessment, the Company believes it is more likely than not that the fair value is less than the carrying value, a assesses the impairment of goodwill at least annually. The Company conducts its annual goodwill impairment test as there was no impairment in the 2023 2024 or 2022 2023 fiscal years.

n m. *Shipping Costs* – Most of the costs for third-party shippers for transporting products to customers are paid for or re costs in selling, general and administrative expenses.

o n. *Property, Plant and Equipment* – Property, plant and equipment are stated at cost less accumulated depreciation and and major renewals and expenses maintenance, repairs and minor renewals as incurred. Depreciation and amortizat estimated useful lives of the assets. Machinery, equipment, furniture and fixtures are generally depreciated over depreciated over 25-30 years or the term of the lease, if shorter. The depreciation and amortization expenses associa and $1,150 $1,136 for the 2024, 2023 2022 and 2021 2022 fiscal years, respectively.

p o. *Income Taxes* – Deferred income taxes are provided for temporary differences in the reporting of certain items, such a for income tax purposes compared to financial accounting purposes. In evaluating the Company's ability to recove arise, all positive and negative evidence is considered, including the scheduled reversal of deferred tax liabilities, pr of recent acquisitions. If these estimates and assumptions change in the future, the Company may be required to reco resulting in additional income tax expense in the Company's Consolidated Statements of Operations, or conversely to income tax expense. The Company evaluates the realizability of the deferred tax assets and assesses the need for add

Tax benefits are recognized for an uncertain tax position when, in the Company's judgment, it is more likely than not authority. For a tax position that meets the more-likely-than-not recognition threshold, the tax benefit is measured a likelihood of being realized upon ultimate settlement with a taxing authority. The liability associated with unrec circumstances and when new information becomes available. Such adjustments are recognized entirely in the period i impact of changes in the liability for unrecognized tax benefits and subsequent adjustments as considered appropri outcome or the timing of resolution of any particular tax matter, the Company believes its liability for unrecognized tax the liability for unrecognized tax benefits are recorded as income tax expense.

q. p. *Stock-Based Compensation* – The Company accounts for stock options, the only form of equity compensation issu value of the options on the date of grant and recognizes such expense on a straight-line basis over the four-year se forfeitures. The Company determines the fair value of such options using the Black-Scholes option pricing mode assumptions relating to risk-free interest rate, expected volatility, expected dividend yield and expected life of options

r. q. *Treasury Stock* – The Company considers all shares of the Company's common stock purchased by the Company as purchase price of such shares is reflected as a reduction to Shareholders' Equity, and such shares are held in treasur

s. r. *Leases* – The Company has operating leases related to land, office space, warehouse space and equipment. All of th Renewal options are included in the lease terms to the extent the Company is reasonably certain to exercise the optio discretion. The incremental borrowing rate represents the Company's ability to borrow on a collateralized basis ov renewal options for periods ranging fromone year to ten years and require the Company to pay real estate taxes ar assuming exercise of all applicable renewal options by the Company. The Company's existing leases are not subject dividends, obtain financing or exercise its available renewal options.

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2. MARKETABLE SECURITIES

The following is a summary of available-for-sale securities:

	February 26, 2023				
	Total	Level 1	Level 2	Level 3	Total
U.S. Treasury and other government securities	$ 83,859	$ 83,859	$ -	$ -	$ 67,210
U.S. corporate debt securities	17,344	17,344	-	-	3,434
Total marketable securities	$ 101,203	$ 101,203	$ -	$ -	$ 70,644

	February 27, 2021				
	Total	Level 1	Level 2	Level 3	Total
U.S. Treasury and other government securities	$ 62,612	$ 62,612	$ -	$ -	$ 83,859
U.S. corporate debt securities	34,938	34,938	-	-	17,344
Total marketable securities	$ 97,550	$ 97,550	$ -	$ -	$ 101,203

The following tables show the amortized cost basis, gross unrealized gains and losses and gross realized gains and losses on

Amortized

	Amortized Cost Basis	Gross Unrealize Gains
March 3, 2024:		
U.S. Treasury and other government securities	$ 70,320	$
U.S. corporate debt securities	3,435	
Total marketable securities	$ 73,755	$
February 26, 2023:		

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U.S. Treasury and other government securities	$	89,603	$	
U.S. corporate debt securities		17,414		
Total marketable securities	$	107,017	$	
February 27, 2022:				
U.S. Treasury and other government securities	$	65,177	$	
U.S. corporate debt securities		35,064		
Total marketable securities	$	100,241	$	

		F
	2023	
Gross realized gains on sale	$ -	$
Gross realized losses on sale	$ 5	$

The estimated fair values of such securities at February 26, 2023 March 3, 2024, by contractual maturity, are shown below

Due in one year or less

Due after one year through five years

3. OTHER CONSOLIDATED BALANCE SHEET DATA

Other consolidated balance sheet data consisted of the following:

		February 26, 2023
Inventories:		
Raw materials	$	5
Work-in-process		
Finished goods		
	$	6
Property, plant and equipment:		
Land, buildings and improvements	$	15
Machinery, equipment, furniture and fixtures		32
		48
Less: accumulated depreciation and amortization		24
	$	24
Goodwill and other intangible assets:		
Goodwill	$	9

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Other intangibles	
	$

Accrued liabilities:

Payroll and payroll related	$
Employee benefits	
Workers' compensation	
Professional fees	
Restructuring (Notes 8 and 12)	
Other	
	$

	March 3, 2024
Inventories:	
Raw materials	$
Work-in-process	
Finished goods	
	$
Property, plant and equipment:	
Land, buildings and improvements	$
Machinery, equipment, furniture and fixtures	
Less: accumulated depreciation and amortization	
	$
Goodwill and other intangible assets:	
Goodwill	$
Other intangibles	
	$
Accrued liabilities:	
Payroll and payroll related	$
Workers' compensation	
Professional fees	
Property taxes	
Other	
	$

