AirBoss of America Corp.

Annual General Meeting
May 9, 2019
Forward Looking Information

Certain statements contained or incorporated by reference herein, including those that express management’s expectations or estimates of future developments or AirBoss of America Corp.’s (“AirBoss”) future performance, constitute “forward-looking information” or “forward-looking statements” within the meaning of applicable securities laws, and can generally be identified by words such as “will”, “may”, “could” “expects”, “believes”, “anticipates”, “forecasts”, “plans”, “intends” or similar expressions. These statements are not historical facts but instead represent management’s expectations, estimates and projections regarding future events and performance.

Statements containing forward-looking information are necessarily based upon a number of opinions, estimates and assumptions that, while considered reasonable by management at the time the statements are made, are inherently subject to significant business, economic and competitive risks, uncertainties and contingencies. AirBoss cautions that such forward-looking information involves known and unknown contingencies, uncertainties and other risks that may cause AirBoss’ actual financial results, performance or achievements to be materially different from its estimated future results, performance or achievements expressed or implied by the forward-looking information. Numerous factors could cause actual results to differ materially from those in the forward-looking information, including without limitation: impact of general economic conditions; dependence on key customers; cyclical trends in the tire and automotive, construction, mining and retail industries; sufficient availability of raw materials at economical costs; weather conditions affecting raw materials, production and sales; AirBoss’ ability to maintain existing customers or develop new customers in light of increased competition; AirBoss’ ability to successfully integrate acquisitions of other businesses and/or companies or to realize on the anticipated benefits thereof, changes in accounting policies and methods, including uncertainties associated with critical accounting assumptions and estimates; changes in the value of the Canadian dollar relative to the US dollar; changes in tax laws and potential litigation; ability to obtain financing on acceptable terms; environmental damage and non-compliance with environmental laws and regulations; potential product liability and warranty claims and equipment malfunction. This list is not exhaustive of the factors that may affect any of AirBoss’ forward-looking information.

All of the forward-looking information in this investor presentation is expressly qualified by these cautionary statements. Investors are cautioned not to put undue reliance on forward-looking information. All subsequent written and oral forward-looking information attributable to AirBoss or persons acting on its behalf are expressly qualified in their entirety by this notice. Forward-looking information contained herein is made as of the date of this investor presentation and, whether as a result of new information, future events or otherwise, AirBoss disclaims any intent or obligation to update publicly this forward-looking information except as required by applicable laws. Risks and uncertainties about AirBoss’ business are more fully discussed under the heading “Risk Factors” in our most recent Annual Information Form and are otherwise disclosed in our filings with securities regulatory authorities which are available on SEDAR at www.sedar.com.
Chris Bitsakakis, COO
Frequency Rate: The frequency rate (which shows how often incidents are occurring that result in lost time) continues to trend downward, showing significant improvement throughout the year. This is an indication that when incidents occur, they are being managed diligently to keep associates in the workplace, avoiding time away from work.
AirBoss Rubber Solutions
Year in Review
2018 was a strong year highlighted by solid growth and increased tolling volumes.
Strategic Imperatives Driving Growth and Profitability

- Strengthen management team
- Balance ARS footprint across North America
- Reduce conversion costs
- Increase capability & capacity on colored rubber and specialty compounds
- Reduce/Mitigate raw material cost impacts
- Invest in R&D for new products
- Implement aggressive continuous improvement program & 5S initiatives

Progress against strategic objectives being realized in performance
Major Upgrade of R&D/Technical Centre

Attracting and retaining the best talent builds our rubber science leadership
Upgraded facility reflects ongoing commitment to innovation, R&D and engineering
Tech Center Laboratory and Library

Facility supports research and co-development of new compounds with customers
Enhanced employee engagement supports culture of continuous improvement
5S Blitz - Before
5S Blitz - After

Driving improved organization & efficiency to support continuous improvement program
AirBoss Flexible Products
Year in Review
### AFP Year in Review

#### Factors impacting revenue
- Robust vehicle inventories in North America
- End of key vehicle programs
- Replacement programs launching with lower margins and higher start-up costs

#### Factors impacting EBITDA
- Raw material (steel, rubber) price increases & tariffs
- Limited price relief available from customers
- Long new product development cycles in automotive
- Continuous improvement plan just beginning to gain traction

Putting plan in place to address challenges facing the automotive sector
AFP Strategic Objectives

- Create focused revenue growth plan
- Implement aggressive cost reduction plan
- Develop new, higher technology products
Addressing challenges by managing costs and identifying efficiencies

