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NEWS RELEASE

August 10, 2020

**AIRBOSS ANNOUNCES 2nd QUARTER RESULTS
 AND ONGOING MOMENTUM MOVING INTO THE SECOND HALF OF 2020**

(\$US except where otherwise noted)

Recent Highlights

- Generated record quarterly EBITDA² of \$25.6 million, up 173.9% versus the second quarter of 2019;
- Increased diluted EPS and adjusted diluted EPS² by 92.9% and 125%, respectively, versus the second quarter of 2019;
- Grew free cash flow² by \$32.6 million to \$24.5 million (or \$1.05 per share) for the six-month period ended June 30, 2020;
- Reduced net debt² to TTM EBITDA from 1.85 times at December 31, 2019 to 0.71 times at June 30, 2020, providing the Company with enhanced flexibility to act on both organic and inorganic growth opportunities;
- Awarded and delivered against a contract from the U.S. Federal Emergency Management Agency ("FEMA") worth \$96.4 million for the manufacture and sale of 100,000 FlexAir™ Powered Air Purifying Respirator ("PAPR") systems, 600,000 filters, and related accessories; and
- Subsequent to the quarter-end, awarded a contract by the U.S. Department for Health and Human Services worth up to \$121.0 million for the manufacture and sale of 50,000 FlexAir™ PAPR systems, 3,000,000 filters, and related accessories.

<i>In thousands of US dollars, except share data (unaudited)</i>	Three-months ended June 30		Six-months ended June 30	
	2020	2019	2020	2019
Financial results:				
Net sales	112,450	82,616	206,647	165,191
Net income	14,383	3,311	15,170	6,237
Profit (loss) attributable to owners of the Company	6,675	3,311	6,155	6,237
Adjusted Profit attributable to owners of the Company ²	6,710	2,852	8,483	6,326
Net income per share (US\$)				
– Basic	0.29	0.14	0.26	0.27
– Diluted	0.27	0.14	0.26	0.27
Adjusted Net income per share ² (US\$)				
– Basic	0.29	0.12	0.36	0.27
– Diluted	0.27	0.12	0.35	0.27
EBITDA ²	25,630	9,359	33,065	17,254
Adjusted EBITDA ²	25,665	8,252	35,393	16,763
Net cash provided by operating activities	17,323	1,737	29,732	(522)
Dividends declared per share (CAD\$)	0.07	0.07	0.14	0.14
Capital additions	3,376	1,131	6,017	2,746
Financial position:	June 30, 2020			December 31, 2019
Total assets	320,232			249,664
Term loan and other debt ¹	77,909			74,144
Total equity	175,899			125,979
Outstanding shares (#) *	23,401,030			23,392,442

* at August 10, 2020

Newmarket, ON - AirBoss of America Corp. (TSX: BOS) (the "Company" or "AirBoss") today announced record second quarter performance as it moves forward into the second half of the year with strong momentum.

Specifically, AirBoss increased consolidated net sales for the three- and six-month periods ended June 30, 2020 by 36.1% to \$112,450 and by 25.1% to \$206,647, respectively, compared with the same periods in 2019. The increase underscores momentum in the Company's defense business, in particular as demonstrated by PAPR sales under the FEMA contract, supported by the completion of the merger between the AirBoss Defense business and Critical Solutions International, Inc. ("CSI") on January 1, 2020, partly offset by softness in the Rubber Solutions and Engineered Products segments, primarily due to the impact of the COVID-19 pandemic. Consolidated gross profit for the three- and six-month periods ended June 30, 2020 increased by \$18,956 to \$31,473 and by \$25,031 to \$49,954, respectively, in each case driven by higher volume from AirBoss Defense Group ("ADG") and partially offset by lower volumes in the Rubber Solutions and Engineered Products segments. Adjusted EBITDA for the three- and six-month periods ended June 30, 2020 increased by 211.0% and 111.1%, respectively, compared to the same periods in 2019.

"Our record results for the second quarter and first half of the year reflect our rapid ramp-up and successful delivery against the FEMA contract that was awarded at the very end of the first quarter," said Chris Bitsakakis, President and COO of AirBoss of America. "We expect ADG to be a strong driver of our financial performance and enhanced balance sheet strength through the remainder of 2020 and into 2021 as we begin to deliver on the recently awarded HHS contract. ADG's excellent performance is helping provide a financial offset against some of the COVID-19-related challenges we are experiencing in our Rubber Solutions and Engineered Product businesses, although we began to see signs of a recovery in May, which continued into June and July, following key customers re-opening and requested volumes increasing."