4. INCOME TAXES

The income tax provision (benefit) for continuing operations includes the following:

	Fiscal Year	
	2023	2022

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Current:		
Federal	$ (875)	$
State and local	822	
Foreign	30	
	(23)	
Deferred:		
Federal	435	
State and local	(111)	
Foreign	-	
	324	
	$ 301	$

The income tax provision (benefit) for discontinued operations includes the following:

	Fiscal Year		
	2023	2022	202
Current:			
Federal	$ -	$ -	$
State and local	-	-	
Foreign	-	-	
	-	-	
Deferred:			
Federal	-	-	
State and local	-	-	
Foreign	-	-	
	-	-	
	$ -	$ -	$

State income tax benefits from loss carryforwards to future years were recognized as deferred tax assets in the 2024, 202

Notwithstanding the U.S. taxation of the deemed repatriated foreign earnings as a result of the transition tax, the C undistributed earnings outside of the U.S. If these future earnings are repatriated to the U.S., or if the Company determines that may be required to accrue U.S. deferred taxes.

The Company's pre-tax earnings (loss) from continuing operations in the United States and foreign locations are as follo

	Fiscal	
	2023	202
United States	$ 10,669	$
Foreign	363	
Earnings before income taxes	$ 11,032	$

The Company's pre-tax earnings (loss) from discontinued operations in the United States and foreign locations are as fo

	Fiscal Ye	
	2023	2022
United States	$ -	$
Foreign	-	
(Loss) earnings before income taxes	$ -	$

Earnings before income taxes

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The Company’s effective income tax rate differs from the statutory U.S. Federal income tax rate as a result of the followi

	Fiscal	
	2023	2
Statutory U.S. Federal tax rate	21.0 %	
State and local taxes, net of Federal benefit	3.8 %	
Foreign tax rate differentials	(0.4 %)	
NQSO Expirations and Cancellations	2.1 %	
Adjustment on tax accruals	0.9 %	
ASC 740-10 change	(24.8 %)	
Foreign tax credits	0.0 %	
Change in unrecognized tax benefits		
Subpart F	0.5 %	
Permanent differences and other	(0.4 %)	
	2.7 %	

The Company had state net operating loss carryforwards of approximately $1,775 and $1,725 at March 3, 2024 and $2,0 and total net foreign operating loss carryforwards of approximately $7,791 at both March 3, 2024 and $7,790 in the 2023 and 202 a valuation allowance allowances against the remaining carryforwards. carryforwards at March 3, 2024 and February 26, 2023. T 2040.

The Company had Arizona tax credits of $991 in both the 2023 2024 and 2022 2023 fiscal years for which no benefit has February 26, 2023.

The deferred tax asset valuation allowance of $2,938 as of February 26, 2023 March 3, 2024 relates to the above fo continuing operations for which the Company does not expect to realize any tax benefit. During the 2023 fiscal year, the valuatio the Arizona tax credits. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amou amounts for income tax purposes.

Significant components of the Company's deferred tax assets and liabilities from continuing operations as of February as follows:

		February 26, 2023
Deferred tax assets:		
Net operating loss carryforwards	$	1,94
Tax credits carryforward		99
Stock options		78
Other, net		59
		4,31
Valuation allowance on deferred tax assets		(2,93
Total deferred tax assets, net of valuation allowance		1,37
Deferred tax liabilities:		
Depreciation		(2,84
Undistributed earnings		(
Other		(52
Total deferred tax liabilities		(3,37

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Net deferred tax liability $ (1,99

At February 26, 2023 March 3, 2024 and February 27, 2022 February 26, 2023, the Company had gross unrecognized tax respectively, included in other liabilities. If any portion of the unrecognized tax benefits at February 26, 2023 March 3, 2024 we change as of February 26, 2023 March 3, 2024 was due to $214,000 of additional tax due to tax deductions becoming unavailable offset by a reduction in uncertain tax positions of $2.8 million $535 from the reduction of uncertain tax positions related to ex years regarding the taxability of funds repatriated from the Company's subsidiary in Singapore. Singapore and certain state tax r

A reconciliation of the beginning and ending amounts of unrecognized tax benefits for continuing operations is as follow

	Unrecognized Tax Benefits			
	February 26, 2023	February 27, 2022	February 28, 2021	Ma 2
Balance, beginning of year	$ 4,078	$ 4,117	$ 4,164	$
Tax positions - Discontinued Ops in prior period	-	-	(47)	
Gross decreases - tax positions in prior period	(2,980)	(39)	-	
Gross increases - current period tax positions	326	-	-	
Audit settlements	-	-	-	
Balance, end of year	$ 1,424	$ 4,078	$ 4,117	$

The amount of unrecognized tax benefits may increase or decrease in the future for various reasons, including adding statutes of limitations on open income tax years, changes in the Company's judgment about the level of uncertainty, status of t positions are the result of a re-evaluation of the probability of realizing the benefit of a particular tax position based on new inf benefits will be recognized within the next 12 months.

A list of open tax years by major jurisdiction follows:

U.S. Federal
California
New York
Kansas
France
Singapore

The Company had approximately $256 and $327 and $460 of accrued interest and penalties as of February 26, 2023 Marc Company's policy is to include applicable interest and penalties related to unrecognized tax benefits as a component of current

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On December 22, 2017, the U.S. government enacted comprehensive tax reform commonly referred to as the Tax Cut
corporate income tax by, among other things, lowering corporate income tax rates, imposing a one-time transition tax on deem
territorial tax system. As a result of the Tax Act, the Company recorded taxes payable to be paid in installments over eight year
3, 2024, was approximately $9,500 to be paid over the next two years.