**Strengthen Management Team**

Focus on product development, cost reduction and growth

**Negotiate Mechanism to Pass on Price Increases**

In progress, nearing completion

Attempt to mitigate future risk

**Aggressive Cost-Reduction Program**

Increase plant efficiencies

Replace old equipment to reduce cycle times and increase uptime

Consolidate 3 facilities into 2
**AFP Strategic Imperatives – Addressing the Challenges**

**Cross-sell Existing Product Lines**
Sales team focused on selling existing products to all customers

**Bring New Products to Market**
Non-automotive focus with dedicated engineering & sales
Targeting first non-auto product in 2020

**Create New, High Tech Products**
2 new product lines currently in development
Focus on less commoditized products with fewer competitors

**Determine Potential for Mexico Production**
Analysis ongoing
Customer expressing interest in local presence
Opportunity for cost base improvement

Focus on growing revenue by diversifying product lines and developing new products
AirBoss Defense
Year in Review
2018 Highlights

Revenue up 22%
Led by growth in PAPR’s, filters, masks, boots, MALO, shelters

EBITDA up 36%
Led by volume, and efficiency improvements in filter and mask production

Awarded $120 Million in New Business
New contracts across multiple product lines

Established Strategic Growth Plan
M&A strategy focused on capturing growth in the defense market
CSI transaction combines strong manufacturing with strong distribution

2018 was a year of exceptional performance and investment in new products
Position Low-Burden Mask for head-to-head competition on all NATO gas mask contracts globally

- LBM 1.0 awarded NATO countries of Canada, Australia
- Development of LBM 2.0 due in November of 2019
- Development and launch of MCUR (PAPR replacement) in June of 2019
- Creation of a system that will be in a strong position to compete for all NATO allies gas mask contracts
Financial Review
Daniel Gagnon, CFO
### Consolidated Financial Summary – Year ended December 31, 2018 compared to 2017

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2018</th>
<th>December 31, 2017</th>
<th>Consolidated variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rubber Solutions</td>
<td>Engineered Products</td>
<td>Corporate</td>
</tr>
<tr>
<td><strong>Financial Results:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>145,264</td>
<td>171,339</td>
<td>316,603</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>22,364</td>
<td>22,627</td>
<td>44,991</td>
</tr>
<tr>
<td>EBITDA</td>
<td>19,679</td>
<td>11,436</td>
<td>(5,440)</td>
</tr>
<tr>
<td>Net Income</td>
<td>8,536</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EPS (f.d.)</td>
<td>0.37</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Financial Positions:

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2018</th>
<th>December 31, 2017</th>
<th>Consolidated variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>232,528</td>
<td>225,948</td>
<td>6,580 2.9%</td>
</tr>
<tr>
<td>Term loan/other debt</td>
<td>62,956</td>
<td>69,257</td>
<td>(6,301) -9.1%</td>
</tr>
<tr>
<td>Shareholders’ equity</td>
<td>121,483</td>
<td>117,161</td>
<td>4,322 3.7%</td>
</tr>
</tbody>
</table>

### Summary Statistics:

<table>
<thead>
<tr>
<th></th>
<th>Rubber Solutions</th>
<th>Engineered Products</th>
<th>Corporate</th>
<th>Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Margin (%)</td>
<td>15.4%</td>
<td>13.2%</td>
<td></td>
<td>14.2%</td>
</tr>
<tr>
<td>EBITDA Margin (%)</td>
<td>13.5%</td>
<td>6.7%</td>
<td></td>
<td>8.1%</td>
</tr>
<tr>
<td>Effective tax rate (%)</td>
<td>27.6%</td>
<td></td>
<td></td>
<td>12.3%</td>
</tr>
</tbody>
</table>
## Consolidated Financial Summary – Quarter ended March 31, 2019 compared to 2018

