AIMIA

TUFROPES

DESIGNED TO OUTPERFORM

Comprehensive Presentation

March 16, 2023

FORWARD-LOOKING AND CAUTIONARY STATEMENTS

This presentation contains statements that constitute "forward-looking information" within the meaning of Canadian securities laws ("forward-looking statements"), which are based upon our current expectations, estimates, projections, assumptions and beliefs. All information that is not clearly historical in nature may constitute forward-looking statements. Forward-looking statements are typically identified by the use of terms or phrases such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "plan", "predict", "project", "will", "would" and "should", and similar terms and phrases, including references to assumptions.

Forward-looking statements in this presentation include, but are not limited to, statements with respect to closing of the Trufropes acquisition.

Forward-looking statements, by their nature, are based on assumptions and are subject to known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the forward-looking statement will not occur. The forward-looking statements in this presentation speak only as of the date hereof and reflect several material factors, expectations and assumptions. While Aimia considers these factors, expectations and assumptions to be reasonable, actual events or results could differ materially from the results, predictions, forecasts, conclusions or projections expressed or implied in the forward-looking statements. Undue reliance should not be placed on any predictions or forward-looking statements as these may be affected by, among other things, changing external events and general uncertainties of the business. A discussion of the material risks applicable to us can be found in our current Management Discussion and Analysis and Annual Information Form, each of which have been or will be filed on SEDAR and can be accessed at www.sedar.com. Aimia cautions that the list of risk factors included in such Management Discussion and Analysis is not exhaustive. Except as required by applicable securities laws, forward-looking statements speak only as of the date on which they are made and we disclaim any intention and assume no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

PRESENTATION OF FINANCIAL INFORMATION

All financial information regarding Tufropes contained in this presentation has been derived from Tufropes' financial statements which are prepared in accordance with Indian Generally Accepted Accounting Principles ("Indian GAAP"). Aimia prepares its financial statements in accordance with Canadian Generally Accepted Accounting Principles ("GAAP"). Indian GAAP differs in certain respects from GAAP.

NON-GAAP FINANCIAL MEASURES

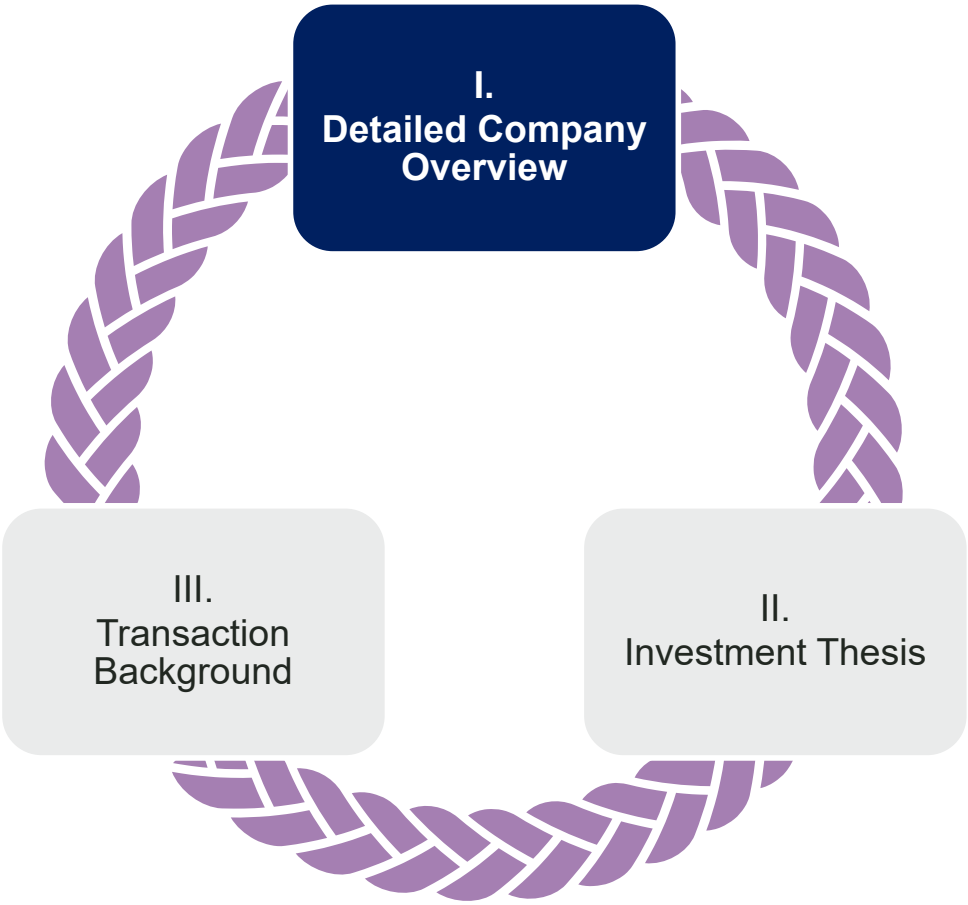
Reference to (i) "Adjusted EBITDA" is the unaudited earnings of Tufropes before interest, taxes, depreciation and amortization, (ii) "Adjusted EBITDA margins" is Tufropes' Adjusted EBITDA divided by its revenue, (iii) "free-cash flow" is Tufropes' operating cash flow less capital expenditures, excluding cash interest, cash taxes and changes in working capital, and (iv) "free-cash flow conversion" is Tufrope's free-cash flow divided by its Adjusted EBITDA. Adjusted EBITDA, Adjusted EBITDA margins, free-cash flow and free-cash flow conversion are non-standardized financial measures that are not calculated or presented in accordance with GAAP. Accordingly, it may not be possible to compare Tufropes' Adjusted EBITDA, Adjusted EBITDA margins, free-cash flow or free-cash flow conversion with Adjusted EBITDA, Adjusted EBITDA margins, free-cash flow, free-cash flow conversion or other financial measures of other companies having the same or similar businesses.