On August 16, 2022, the Inflation Reduction Act was signed into law. The Inflation Reduction Act includes various ta
January 1, 2023. For tax years beginning after December 31, 2021, the Tax Cuts & Jobs Act of 2017 eliminated the option to de
required taxpayers to capitalize and amortize them over five or 15 years beginning in 2022. The Company incurs research
development expense addback is in the U.S. tax return. The Company will continue to monitor the possible future impact of cha

The Company has no ongoing examinations of its Federal returns. The audit of the New York state tax returns for the 201

5.STOCK-BASED COMPENSATION

STOCK-BASED COMPENSATION

As of February 26, 2023 March 3, 2024, the Company had a 2018 Stock Option Plan (the "2018 Plan") and no other stock
of Directors of the Company on May 8, 2018 and approved by the shareholders of the Company at the Annual Meeting of Share
Company had the 2002 Stock Option Plan (the "2002 Plan") which had been approved by the Company's shareholders and prov
the Company. All options granted under the 2018 Plan and 2002 Plan have exercise prices equal to the fair market value of the
of grant, which, pursuant to the terms of such Plans, is the reported closing price of the common stock Common Stock on the N
granted. Options granted under the Plans become exercisable 25% oneyear after the date of grant, with an additional 25% exe
10 years after the date of grant. Options to purchase a total of 800,000 shares of common stock Common Stock of the Compa
options to purchase 252,050 shares of Common Stock were available for grant under the 2018 Plan. At February 26, 2023 March
the Company were reserved for issuance upon exercise of stock options under the 2018 Plan.

The compensation expense for stock options includes an estimate for forfeitures and is recognized on a straight-line bas

The future compensation expense to be recognized in earnings before income taxes for options outstanding at Febru
recognized ratably over a weighted average vesting period of 2.65 1.32 years.

The Company records its stock-based compensation at fair value. The weighted average fair value for options was esti
model.

The following table represents the weighted average fair value and valuation assumptions used for options granted in th

	Fiscal Year								
	2023			2022			2021		
Weighted average fair value per share of option grants	$2.66			$2.76			$2.12		
Risk-free interest rates	2.69%	-	3.64%	0.74%	-	1.85%	0.23%	-	0.4
Expected stock price volatility	27.9%	-	28.3%	27.8%	-	29.2%	26.9%	-	30
Expected dividend yields	3.17%	-	3.32%	2.73%	-	3.07%	3.18%	-	3.4
Estimated option terms (in years)	5.4	-	8.1	4.4	-	7.6	4.3	-	7

The risk-free interest rates are based on U.S. Treasury rates at the date of grant with maturity dates approximately equ
factors are based on historical volatility of the Company's common stock. Common Stock. The expected dividend yields are b
declared by the Company and on the exercise price of the options granted during the 2023 2024 fiscal year. The estimated
expected future employee exercise behavior.

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During the 2024 fiscal year, the Company recorded non-cash charges of $109,000 related to the modification of previous special cash dividend paid by the Company in April 2023.

Information with respect to stock option activity follows:

	Outstanding Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)	I
Balance, March 1, 2020	510,634	$ 12.45		$
Granted	132,100	12.55		
Exercised	(1,450)	8.02		
Terminated or expired	(6,750)	13.01		
Balance, February 28, 2021	634,534	$ 12.47		$
Granted	147,750	13.82		
Exercised	(75,334)	9.81		
Terminated or expired	(58,650)	13.96		
Balance, February 27, 2022	648,300	$ 12.96		$
Granted	134,100	12.08		
Exercised	(13,000)	10.67		
Terminated or expired	(98,975)	13.13		
Balance, February 26, 2023	670,425	$ 12.80	5.80	$
Vested and exercisable, February 26, 2023	376,613	$ 12.67	3.87	$
Expected to vest, February 26, 2023	640,256	$ 12.67	5.80	$
Granted				
Exercised				
Terminated or expired				
Balance, March 3, 2024				
Vested and exercisable, March 3, 2024				
Expected to vest, March 3, 2024				

The aggregate intrinsic values realized (the market value of the underlying shares on the date of exercise, less the exer options during the 2024, 2023 2022 and 2021 2022 fiscal years were $23,$11, $23, and $358, and $8, respectively.

A summary of the status of the Company's non-vested options at February 26, 2023 March 3, 2024, and changes during t

	Shares Subject to Options	Weight
Non-vested, beginning of year		
Granted		
Vested		
Terminated or expired		
Non-vested, end of year		
Granted		
Vested		

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Terminated or expired

Non-vested, end of year

6. SHAREHOLDERS' EQUITY

Treasury Stock – On May 18, 2022, the Company's Board of Directors authorized the C
to 1,500,000 shares of its Common Stock. This represents approximately Stock which represen
the close of business on May 18, 2022. This authorization supersedes any unused prior Bo
As During the year ended March 3, 2024, the Company repurchased 221,099 shares at a total c
any shares of the Company's its Common stock Stock pursuant to the above authorization. At
represent approximately 6% of the Company's 20,253,361 total outstanding shares as of May 3

Reserved Common Shares– At February 26, 2023 March 3, 2024, 1,036,025 960,375 sha
options.

Accumulated Other Comprehensive Earnings (Loss) – Accumulated balances related t

Unrealized losses on investments, net of taxes of $2,279 and $1,629, respectively
Unrealized losses on investments, net of taxes of $840 and $2,279, respectively
Accumulated balance

7. EARNINGS PER SHARE

Basic earnings per share are computed by dividing net earnings by the weighted ave
Diluted earnings per share are computed by dividing net earnings by the sum of (a) the weigh
period and (b) the potential common stock Common Stock equivalents outstanding during th
number of dilutive options is computed using the treasury stock method.

