

FORM 51-102F3

**MATERIAL CHANGE REPORT
NATIONAL INSTRUMENT 51-102**

ITEM 1 Name and Address of Company

AirBoss of America Corp. (“**AirBoss**” or the “**Company**”)
16441 Yonge St.
Newmarket, Ontario
L3X 2G8

ITEM 2 Date of Material Change

December 2, 2024

ITEM 3 News Release

A news release with respect to the material change referred to in this report was disseminated through Globe Newswire on December 2, 2024, a copy of which press release is attached as Schedule “A”.

ITEM 4 Summary of Material Change

On December 2, 2024, AirBoss announced that it entered into new senior secured credit facilities consisting of aggregate financing of up to US\$180 million which are replacing its current senior security revolving credit facilities, and announced an update on its previously announced strategic transition.

The new credit facilities consist of a revolving asset-based credit facility co-arranged by The Toronto-Dominion Bank and Canadian Imperial Bank of Commerce (the “ABL Facility”) and a non-revolving term loan facility provided by Great Rock Capital Partners, LLC (the “Term Facility”). The maturity date under both facilities is November 29, 2027.

Additional key terms of the new credit facilities include the following:

- Reducing the maximum applicable margin on revolving debt from 450 basis points to 225 basis points;
- Dividend increases above current levels are subject to certain financial conditions;
- Meeting certain minimum adjusted EBITDA and liquidity requirements; and
- Covenants related to annual capital expenditures.

ITEM 5 Full Description of Material Change

A full description of the material change is described in the press release attached as Schedule “A”.

A copy of the Fourth Amended and Restated Credit Agreement relating to the ABL Facility and the Credit Agreement relating to the Term Facility and can be found on AirBoss’s SEDAR+ profile at www.sedarplus.ca

ITEM 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable

ITEM 7 Omitted Information

Not applicable

ITEM 8 Executive Officer

The following executive officer of the Company is knowledgeable about the material change and this report:

Chris Figel
Executive Vice-President and General Counsel
(905) 751-1188

ITEM 9 Date of Report

December 2, 2024

SCHEDULE "A"

Please see attached.



AirBoss Announces New Credit Facilities and Update On Strategic Transition

Newmarket, ON, December 2, 2024 – AirBoss of America Corp. (TSX: BOS) (OTCQX:ABSSF) (the “Company” or “AirBoss”) today announced that it has entered into new senior secured credit facilities consisting of aggregate financing of up to US\$180 million, which are replacing its current senior secured revolving credit facilities, and an update on its previously announced strategic transition.

Credit Facilities

The new credit facilities consist of a revolving asset-based credit facility co-arranged by The Toronto-Dominion Bank and Canadian Imperial Bank of Commerce (the “ABL Facility”) and a non-revolving term loan facility provided by Great Rock Capital Partners, LLC (the “Term Facility”). The commitments under the ABL Facility, when fully syndicated, are expected to be US\$125 million (currently at US\$100 million) and the Term Facility is for US\$55 million. The maturity date under both facilities is November 29, 2027. Additional key terms of the new credit facilities include the following:

- Reducing the maximum applicable margin on revolving debt from 450 basis points to 225 basis points;
- Dividend increases above current levels are subject to certain financial conditions;
- Meeting certain minimum adjusted EBITDA and liquidity requirements; and
- Covenants related to annual capital expenditures.

“The new credit facilities will provide AirBoss with the financial flexibility it requires to continue executing our strategic transition,” said Chris Bitsakakis, President and Co-CEO of AirBoss. “We are excited to work with our new team of financing partners, as we continue our goal of transforming AirBoss into a global market leader in the custom rubber compounding market and the industries which we serve. We believe the new credit facilities are in the best interests of our shareholders and other stakeholders as they will enable us to continue focusing on long-term growth and creating sustainable value.”

Update on Strategic Transition

The Company continues to work diligently on its strategic review, evaluating a range of potential opportunities to enhance shareholder value. While no specific transactions are imminent or expected to occur in the near-term, AirBoss continues to explore potential strategic divestitures as well as the potential monetization of its real estate assets. There can be no assurance that this ongoing evaluation of strategic opportunities will result in the successful completion of any transaction, nor any assurance as to the timing or nature of any outcomes.

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About AirBoss

AirBoss of America is a diversified developer, manufacturer and provider of survivability solutions, advanced custom rubber compounds and finished rubber products that are designed to outperform in the most challenging environments. Founded in 1989, the company operates through two divisions. AirBoss Rubber Solutions is a North American custom rubber compounder with 500 million turn pounds of annual capacity. AirBoss Manufactured Products is a supplier of anti-vibration and rubber-molded solutions to the North American automotive market and other sectors, and also a global supplier of personal and respiratory protective equipment and technology for the defense, healthcare, medical and first responder communities, through its AirBoss Defense operations. The Company’s shares trade on the TSX under the symbol BOS and on the OTCQX under the symbol ABSSF. Visit www.airboss.com for more information.

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", "should" 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, notably including its impact on demand for rubber solutions and products; dependence on key customers; global defense budgets, notably in the Company's target markets, and success of the Company in obtaining new or extended defense contracts; 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; AirBoss' ability to successfully develop and execute effective business strategies including, without limitation, the recently announced strategic transition; 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; current and future litigation; ability to obtain financing, including syndicate commitments, on acceptable terms, and ability to satisfy the covenants set forth in such financing arrangements, including the ABL Facility and the Term Facility; environmental damage and non-compliance with environmental laws and regulations; impact of global health situations; potential product liability and warranty claims and equipment malfunction. There is increased uncertainty associated with future operating assumptions and expectations as compared to prior periods. 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 Interim Report and, whether as a result of new information, future events or otherwise, AirBoss disclaims any intent or obligation to update publicly the 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.sedarplus.com.