EXECUTIVE SUMMARY

- The Tufropes transaction represents a unique opportunity for Aimia shareholders to own a global, high-growth, cash flow generating business
  - ❑ Tufropes is well-positioned to capture the many benefits of India's economic trajectory
    - ✓ Poised to become the world's third largest economy in the next decade, contributing 15% of global growth in 2023
    - ✓ Growth replicating and challenging China's recent growth trajectory; with a young, technology & innovation-driven workforce
    - ✓ A maturing and expanding private equity market, with $78bn in capital exits since 2020
  - ❑ With the change in ownership, Tufropes is well-positioned to benefit from becoming a broader global business supported with international resources
    - ✓ Implementing a professional senior management team in the Americas and Europe, strategically close to current and prospective customers
    - ✓ Adding leadership resources in India to drive operational excellence
    - ✓ **Aimia is retaining 100% of Tufropes existing employees and functional leaders**
- Tufropes is a global leader in a highly attractive specialty manufacturing industry with many secular megatrends supporting the investment thesis
  - ❑ A market leader with a defensive share of the global synthetic ropes market with a high-growth, high-margin netting business with an untapped commercial opportunity
  - ❑ Aimia shareholders will own a business that blends a true market leader with a strong position in the global synthetic ropes market and the untapped commercial opportunity of the higher-growth/higher-margin netting business
- Aimia has used **world-class due diligence advisors** to underwrite the transaction in a manner consistent or above industry standards
  - Aimia has engaged the following advisors during the diligence process: KPMG (financial, QoE, & Tax), JSA and McCarthy Tétrault (legal), Marsh (Insurance), Mercer (HR & Benefits), ERM (Environmental), Veracity Worldwide (background), as well as internal / operational advisors.
- Aimia has partnered with Paladin Private Equity, a "hands-on" partner with global investing experience
  - ❑ Aimia and Paladin are aligned to generate significant returns in this business opportunity. Paladin's carried interest only materializes after Aimia receives an 8% compounded annual return
  - ❑ Separately, Paladin has the right to purchase, through its investment fund, up to 19.9% of Tufropes at Aimia's invested cost plus a carry charge of 8% on an annualized basis, within twelve months of closing
- Aimia plans to utilize operating and capital losses to enhance the after-tax return of this business

Source: Investcorp, IMF World Economic Outlook, World Bank.