The following table sets forth the calculation of basic and diluted earnings per share:

	Fiscal Year		
(Amounts in thousands, except per share amounts)	2023	2022	2021
Net earnings - continuing operations	$ 10,731	$ 8,464	$ 5,1
Net (loss) earnings - discontinued operations	-	-	(3
Net earnings	$ 10,731	$ 8,464	$ 4,8

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Weighted average common shares outstanding for basic EPS		20,465		20,422		20,3
Net effect of dilutive options		44		129		
Weighted average shares outstanding for diluted EPS		20,509		20,551		20,4
Basic earnings per share - continuing operations	$	0.52	$	0.41	$	0
Basic (loss) earnings per share - discontinued operations		-		-		(0
Basic earnings per share	$	0.52	$	0.41	$	0
Diluted earnings per share - continuing operations	$	0.52	$	0.41	$	0
Diluted (loss) earnings per share - discontinued operations		-		-		(0
Diluted earnings per share	$	0.52	$	0.41	$	0

Potentially dilutive stock options, which were not included in the computation of di options' exercise prices were greater than the average market price of the common stock, Co and 2021 2022 fiscal years, respectively.

8. RESTRUCTURING CHARGES

The Company recorded restructuring charges of $0, $259and $1,570 in $259in the 202 Park Aerospace Technologies Asia Pte. Ltd. facility Facility located in Singapore.

No restructuring charges were recorded in 2024 or 2023.

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9. EMPLOYEE BENEFIT PLANS

Profit Sharing Plan – The Company has a non-contributory profit sharing retirement p modified or terminated at any time, but in no event may any portion of the contributions reve at the end of each fiscal year and paid to the plan in the subsequent fiscal year. The Compan and 2021, 2022, respectively. The contribution for fiscal year 2023 2024 has not been paid. Con under the Internal Revenue Code.

Savings Plan – The Company also sponsors a 401(k) retirement savings plan but ha otherwise.

10. LEASES AND COMMITMENTS

The Company has operating leases related to land, office space, warehouse space a Renewal options are included in the lease terms to the extent the Company is reasonably ce sole discretion. The amounts disclosed in our consolidated balance sheet as of February measured on our current expectations of exercising our available renewal options. The inc basis over a term similar to the lease term. The leases typically contain renewal options for taxes and other operating costs. The latest land lease expiration is 2068 assuming exercise o subject to any restrictions or covenants which preclude its ability to pay dividends, obtain fina

Future minimum lease payments under non-cancellable operating leases as of Februa

Fiscal Year:	
2024	
2025	
2026	
2027	
2028	
2029	
Thereafter	
Total undiscounted operating lease payments	
Less imputed interest	
Present value of operating lease payments	

The above payment schedule includes renewal options that the Company is reasonab the Company's consolidated balance sheet. sheets. The Company recognizes lease expense fo

During both the 2024 and 2023 fiscal year, years, the Company's operating lease expe operating leases, are reflected in the consolidated statements of cash flow statement under ca

The following table sets forth the right-of-use assets and operating lease liabilities as o

Operating right-of-use assets	
Operating lease liabilities	
Long-term operating lease liabilities	
Total operating lease liabilities	

The Company's weighted average remaining lease term for its operating leases is 7.5 4.46% 4.75%.

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These non-cancelable leases have the following payment schedule:

Fiscal Year
2024
2025
2026
2027
2028
Thereafter

The above payment schedule does not include renewal options that have not been Company included renewal periods that the Company deems likely to renew.

Rental expenses, inclusive of real estate taxes and other costs, were $464, $242 $267 a

In December 2018, the Company entered into a Development Agreement with the City Pursuant to this agreement, the Company agreed to construct and operate a redundant man manufacture of advanced composite materials and parts, structures and assemblies for a machinery, equipment and furnishings and to create additional new full-time employment of s the County agreed to lease to the Company three acres of land at the Newton, Kansas Airport The City and County further agreed to provide financial and other assistance toward the cor cost of the additional facility was approximately $19.8 million, and the expansion is complete.

11.CONTINGENCIES CONTINGENCIES

Litigation

The Company is subject to a small number of immaterial proceedings, lawsuits an Company is required to assess the likelihood of any adverse judgments or outcomes in these reserves accrual required, if any, for these contingencies is made after careful analysis o developments in each matter or changes in approach, such as a change in settlement strate such proceedings, lawsuits and claims will not have a material adverse effect on the liquidity, the Company.

Environmental Contingencies

The Company and certain of its subsidiaries have been named by the Environmental Environmental Response, Compensation and Liability Act (the “Superfund Act”) or simila hazardous substances at three sites.

Under the Superfund Act and similar state laws, all parties who may have contributed or comparable state agency may be jointly and severally liable for the cost of cleanup. Gener In the case of the Company’s subsidiaries, generally the waste was removed from their manu with the subsidiaries to provide waste disposal services. Neither the Company nor any of it connection with any such sites. The Company believes it maintains an effective and comprehe

The insurance carriers which provided general liability insurance coverage to the Com waste was disposed at these sites have in the past reimbursed the Company and its subsidia sites.

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The Company does not record environmental liabilities and related legal expenses for coverage for the years during which the Company's subsidiaries' waste was disposed at tw responsible parties. Pursuant to such general liability insurance coverage, three insurance remediation costs associated with the two sites.

Included in selling, general and administrative expenses are charges for actual exper above. The Company accrues estimated costs associated with known environmental matters, The Company believes that the ultimate disposition of known environmental matters will not h flows or financial position.

12. DISCONTINUED OPERATIONS

GEOGRAPHIC REGIONS

On July 25, 2018, the Company entered into a definitive agreement to sell its Electronics Business to AGC Inc. for $145,000 in cash, subject to post-closing adjustments for changes in working capital compared to target net working capital, excluding cash in certain acquired subsidiaries and certain accrued and unpaid taxes of certain acquired subsidiaries. The net cash proceeds from the sale were approximately $124,156, net of transaction costs of approximately $7,657 and taxes of approximately $13,187. The net gain on the Sale was estimated to be $102,145. The net gain on the sale was calculated as the sum of the gains on the sale of each of the Electronics Business subsidiaries as determined by the total consideration allocation between the subsidiaries, less the respective tax bases and deductible transaction costs for each of the subsidiaries. The total consideration allocation for Nelco Products Pte. Ltd. (Singapore), Neltec, Inc. (US), and Neltec SA (France), was 82%, 16%, and 2%, respectively, as agreed upon by the Company and AGC Inc. The Company completed this transaction on December 4, 2018.