### In USD$000's except for EPS

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2019</th>
<th>March 31, 2018</th>
<th>Consolidated variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rubber Solutions</td>
<td>Engineered Products</td>
<td>Corporate</td>
</tr>
<tr>
<td><strong>Financial Results:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Sales</td>
<td>39,102</td>
<td>43,473</td>
<td>82,575</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>6,830</td>
<td>5,576</td>
<td>12,406</td>
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<tr>
<td>EBITDA</td>
<td>5,496</td>
<td>3,046</td>
<td>(647)</td>
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<tr>
<td>Net Income</td>
<td>2,926</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EPS (f.d.)</td>
<td>0.12</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Financial Positions:</strong></td>
<td></td>
<td></td>
<td>March 31, 2019</td>
</tr>
<tr>
<td>Term loan/other debt1</td>
<td>70,529</td>
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</tr>
<tr>
<td>Shareholders’ equity</td>
<td>122,284</td>
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<tr>
<td><strong>Summary Statistics:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Margin (%)</td>
<td>17.5%</td>
<td>12.8%</td>
<td>15.0%</td>
</tr>
<tr>
<td>EBITDA Margin (%)</td>
<td>14.1%</td>
<td>7.0%</td>
<td>9.6%</td>
</tr>
<tr>
<td>Effective tax rate (%)</td>
<td>25.1%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 Term loan and other debt as at March 31, 2019 includes $8,293 of lease liabilities related to the adoption of IFRS 16 (Leases)
AirBoss Defense Group
Creating a Leading Global Defense Business
Lisa Swartzman, President

May 9, 2019
Transaction Overview

- Entered into an agreement to form a new defense business, AirBoss Defense Group, through the merger of our AirBoss Defense business and Acton Vale, Quebec operations with Critical Solutions International ("CSI")
  - CSI is the leading global supplier of route clearance vehicles, countermine capability and survivability products to U.S. and foreign military forces
- The transaction values the AirBoss and CSI portions at enterprise values of $100.0 million and $32.7 million, respectively
- AirBoss will receive $60 million and a 55% ownership interest in AirBoss Defense Group; CSI’s private equity sponsors will own the remaining 45%
  - At closing the $60 million is anticipated to be in the form of a Vendor Takeback Note and to subsequently be refinanced with third-party debt

Strategic combination provides product diversification and robust distribution network
Transaction Overview

- Enables AirBoss to retain a significant stake in a larger, more focused defense business

- **Closing expected during H2 2019**, following CFIUS regulatory approval and customary closing conditions

- **Integrated management team charged with growing the business**
  - Patrick Callahan, CEO of CSI will become CEO, AirBoss Defense Group
  - Heather Miller, Chief Strategy Officer of CSI will become Chief Strategy Officer, AirBoss Defense Group
  - Chris Bitsakakis COO of AirBoss will also be COO, AirBoss Defense Group
Transaction Rationale

Complementary Core Competencies
- Establishes an integrated defense player
- CSI is customer-oriented with proven ability to navigate the complexity of U.S. DoD, FMS, and direct global commercial foreign military sales
- AirBoss is design, development and production-oriented with robust R&D and engineering teams
- Leverages the combined entity’s strengths to deliver additional value to an already engaged consumer base

Bolstered Product Offerings
- Diversified product segmentation and revenue streams while encouraging growth
- Increased margin potential through application of CSI’s commercial pricing strategy to combined portfolio
- Expanded addressable market and abbreviated contracting with CSI’s export strategy through Commodity Jurisdiction rulings

Significant Growth Potential
- Ongoing geopolitical tension offers meaningful opportunities across sales channels and capabilities as a combined entity
- Combined entity will be a full-service provider of CBRN PPE and route clearance solutions to a region where CSI already has an enduring contracted presence
- CSI’s influence at U.S. Army Chemical School will allow AirBoss Defense Group to address and further shape emerging CBRN requirements for Army and Joint Programs of Record

Transaction provides revenue and cash flow diversification and a new growth platform
## Attractive Market Fundamentals

**Increasingly Complex Landscape**
- Persistent threats from asymmetrical and regional agents create an increasingly complex CBRN landscape
  - Ongoing chemical and biological threat from recalcitrant countries and non-state actors
  - Recent use of sarin and chlorine gas in the Syrian Civil War
  - Increased adoption of chemical or biological weapons by the Islamic State ("ISIS")

**Continued Middle Eastern Conflict**
- Ongoing regional conflict in the Middle East offers meaningful opportunities across sales channels and capabilities as a combined company

**Broadening Combat Environment**
- U.S. Military has begun to shift resources to improve cold weather capabilities, but lags behind Arctic allies and lacks large-scale capacity
  - Since 2014, Russia has pushed resources towards building Arctic forces
  - DoD has prioritized troop training to focus on urban warfare, with CBRN playing a critical role

**Strategic opportunity for continued growth in CBRN equipment and survivability sectors**
Key Highlights

- CSI is a leader in the global explosive hazard reduction and survivability market with 20+ years of relevant industry experience
- Aligned corporate strategy, with CSI representing a strong cultural fit with AirBoss Defense
- Combined strengths of both businesses to deliver additional value to an already engaged customer base
- Ongoing geopolitical tensions offers meaningful opportunities across sales channels and capabilities as a combined entity
- Diversified product segmentation and revenue streams while encouraging growth
- Strong potential to leverage CSI sales channels to accelerate growth outside the North American market
- Attractive financial returns for AirBoss shareholders
- Financial flexibility to fund planned capital expenditures, target acquisitions and pay down debt
CSI is a clearance-focused firm that offers full package route clearance solutions through tailored analyses, equipping, and training.
Enduring IED Threats