TABLE OF CONTENTS

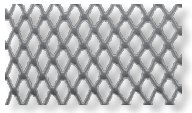


TUFROPES IS A MANUFACTURER OF HIGHLY-ENGINEERED, MISSION- CRITICAL PRODUCTS FOR LARGE, ATTRACTIVE, AND GROWING END MARKETS

Huge range of 35,000 highly-engineered products…

~76%

Rope Products



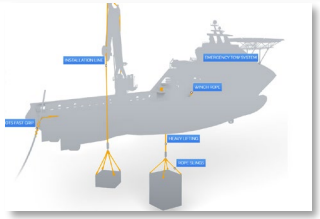
~24%

Netting Products (& other)

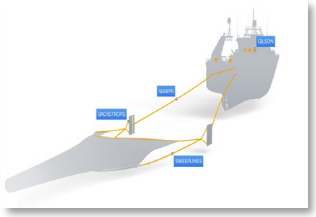
35,000+

Individual SKUs

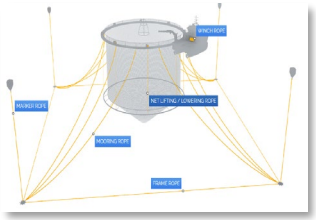
…providing mission-critical services…



Mooring of maritime vessels & offshore structures; heavy lifting of maritime cargo



Commercial fishing



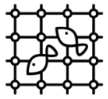
Securing aquaculture from escape and from outside predators

…to attractive end markets

% of Tufropes Revenue | ***% Forecasted Market CAGR***

Maritime End Markets: 64%

Seafood Sector: 40% — *~6%*



Aquaculture

Commercial Fishing

Shipping, Offshore, and Renewables Sector: 24% — *~4%*

Diversified Industrial & Commercial Sectors: 36% — *~3%*

Manufacturing, Construction, Safety

Agriculture & Horticulture

Sports & Recreation

Transportation

Source: Tufropes, Paladin research

NON-CYCLICAL & SHOCK RESISTANT HISTORICAL FINANCIAL PERFORMANCE

Tufropes has shown impressive long-term historical financial performance across major global crises – including GFC, COVID and global supply chain crises