The Company has classified the operating results of its former Electronics Business, together with certain costs related to the transaction, as discontinued operations, net of tax, in the Consolidated Statements of Operations. The Company has income in the U.S., Singapore and France, the blended tax rates for discontinued operations for the 2021 and 2020 fiscal years were negative 24.7% and negative 26.4%, respectively. The Company had no income from discontinued operations in the 2023 fiscal year.

The following table shows the summary operating results of the discontinued operations:

	Fiscal Year Ended		
	February 26, 2023	February 27, 2022	February 28, 2021
Net sales	$ -	$ -	$ -
Cost of sales	-	-	-
Gross profit	-	-	-

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Selling, general and administrative expenses	-	-	8
Restructuring charges	-	-	427
(Loss) earnings from discontinued operations	-	-	(435)
Other income	-	-	-
(Loss) earnings from discontinued operations before income taxes	-	-	(435)
Income tax (benefit) provision	-	-	(107)
Net (loss) earnings from discontinued operations	$ -	$ -	$ (328)

13. GEOGRAPHIC REGIONS

The Company's products are sold to customers in North America, Asia and Europe. geographic regions based upon the region in which the materials were delivered to the custon

Financial information regarding the Company's continuing operations by geographic r

Sales:	
North America	$
Asia	
Europe	
Total sales	$
Long-lived assets:	
North America	$
Asia	
Europe	
Total long-lived assets	$

Sales:	
North America	$
Asia	
Europe	
Total sales	$

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Long-lived assets:	
North America	$
Asia	
Europe	
Total long-lived assets	$

14.CUSTOMER AND SUPPLIER CONCENTRATIONS

13. CUSTOMER AND SUPPLIER CONCENTRATIONS

As a result of the sale of the Electronics Business, the Company now operates in a sin

Customers – Net sales to affiliate and non-affiliate subtier suppliers of General Elec worldwide sales in the 2024, 2023 2022 and 2021 2022 fiscal years, respectively. Net sales to A

While no other customer accounted for 10% or more of the Company's Company's tota customer or of a group of customers could have a material adverse effect on the Company's C

Suppliers – Suppliers ArianeGroup and Huntsman Advanced Materials and ArianeGr respectively, in the 2024 fiscal year, and 10.9% and 20.2% of the Company's accounts payabl than 10% of the Company's accounts payable balance in the 2022 or 2021 fiscal years. year.

Sources of Supply – The principal materials used in the manufacture of the Company' resins and base chemicals. Although there is a limited number of qualified suppliers of these of such materials. While the Company has not experienced significant problems in the deliv disruption of the supply of material from a principal supplier could adversely affect the Comp available, and an inability to obtain essential materials, if prolonged, could materially adversel

15.ACCOUNTING PRONOUNCEMENTS

14. ACCOUNTING PRONOUNCEMENTS

Recently Issued Adopted

In March 2023, the Financial Accounting Standards Board issued Accounting Standar changes requires require all entities to amortize leasehold improvements associated with con in ASU 2023-01 are were effective for public business entities for fiscal years beginning aft permitted for: (1) public business entities for periods for which financial statements have not not yet been made available for issuance. The adoption of ASU 2023-101 will 2023-01 did n disclosures.

PARK AEROSPACE CORP. AND SUBSIDIARIES
SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)
(Amounts in thousands, except per share amounts)

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Fiscal 2024:	
Net sales	
Gross profit	
Net earnings	
Basic earnings per share	
Diluted earnings per share	
Weighted average common shares outstanding:	
Basic	
Diluted	

		First		S
Fiscal 2023:				
Net sales	$	12,783	$	
Gross profit		4,092		
Net earnings		1,910		
Basic earnings per share	$	0.09	$	
Diluted earnings per share	$	0.09	$	
Weighted average common shares outstanding:				
Basic		20,458		
Diluted		20,504		
Fiscal 2022:				
Net sales	$	13,594	$	
Gross profit		5,472		
Net earnings		2,745		
Basic earnings per share		0.13		
Diluted earnings per share		0.13		
Weighted average common shares outstanding:				
Basic		20,383		
Diluted		20,710		

Earnings per share are computed separately for each quarter. Therefore, There-fore, th

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ITEM 9.CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNT

None.

ITEM 9A.CONTROLS AND PROCEDURES. CONTROLS AND PROCEDURES.

(a) (a) Disclosure Controls and Procedures.

The Company's management, with the participation of the Company's Chief Executiv disclosure controls and procedures (as such term is defined in Rules 13a-15l and 15d-15(e February 26, 2023 March 3, 2024, the end of the fiscal year covered by this annual report. Base have concluded that, as of the end of such fiscal year, the Company's disclosure controls ar timely basis, information required to be disclosed by the Company in the reports that it files o to be disclosed by the Company in the reports that it files or submits under the Exchange Company's Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely c

(b) (b) Management's Annual Report on Internal Control Over Financial Reporting.

Management of the Company is responsible for establishing and maintaining adequ under the Exchange Act. The Company's internal control over financial reporting is designed preparation of financial statements for external purposes in accordance with generally accepte over financial reporting includes those policies and procedures that (i) pertain to the mainter and dispositions of the assets of the Company, (ii) provide reasonable assurance that tra statements in accordance with generally accepted accounting principles, and that receipts ar of management and directors of the Company, and (iii) provide reasonable assurance regard Company's assets that could have a material effect on the consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting may not p future periods are subject to the risk that controls may become inadequate because of chan deteriorate.