“...IEDs will continue to be the biggest single threat to our soldiers on the ground”

-Air Commodore Peter Round
European Defense Agency

IEDs remain the Top Global Terrorist Threat and Continue to Evolve as Enemies of Peace Seek More Advanced / Lethal Weapons
The Route Clearance Mission

- Detection
- Interrogation
- Neutralization
Video Link – Please click below

Please Click here for video
At all levels of the organization and throughout all aspects of the business, CSI is a customer-facing enterprise.
By partnering with best-in-class technology providers, CSI can provide a full spectrum route clearance capability that keeps pace with the evolving IED threat.
AirBoss Defense Group

- Comprehensive Value Chain
- Complementary Product Lines
- Growth Platform for Survivability
- US Defense Market Focused
- Robust Existing Sales Channels
- Enhanced US Presence

Complementary Product Lines

US Defense Market Focused

Growth Platform for Survivability

Robust Existing Sales Channels

Enhanced US Presence

Comprehensive Value Chain
Complementary Product Offerings

Wearable Products

Gas masks & filters

Collective Protection

Route Clearance
Complementary Core Competencies

Comprehensive Value Chain

- AirBoss
- CSI
## FY 2020 National Defense Budget Request

<table>
<thead>
<tr>
<th>($ in Billions)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DoD – Total</strong></td>
<td><strong>$718</strong></td>
</tr>
<tr>
<td>Base</td>
<td>545</td>
</tr>
<tr>
<td>Overseas Contingency Operations (OCO) for Base</td>
<td>98</td>
</tr>
<tr>
<td>Overseas Contingency Operations (OCO)</td>
<td>66</td>
</tr>
<tr>
<td>Emergency</td>
<td>9</td>
</tr>
<tr>
<td><strong>Department of Energy &amp; Other Agencies</strong></td>
<td><strong>$32</strong></td>
</tr>
</tbody>
</table>

| **National Defense – Total** | **$750** |

- $718 Billion, 4.9 percent (2.8 percent real growth) over DoD’s FY 2019 Enacted
- Budget request complies with the Budget Control Act while supporting the National Defense Strategy priorities

Budget operationalizes the National Defense Strategy

Largest Ever Budget Request
Global Presence and Opportunity

- Complementary existing sales channels
- CSI enduring Long-Term Contract
  - 2 years contracted
  - Additional years (pending)
- Full-capability providers
  - Equipment
  - Training
  - Sustainment

Complementary existing customer bases allow for significant cross-selling opportunities
Leverage Existing Sales Channels

Middle Eastern Priority Focus

- Substantial US military assistance funding
- US CENTCOM priority and visibility
- Enduring contracted presence in the region
- CBRN and C-IED threat environment
- Renewed US commitment to regional allies
## Planning & Execution for Every Stage

<table>
<thead>
<tr>
<th>Short Term: Investing &amp; Positioning</th>
<th>Medium Term: Strengthening &amp; Integrating</th>
<th>Long Term: Leading with Science &amp; Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upgrading Technical R&amp;D Centre</td>
<td>Extend rubber science leadership and drive customer collaboration</td>
<td>True customer partnership</td>
</tr>
<tr>
<td>Adding state of the art mixing capacity: Kitchener &amp; Scotland Neck</td>
<td>Install new mixing line in Kitchener</td>
<td>Quality &amp; service as differentiators</td>
</tr>
<tr>
<td>Investing in new products and technologies</td>
<td>Diversify product line and customer base into non-automotive products</td>
<td>Cutting-edge chemistry and engineering expertise</td>
</tr>
<tr>
<td>Positioning the defense business to thrive in a growing market</td>
<td>Leverage complementary competencies &amp; expanded customer base</td>
<td>Integrated global defense platform provides multiple options to grow</td>
</tr>
</tbody>
</table>

Ongoing investment in the business to support long-term shareholder value
A Decade of Dividend Growth

Dividends up 460% over the last decade

CAGR – 19%

2008 – $0.05

2018 – $0.28

A history of delivering consistent and growing dividends to shareholders
Recognizing Our Employees

Strong buy-in on AirBoss Operating System

Going above and beyond

Establishing Chairman’s Award
Thank you!

Questions?