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REVENUE CAGR TO FY2022

FY'01-FY'22:: +20%

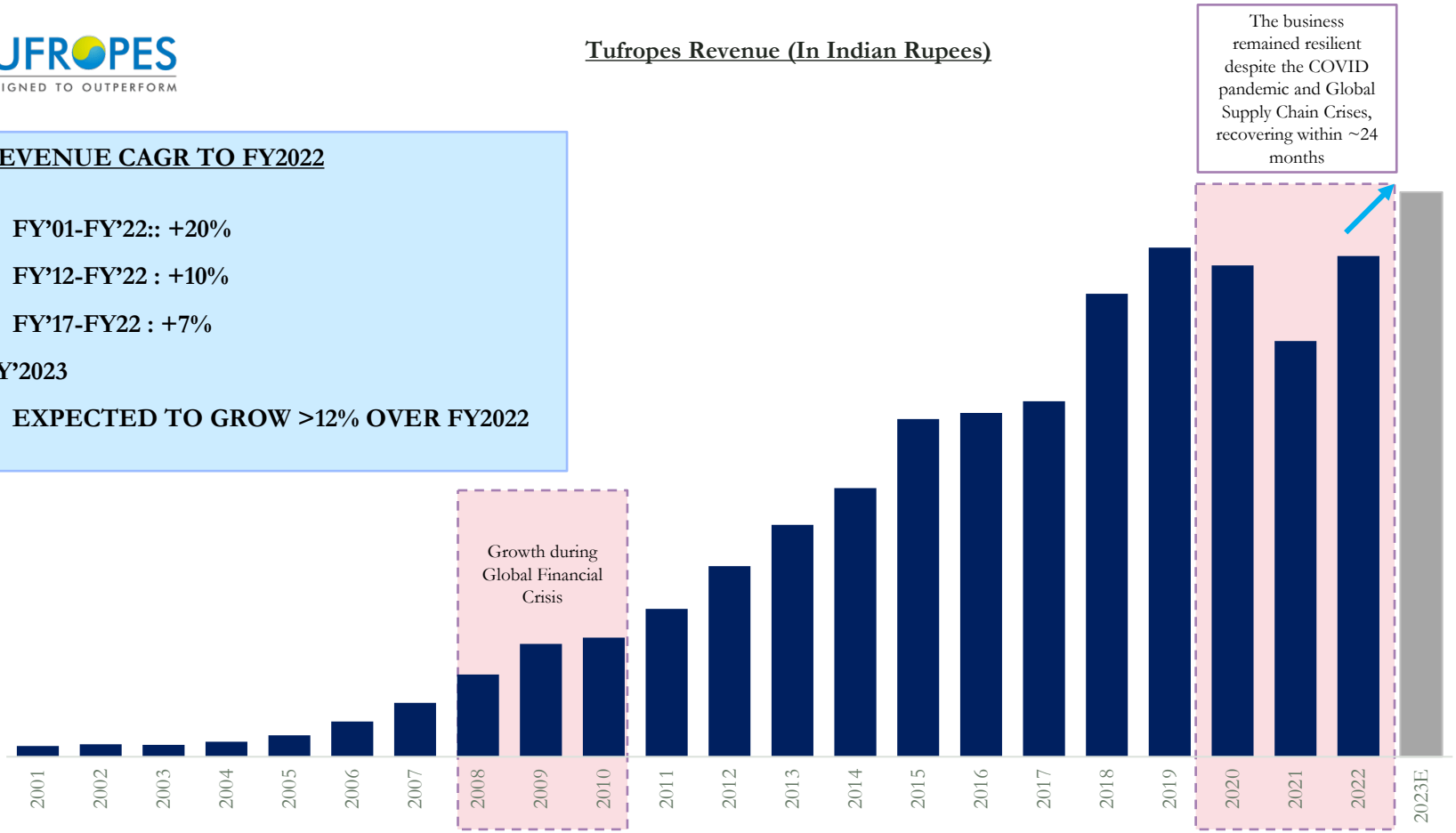
FY'12-FY'22 : +10%

FY'17-FY22 : +7%

FY'2023

EXPECTED TO GROW >12% OVER FY2022

Tufropes Revenue (In Indian Rupees)



Source: Paladin research, Tufropes
Note: Tufropes has a March 31st fiscal year end.

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TUFROPES HAS A GEOGRAPHICALLY DIVERSE GLOBAL STREAM OF REVENUES

Within its exports business, Tufropes' revenues are highly levered to Europe and the Americas