Management assessed the effectiveness of the Company's internal control over fi management used the criteria set forth by the Committee of Sponsoring Organizations of the on management's assessment and those criteria, management concluded that the Comp 2023 March 3, 2024.

(c) (c) Changes in Internal Control Over Financial Reporting.

There has not been any change in the Company's internal control over financial repo during the fourth fiscal quarter of the fiscal year to which this report relates that has materially financial reporting.

ITEM 9B.OTHER INFORMATION. OTHER INFORMATION.

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None.

PART I

ITEM 10.DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

The information called for by this Item (except for information as to the Company's ex
reference to the Company's definitive proxy statement for the 2023 2024 annual meeting of Sha

ITEM 11.EXECUTIVE COMPENSATION. EXECUTIVE COMPENSATION.

The information called for by this Item is incorporated by reference to the Company's
pursuant to Regulation 14A.

ITEM 12.SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEM

The information called for by this Item is incorporated by reference to the Company's
pursuant to Regulation 14A.

ITEM 13.CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOI

The information called for by this Item is incorporated by reference to the Company's
pursuant to Regulation 14A.

ITEM 14.PRINCIPAL ACCOUNTANT FEES AND SERVICES. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

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This information called for by this Item is incorporated by reference to the Company's
pursuant to Regulation 14A.

PART I

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Documents filed as a part of this Report:

Consolidated Statements of Operations

Consolidated Statements of Comprehensive Earnings

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ITEM 16.

Not Applicable

PARK AEROSPACE CORP

SCHEDULE II – VALUATION AND

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Column A	Column B	Column C Additions		Col
Description	Balance at Beginning of Period	Costs and Expenses	Other	Redu
DEFERRED INCOME TAX ASSET VALUATION ALLOWANCE:				
53 weeks ended March 3, 2024				
52 weeks ended February 26, 2023	$ 3,587,000	$ -	$ -	$
52 weeks ended February 27, 2022	$ 3,587,000	$ -	$ -	$
52 weeks ended February 28, 2021	$ 3,175,000	$ 412,000	$ -	$

Column A	Column B	Column C	Column D Other	
Description	Balance at Beginning of Period	Charged to Cost and Expenses	Accounts Written Off (A)	Trans Adju
ALLOWANCE FOR DOUBTFUL ACCOUNTS:				
53 weeks ended March 3, 2024				
52 weeks ended February 26, 2023	$ 104,000	$ 16,000	$ -	$
52 weeks ended February 27, 2022	$ 89,000	$ 15,000	$ -	$
52 weeks ended February 28, 2021	$ 73,000	$ 16,000	$ -	$

(A) Uncollectible amounts, net of recoveries

EXHIBIT I

Exhibit Numbers	Description
3.1	Restated Certificate of Incorporation, dated March 28, 1989, filed with the S of Amendment of the Certificate of Incorporation, increasing the number o 12, 1995, filed with the Secretary of State of the State of New York on July certain provisions relating to the rights, preferences and limitations of the State of the State of New York on August 16, 1995 (Reference is made to March 3, 2002, Commission File No. 1-4415, which is incorporated herein b
3.2	Certificate of Amendment of the Certificate of Incorporation, increasing the dated October 10, 2000, filed with the Secretary of State of the State of New Report on Form 10-K for the fiscal year ended March 2, 2003, Commission

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3.3	Certificate of Amendment of the Certificate of Incorporation, changing Corp." filed with the New York Department of State on July 16, 2019 (Refere 2019 Commission File No. 1-4415, which is incorporated herein by referenc
3.4	By-Laws, amended and restated as of July 16, 2019 (Reference is mad Commission File No. 1-4415, which is incorporated herein by reference.)
10.3	Forms of Incentive Stock Option Contract for employees, Non-Qualified directors under the 2002 Stock Option Plan of the Company (Reference is ended February 27, 2005, Commission File No.1-4415, which is incorporated
10.4	2018 Stock Option Plan of the Company (Reference is made to Exhibit 99. No. 1-4415, which is incorporated herein by reference. This exhibit is a man

Exhibit Numbers	Description
10.5	

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23.1

31.1

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* Filed electronicall

\+ Pursuant to Rule 406T of Regulation S-T, the Interactive Data Files on Exhibi prospectus for purposes of Section 11 or 12 of the Securities Act of 1933, a Securities and Exchange Act of 1934, as amended, and otherwise are not subjec

SIGNATU

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act undersigned, thereunto duly authorized.

Date: May 12, 2023 June 11, 2024 PARK AERO

By: /s/ Bri

Brian

Chief

Pursuant to the requirements of the Securities Exchange Act of 1934, this report ha capacities and on the dates indicated.

Signature	Title
/s/ Brian E. Shore Brian E. Shore	Chairman of the Board, Chief Exe Officer and Director (principal (principal executive officer)
/s/ P. Matthew Farabaugh P. Matthew Farabaugh	Senior Vice President and Chief F Officer (principal (principal financ principal accounting officer)
/s/ Dale Blanchfield Dale Blanchfield	Director
May 12, 2023/s/ Shane Connor Shane Connor	
/s/ Emily J. Groehl Emily J. Groehl	Director

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/s/ Yvonne Julian Yvonne Julian	Director
/s/ Carl W. Smith Carl W. Smith	Director
/s/ D. Bradley Thress D. Bradley Thress	Director
/s/ Steven T. Warshaw Steven T. Warshaw	Director

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PARK AEROSPACE CORP. POLICY FOR THE RECOVERY OF ERRONEOUSLY AWARDED COM

A. OVERVIEW

In accordance with the applicable rules of The New York Stock Exchange Listed Co
Exchange Act of 1934, as amended (the "Exchange Act") ("Rule 10D-1"), the Board of Directo
"Policy") to provide for the recovery of erroneously awarded Incentive-based Compensation f
have the meanings set forth in Section H, below.