Furthermore, with \$30.1 million in cash and cash equivalents, \$60 million in undrawn availability under its credit facilities and a net debt to TTM EBITDA ratio of 0.71x, AirBoss enters the second half of 2020 in strong financial condition.

Dividend

The Board of Directors of the Company has approved a quarterly dividend of C\$0.07 per common share, to be paid on October 15, 2020 to shareholders of record at September 30, 2020.

Segment Results

In the Rubber Solutions segment, net sales in the quarter decreased by 34.2% to \$23,351 and by 19.4% to \$57,605 year-to-date from the comparable periods in 2019. In both cases, volume was down across the majority of sectors as a result of either full or partial shutdown of customers' operations due to the COVID-19 pandemic. Tolling volume was down by 81.9% in the quarter and 30.1% year-to-date from the comparable periods in 2019. Non-tolling volume decreased by 23.9% for the quarter and 10.7% year-to-date compared to the same periods in 2019. Gross profit in the Rubber Solutions segment decreased by 29.6% to \$3,918 for the quarter and by 11.5% to \$9,821 year-to-date, from the comparable periods in 2019. For both periods, the decreases in gross profit were primarily a result of decreased volumes, partially offset by managing overhead costs and supported by government-directed wage subsidies.

At Engineered Products, net sales in the quarter decreased by 58.6% to \$13,517 and by 31.5% to \$43,579 year-to-date from the comparable periods in 2019. In both cases, the decrease was across all automotive product lines following the partial shutdown of the Auburn Hills, Michigan plant as a result of the COVID-19 pandemic, following the closures of original equipment manufacturers ("OEMs") and Tier 1 customers in the industry. Gross loss in the Engineered Products segment for the quarter was \$698, down \$2,526 from a gross profit of \$1,828 in the comparable period in 2019, primarily due to lower volumes, partially offset by operational cost containment and managing overhead costs. Gross profit in the Engineered Products segment year-to-date was \$1,223, down \$2,070 from \$3,293 in the comparable period in 2019, primarily due to lower volumes as discussed above, partially offset by operational cost containment and managing overhead costs.

In the AirBoss Defense Group segment, net sales in the quarter increased by 327.3% to \$82,050 and by 191.2% to \$117,079 year-to-date from the comparable periods in 2019. In both cases, the increase was primarily the result of a large contract from FEMA, awarded on March 31, 2020 to provide PAPRs, filters and related accessories as part of the U.S. government's response to the COVID-19 pandemic. In addition, during the quarter there were higher sales for masks and boots related to other defense customers and year-to-date there were higher sales for other products in the defense portfolio, as well as CSI sales stemming from the ADG transaction that were not included in the comparable period in 2019. Gross profit at AirBoss Defense Group increased by 451.1% to \$28,253 for the quarter and by 269.4% to \$38,910 year-to-date, from the comparable periods in 2019. In both cases the increase was primarily due to higher volume associated with new business awards, while the Canadian operations were supported by government-directed wage subsidies.

Overview

The COVID-19 pandemic continues to generate both opportunities and challenges for organizations globally, including AirBoss. The Company's strong second quarter results were driven by a large personal protective equipment ("PPE") award from FEMA in the U.S., with deliveries beginning early in the second quarter and ramping up steadily through the end of July when the contract was completed. This strong performance provided a financial offset to the COVID-19 related impact on the Rubber Solutions and Engineered Products segments.

As certain customers, including the "Big Three" automakers, tire makers and related suppliers, elected to temporarily suspend operations in late March, AirBoss saw an impact on its operations beginning late in the first quarter of the year. Although the Rubber Solutions business remained open and operational, it did experience a decline in volumes beginning in April, which continued through part of May before beginning to recover. The timing for a full recovery in volumes will be subject, at least in part, to a stable and sustained re-opening of businesses across North America, which could be difficult to predict, especially in light of the ongoing rise in cases in the U.S., which remains a key market for the Company.