% of Revenues

~20%

Americas

~34%

Europe

~34%

Asia

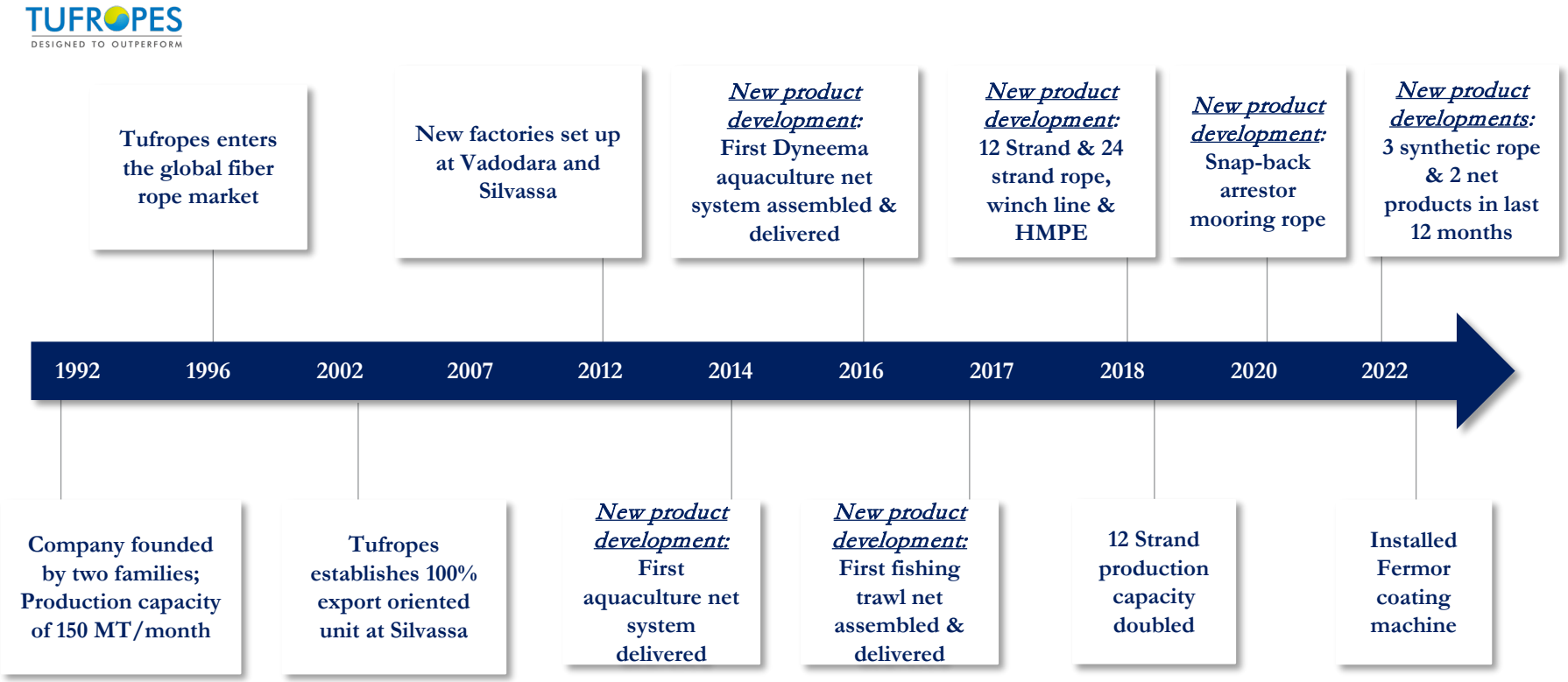
~12%

Australasia

Export Country	Qty (in MTs)		
	FY20	FY21	FY22
Ropes			
USA	3,147	4,304	4,056
Norway	3,171	3,124	2,141
Netherland	2,357	2,165	3,025
Canada	1,480	1,578	2,031
Singapore	1,974	1,322	1,848
Turkey	727	882	2,131
Others	6,843	6,287	7,693
	19,698	**19,662**	**22,927**
Nets			
USA	403	341	564
Brazil	213	341	428
Spain	118	34	118
South Korea	176	183	120
Argentina	219	2	349
Italy	197	104	130
UK	71	88	158
Others	807	687	761
	2,205	**1,781**	**2,628**
Others	342	335	1,240
Total	**22,245**	**21,778**	**26,795**

Source: Tufropes, KPMG Analysis

HISTORICAL MILESTONES OF TUFROPES



Source: Tufropes

TUFROPES' CURRENT & FUTURE GO-TO-MARKET STRATEGY

Tufropes is positioned at the most attractive place along the value chain, but also has an opportunity to direct sell to end users

Raw Material Suppliers	Synthetic Rope / Netting Manufacturers	Rope / Netting Distributors	End Users
Reliance Industries Limited; Dyneema; Teijin; Lenzing; Asahi Kasei	Tufropes; DSR; Dongyang Manufacturing; Manho; Garware; Wireco; Samson	Chetan Traders; Nofi; Duluth Nets; A. C. & Company Pvt. Ltd.; World Fishing; Wilhelmsen; Sagar; Pee-kay's; Friends Industries; Thomas; Cooke	Mammoet; SBM Offshore; The Great Lakes Group; Mowi; Modec; Nissui; Leroy; Cermaq; Salmar

EBITDA Margin Attractiveness

Key Insights

Manufacturers hold highest value position across supply chain.
Rope and netting manufacturers are positioned at an attractive segment of the value chain due to intellectual property (product patents, manufacturing expertise, and trademarks) and new product development capabilities. Both material providers and distributors face lower margin profiles (when not protected by patents) and low switching costs

Tufropes currently only goes to market through distributors…
Tufropes was founded as an original equipment manufacturer, leveraging its low-cost manufacturing footprint in India. Tufropes used its access to low-cost raw materials and labor to gain a prominent global market position selling through distributors around the world. Given the owners' conservatism regarding international expansion and its significant growth despite this conservatism, Tufropes never developed direct-to-end user relationships