B. RECOVERY OF ERRONEOUSLY AWARDED COMPENSATION

(1) In the event of an Accounting Restatement, the Company will reasonably prompt
Rules and Rule 10D-1 as follows:

(i) After an Accounting Restatement, the Compensation Committee of the
Compensation received by each Executive Officer and shall promptly notify each Exe
Compensation and a demand for repayment or return of such compensation, as applic

(a) For Incentive-based Compensation based on (or derived from) the
Awarded Compensation is not subject to mathematical recalculation directly fr

i. The amount to be repaid or returned shall be determined
Restatement on the Company's stock price or total shareholder return u

ii. The Company shall maintain documentation of the determina
the NYSE.

(2) Notwithstanding anything herein to the contrary, the Company shall not be requir
that recovery would be impracticable and either of the following two conditions is met:

(i) The Committee has determined that the direct expenses paid to a third pa
making this determination, the Company must make a reasonable attempt to recover
documentation, or

(ii) Recovery would likely cause an otherwise tax-qualified retirement plan, und
requirements of Section 401(a)(13) or Section 411(a) of the Internal Revenue Code of 19

C. DISCLOSURE REQUIREMENTS

The Company shall file all disclosures with respect to this Policy in accordance wit
applicable U.S. Securities and Exchange Commission ("SEC") filings.

D. PROHIBITION OF INDEMNIFICATION

The Company shall not indemnify any Executive Officer against the loss of any Errone

E. ADMINISTRATION AND INTERPRETATION

This Policy shall be administered by the Committee, and any determinations made by
authorized to interpret and construe this Policy and to make all determinations necessary,
compliance with NYSE Rules, Section 10D, Rule 10D-1 and any other applicable law, regul
therewith.

F. AMENDMENT; TERMINATION

The Committee may amend this Policy from time to time in its discretion and shall am
contrary, no amendment or termination of this Policy shall be effective if such amendmen
contemporaneously with such amendment or termination) cause the Company to violate any f

G. OTHER RECOVERY RIGHTS

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Any right of recovery under this Policy is in addition to, and not in lieu of, any other re

H. DEFINITIONS

For purposes of this Policy, the following capitalized terms shall have the meanings se

(1) "Accounting Restatement" means an accounting restatement due to the materi securities laws, including any required accounting restatement to correct an error in prev statements (a "Big R" restatement), or that would result in a material misstatement if the erro restatement).

(2) "Clawback Eligible Incentive Compensation" means all Incentive-based Compens NYSE rules, (ii) after beginning service as an Executive Officer, (iii) who served as an Executiv based Compensation (whether or not such Executive Officer is serving at the time the Error Company has a class of securities listed on a national securities exchange or a national secur

(3) "Clawback Period" means, with respect to any Accounting Restatement, the three defined below), and if the Company changes its fiscal year, any transition period of less than n

(4) "Erroneously Awarded Compensation" means, with respect to each Executive O Incentive Compensation that exceeds the amount of Incentive-based Compensation that other computed without regard to any taxes paid.

(5) "Executive Officer" means each individual who is currently or was previously des Act. For the avoidance of doubt, the identification of an executive officer for purposes of th 401(b) of Regulation S-K or Item 6.A of Form 20-F, as applicable, as well as the principal finan the controller).

(6) "Financial Reporting Measures" means measures that are determined and pres financial statements, and all other measures that are derived wholly or in part from such meas or in part from stock price or total shareholder return) shall, for purposes of this Policy, Reporting Measure need not be presented in the Company's financial statements or included i

(7) "Incentive-based Compensation" means any compensation that is granted, earned,

(8) "NYSE" means the New York Stock Exchange.

(9) "Received" means, with respect to any Incentive-based Compensation, actual o Company's fiscal period during which the Financial Reporting Measure specified in the Incent based Compensation to the Executive Officer occurs after the end of that period.

(10) "Restatement Date" means the earlier to occur of (i) the date the Board, a commi action is not required, concludes, or reasonably should have concluded, that the Company is legally authorized body directs the Company to prepare an Accounting Restatement.

Effective as of November 7, 2023

SUBSIDIARIES OF PARK

The following table lists all of Park's directly and indirectly owned subsidiaries and the ju

Name
Neluk, Inc.
New England Laminates Co., Inc.
ParkNelco SNC
Park Sales Corp.
Tin City Aircraft Works, Inc.
Park Aerospace Technologies Asia Pte. Ltd.
NW Orangethorpe, Inc.

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CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING F

Park Aerospace Corp.

We hereby consent to the incorporation by reference in the Registration Statements on Fo relating June 11, 2024 with respect to the consolidated financial statements of Park Aerospac the years in the three-year period ended February 26, 2023, February 27, 2022 and February 2 Park Aerospace Corp. 10K for the year ended February 26, 2023 March 3, 2024.

/s/ CohnReznick LLP

Parsippany, New Jersey

May 12, 2023 June 11, 2024

Certification of Principa
Pursuant to Exchange Act Ru

I, Brian E. Shore, as Chief Executive Officer of Park Aerospace Corp., certify that:

1. I have reviewed this Annual Report on Form 10-K for the fiscal year ended February 26,

2. Based on my knowledge, this report does not contain any untrue statement of a materi the circumstances under which such statements were made, not misleading with respe

3. Based on my knowledge, the financial statements, and other financial information inclu operations and cash flows of the registrant as of, and for, the periods presented in this

4. The registrant's other certifying officer and I are responsible for establishing and main and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act

   (a) designed such disclosure controls and procedures, or caused such disclosure information relating to the registrant, including its consolidated subsidiaries, is r this report is being prepared;

   (b) designed such internal control over financial reporting, or caused such intern reasonable assurance regarding the reliability of financial reporting and the p accepted accounting principles;