In the case of the Engineered Products segment, AirBoss elected to temporarily suspend operations at the end of the first quarter, pending re-starts by key customers that began in mid-May. During this period, the Company managed variable costs within this segment, temporarily laying-off hourly and salaried employees. Management also accelerated the plan to begin producing certain molded defense products at the Auburn Hills, MI facility, as well as PAPRs, which supported the return to work for some staff as well as continued execution against existing defense contracts. These measures helped utilize, and offset the impact of, temporarily shuttered manufacturing capacity from the anti-noise, vibration and harshness business, which has started to ramp back up again. Following re-opening, the Engineered Products segment did begin to see a recovery in volumes, especially in June and ahead of industry levels given AirBoss' focus on SUV, light truck and mini-van platforms. AirBoss also continues to push ahead with the installation of a new robotic work cell as well as the diversification of its product lines into sectors adjacent to the automotive space.

Subsequent to the end of the second quarter, ADG secured a US\$121 million order for FlexAir™ PAPRs from HHS. ADG and its predecessor companies have been producing PAPRs since 1985 and expect to begin delivering against this new contract in the third quarter. AirBoss' focus on supply chain management and manufacturing capacity that supported the successful delivery of the FEMA contract is expected to pay dividends as deliveries flow through the balance of the year and into the first quarter of 2021. Securing this second large contract provided a further validation for the creation of ADG, which married AirBoss' class-leading CBRN protective solutions with CSI's marketing strength and strong relationships with governments and militaries around the world. This contract is expected to help further offset possible COVID-19 related weakness in the Rubber Solutions and Engineered Products businesses during the balance of 2020.

Management believes that the future sourcing of personal protective equipment for first responders and medical professionals will change significantly in response to the COVID-19 pandemic. As a part of overall future emergency preparedness planning, management expects a more unified and streamlined approach aimed at reducing complexity, shortening acquisition times and building strategic stockpiles, compared to the fragmented and complex distributor relationship arrangements seen previously. This is expected to be a future driver for the business and ADG is modifying its business development approach accordingly. Beyond this, AirBoss continues to target traditional defense contracts, potentially valued at hundreds of millions of dollars globally, for its broader portfolio of survivability solutions. This includes opportunities for its new low-burden mask as well as next-generation products like the Blast Gauge™ blast overpressure solution.

The Company remains in a sound financial position. The strong performance of ADG is facilitating accelerated payback of the US\$60 million Vendor TakeBack Note, with approximately US\$10 million already paid back to date. This is expected to support increased balance sheet strength and provide management enhanced flexibility to execute opportunistically on both organic and inorganic growth initiatives, particularly as potential acquisition targets may lack the balance sheet strength to weather a prolonged downturn. The \$19.5 million in capital expenditures made in 2019 is critical to AirBoss' broader organic growth strategy. AirBoss believes it is well positioned to further leverage the investment in innovation, capacity, and new solutions as industry conditions improve.

Despite the headwinds associated with COVID-19, the Company's longer-term priorities remain intact and include:

1. Growing the core Rubber Solutions segment by positioning it as a specialty supplier of choice in the consolidating North American market, with a growing focus on building defensible leadership positions in selected compounds;
2. Capitalizing on ADG's enhanced scale and capabilities to pursue an array of growth and value-creation opportunities in the broader survivability solutions segment serving both defense and first responder markets;

3. Driving improved performance from Engineered Products through a combination of disciplined cost containment, client relationship expansion, new product development and sector diversification; and
4. Targeting additional acquisition opportunities across the business with a focus on adding new compounds and products, technical capabilities, and geographic reach into selected North American and international markets.

As before, management remains dedicated to the creation of long-term value for all stakeholders through a combination of strategic initiatives that both drive organic growth and support possible transactions.

Contact: Chris Bitsakakis, President or Gren Schoch, CEO at 905-751-1188.

AirBoss of America Corp. is a group of complementary businesses supplying custom compounded rubber, survivability solutions and anti-vibration components to a diverse group of customers globally. AirBoss Rubber Solutions is a top-tier North American custom rubber compounder with 450 million turn pounds of annual capacity. AirBoss Defense Group manufactures and supplies a growing array of Chemical, Biological, Radioactive, Nuclear and Explosive ("CBRN-E") protective solutions and is a leading provider of personal protective equipment to governments, militaries and frontline healthcare workers both in the U.S. and internationally. AirBoss Engineered Products is a supplier of innovative anti-vibration solutions to the North American automotive market. The Company's shares trade on the TSX under the symbol BOS. Visit www.airbossofamerica.com or www.adg.com for more information.