   (c) evaluated the effectiveness of the registrant's disclosure controls and procedure controls and procedures, as of the end of the period covered by this report based

   (d) disclosed in this report any change in the registrant's internal control over fi registrant's fourth fiscal quarter in the case of an annual report) that has materi over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recen the audit committee of the registrant's board of directors (or persons performing the eq

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(a) all significant deficiencies and material weaknesses in the design or operation o
the registrant's ability to record, process, summarize and report financial informa

(b) any fraud, whether or not material, that involves management or other employees

Date: May 12, 2023 June 11, 2024

/s/ Brian E. Shore
Name: Brian E. Shore
Title: Chief Executive Officer

Certification of Principa
Pursuant to Exchange Act Ru

I, P. Matthew Farabaugh, as Senior Vice President and Chief Financial Officer of Park Aerospa

1. I have reviewed this Annual Report on Form 10-K for the fiscal year ended February 26,

2. Based on my knowledge, this report does not contain any untrue statement of a materi
the circumstances under which such statements were made, not misleading with respe

3. Based on my knowledge, the financial statements, and other financial information inclu
operations and cash flows of the registrant as of, and for, the periods presented in this

4. The registrant's other certifying officer and I are responsible for establishing and main
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this report is being prepared;

(b) designed such internal control over financial reporting, or caused such intern
reasonable assurance regarding the reliability of financial reporting and the p
accepted accounting principles;

(c) evaluated the effectiveness of the registrant's disclosure controls and procedure
controls and procedures, as of the end of the period covered by this report based

(d) disclosed in this report any change in the registrant's internal control over fi
registrant's fourth fiscal quarter in the case of an annual report) that has materi
over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recen
the audit committee of the registrant's board of directors (or persons performing the eq

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(a) all significant deficiencies and material weaknesses in the design or operation o
the registrant's ability to record, process, summarize and report financial informa

(b) any fraud, whether or not material, that involves management or other employees

Date: May 12, 2023 June 11, 2024

/s/ P. Matthew Farabaugh
Name: P. Matthew Farabaugh
Title: Senior Vice President and Chief Financial Officer

Certification of Principal Exec
18 U.S.C. Sect
as Adopted Pu
Section 906 of the Sarban

In connection with the Annual Report on Form 10-K of Park Aerospace Corp. (the "Company") Exchange Commission on the date hereof (the "Report"), Brian E. Shore, as Chief Executi pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the S

(2) The information contained in the Report fairly presents, in all material respects, t

/s/ Brian E. Shore
Name: Brian E. Shore
Title: Chief Executive Officer
Date: May 12, 2023 June 11, 2024

Certification of Principal Fina
18 U.S.C. Sect
as Adopted Pu
Section 906 of the Sarban

In connection with the Annual Report on Form 10-K of Park Aerospace Corp. (the "Company") Exchange Commission on the date hereof (the "Report"), P. Matthew Farabaugh, as Senior Vi U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the bes

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the S

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(2) The information contained in the Report fairly presents, in all material respects, t

<u>/s/ P. Matthew Farabaugh</u>
Name: P. Matthew Farabaugh
Title: Senior Vice President and Chief Financial Officer
Date: May 12, 2023 June 11, 2024

0001437749-23-0

January 9, 2023

To: <u>PARTICIPANTS IN THE PARK AEROSPACE STOK OPTION PLAN</u>

From: Mark Esquivel

Re: <u>Insider Trading</u>

We, as a public company, are ultimately responsible for establishing and implementin
employees engages in insider trading, it is Park's problem, i.e., <u>our problem</u>, not just the e
Securities and Exchange Commission and other agencies have focused on insider trading. I a
Our insider trading policy, which applies to our common stock, is as follows:

1. No trades (i.e., purchases or sales of Park's common stock or of publicly traded op
begin fifteen days prior to the end of each fiscal period and end one trading day a
quarter ended on February 28, 2021 and we publicly released the earnings for the
period beginning on February 13, 2021 (fifteen days prior to the end of the first c
announced). <u>Exceptions</u> may be made on a case by case basis only with specific
somewhat extenuating. For instance, an exception may be granted if an employee w
earnings that are better than those expected by the securities markets. This restricti
Purchase Plan (the "ESPP") but does apply to sales of Park's common stock in the E

2. <u>All trades</u>, even those which are not proposed to be made during the blackout per
ESPP), must be <u>cleared in advance by Brian Shore or me</u>. The reason for this additi
announce in the near future but which you are not yet aware of. Trades in advance o
Therefore, all trades must be cleared in advance by Brian Shore or me, regardless
time.

0001437749-23-0

3. The restrictions discussed in paragraphs 1 and 2 above apply to all officers and
<u>participants in the Park Aerospace Stock Option Plan</u> and any other Park or subsidia
of significant developments in the company or is aware or knowledgeable of the fina
restrictions apply to your spouse and any other family member who lives in your h
insider trading laws. Therefore, when in any doubt, call me first!

There are a few things that we need to keep in mind relating to insider trading:

A. There is no "de minimus" exception with respect to insider trading. The insider tradi

B. Insider trading has nothing to do with Rule 144 or whether or not the stock being sol
compliance with Rule 144 and still be in clear violation of the inside trading rules.

C. Insider trading has nothing to do with Section 16(a) of the Securities Exchange Ac
when they make trades. Insider trading also has nothing to do with Section 16
shareholders from buying and selling stock within a given six month period. An em
and still be in violation of the insider trading laws.

D. The insider trading laws also prohibit all persons covered by our insider trading polic
significant developments in the company or the financial performance of the comp
publicly announced.

Unfortunately, the insider trading laws are somewhat vague and less than perfectly clear
company. Therefore, we all must play it safe and <u>ask before we trade</u>.

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If you have any questions regarding Park's insider trading rules generally, please call me c

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