Note (1): Term loan and other debt as at June 30, 2020 and December 31, 2019 include lease liabilities of \$13,900 and \$14,542, respectively.

Note (2): Non – IFRS Financial Measures: EBITDA, Adjusted EBITDA, Adjusted profit attributable to owners of the Company, Adjusted net income per share, Free Cash Flow and Net Debt are directly derived from the consolidated financial statements but do not have a standardized meaning prescribed by IFRS and are not necessarily comparable to similar measure presented by other issuers. The Company discloses these terms for use in financial measurements made by interested parties and investors to monitor the ability of the Company to generate cash from operations for debt service, to finance working capital and capital expenditures and to pay dividends. These terms are not a measure of performance under IFRS and should not be considered in isolation or as a substitute for net income under IFRS. Reconciliations of net income to EBITDA and Adjusted EBITDA, net income to Adjusted Profit attributable to owners of the Company, Adjusted Net income per share and free cash flow, are presented below.

In thousands of US dollars	Three-months ended June 30		Six-months ended June 30	
	(unaudited)		(unaudited)	
	2020	2019	2020	2019
EBITDA:				
Profit	14,383	3,311	15,170	6,237
Finance costs	802	1,124	1,971	2,080
Depreciation, amortization and impairment	4,013	3,623	8,248	6,655
Income tax expense	6,432	1,301	7,676	2,282
EBITDA	25,630	9,359	33,065	17,254
ADG transaction fees	35	302	2,328	668
Insurance provision	—	(1,409)	—	(1,159)
Adjusted EBITDA	25,665	8,252	35,393	16,763

In thousands of US dollars	Three-months ended June 30		Six-months ended June 30	
	(unaudited)		(unaudited)	
	2020	2019	2020	2019
Adjusted profit attributable to owners of the Company:				
Profit attributable to owners of the Company	6,675	3,311	6,155	6,237
ADG transaction fees	35	302	2,328	668
Insurance provision	—	(761)	—	(579)
Adjusted profit attributable to owners of the Company	6,710	2,852	8,483	6,326
Basic weighted average number of shares outstanding	23,399	23,392	23,396	23,392
Diluted weighted average number of shares outstanding	24,427	23,442	23,962	23,438
Adjusted net income per share:				
Basic	0.29	0.12	0.36	0.27
Diluted	0.27	0.12	0.35	0.27

In thousands of US dollars (unaudited)	June 30, 2020	December 31, 2019
Net debt:		
Loans and borrowings - current	10,887	5,358
Loans and borrowings - non-current	67,022	68,786
Leases included in loans and borrowings	(13,900)	(14,542)
Cash and cash equivalents	(30,145)	(121)
Net debt	33,864	59,481

In thousands of US dollars	Three-months ended June 30		Six-months ended June 30	
	(unaudited)		(unaudited)	
	2020	2019	2020	2019
Free cash flow:				
Net cash provided by (used in) operating activities	17,323	1,737	29,732	(522)
Acquisition of property, plant and equipment	(3,105)	(3,642)	(5,109)	(6,587)
Acquisition of intangible assets	(271)	(644)	(609)	(933)
Proceeds from government grant	—	—	500	—
Free cash flow	13,947	(2,549)	24,514	(8,042)
Basic weighted average number of shares outstanding	23,399	23,392	23,396	23,392
Diluted weighted average number of shares outstanding	24,427	23,442	23,962	23,438
Free cash flow per share:				
Basic	0.60	(0.11)	1.05	(0.34)
Diluted	0.57	(0.11)	1.02	(0.34)

AIRBOSS FORWARD LOOKING INFORMATION DISCLAIMER

Certain statements contained or incorporated by reference herein, including those that express management's expectations or estimates of future developments or 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; impact of global health situations; potential product liability and warranty claims and equipment malfunction. COVID-19 could also negatively impact the Company's operations and financial results in future periods. There is increased uncertainty associated with future operating assumptions and expectations as compared to prior periods. As such, it is not possible to estimate the impacts COVID-19 will have on the Company's financial position or results of operations in future periods. While the direct impacts of COVID-19 are not determinable at this time, the Company has undrawn credit facility as at June 30, 2020 that can provide financing up to \$60,000. 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 press release 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 press release 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.