… creating a major future opportunity exists under Aimia's ownership to develop direct-to-end user sales & marketing
Tufropes has an opportunity to leverage its unique competitive advantages (intellectual property, economies of scale, economies of scope) to develop direct-to-end user relationships. This strategy will require investments into sales and marketing infrastructure in North America and Europe but will result in a larger addressable market opportunity (i.e. some markets including aquaculture only deal directly with manufacturers and drive higher engagement with end users either directly or through partners)

Source: Paladin research

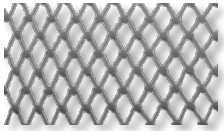
TUFROPES HAS HIGHLY DIVERSE REVENUE STREAMS

Based on FY'22 Revenue

Tufropes' diverse streams of revenue provide both downside protection and a platform for growth across distinct opportunities

Sales by Product Category

~76%
Rope Products



~24%
Netting Products (& other)

Range of 35,000+
Individual SKUs

Sales by Geography

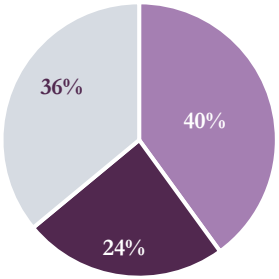
~20%
Americas

~34%
Europe

~34%
Asia

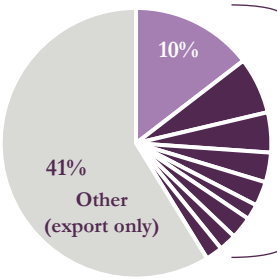
~12%
Australasia

Sales by End Market



- *Commercial Fishing & Aquaculture*
- *Shipping, Offshore & Renewables*
- *Diversified Industrial & Commercial*

Sales by Export Customer (% Total Business)



Top 10 Customers: 27%

15+ years
Average customer tenure

Sales by Currency

64%

28%

8%

Source: Tufropes, Paladin research
Note: Tufropes has a March 31st fiscal year end.

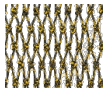
TUFROPES MANUFACTURES NON-COMMODITIZED, HIGH-PERFORMANCE PRODUCTS FOR END MARKETS WITH MISSION CRITICAL STANDARDS

Tufropes' product portfolio of over 35,000 SKUs services the harshest, mission-critical environments where commoditized alternatives do not suffice

Fishing & Aquaculture

Key Products:

Aquatuf™ & Polaris™ HMPE Netting



Aquamarine Braided & Knotless Nets

Supertuf™ High Tenacity Rope

HDPE Twisted & Knotted Nets

Ropes & netting products that are focused on high tensile strength, low stretch, and innovative materials (HMPE, HDPE, knotless, twisted, & braided nets)

Certifications & Accreditation

aquastructures

Shipping, Offshore & Renewables

Key Products:

Polaris™ HMPE Strand ropes

Tufflex™ High Tenacity Ropes

PP Winch Line Double Braid

Tufflex™ Tails

Products built for the long term, with a focus on high performance in harsh conditions, abrasive elements, and over long periods of time

Certifications & Accreditation

Lloyd's Register · OCIMF · DNV·GL · 14929:2001 Certified · ISO 9001 ISO 14001 BUREAU VERITAS Certification

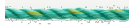
Industrial & Safety

Key Products:

Powerline™ & Nylotuf™ Transmission Ropes

Triple Layer Braided & Twisted Safety Nets

Industrial PP and HMPE Rope



Supertuf™ High Tenacity Rope

Products highly focused on tension strength and durability for maximum safety across critical applications; replacement of legacy steel chain and wire products

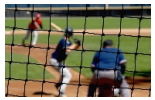
Certifications & Accreditation

14929:2001 Certified · ISO 9001 ISO 14001 BUREAU VERITAS Certification · 5175:2014 Certified

Other (Commercial, Sport, Recreation, Agriculture)

Key Products:

Gym, Recreation, and Climbing Ropes



Sporting Nets

Baler Twine

Bird Netting

Products are built with superior design, performance within harsh conditions, and great aesthetics in high visibility situations to promote the brand

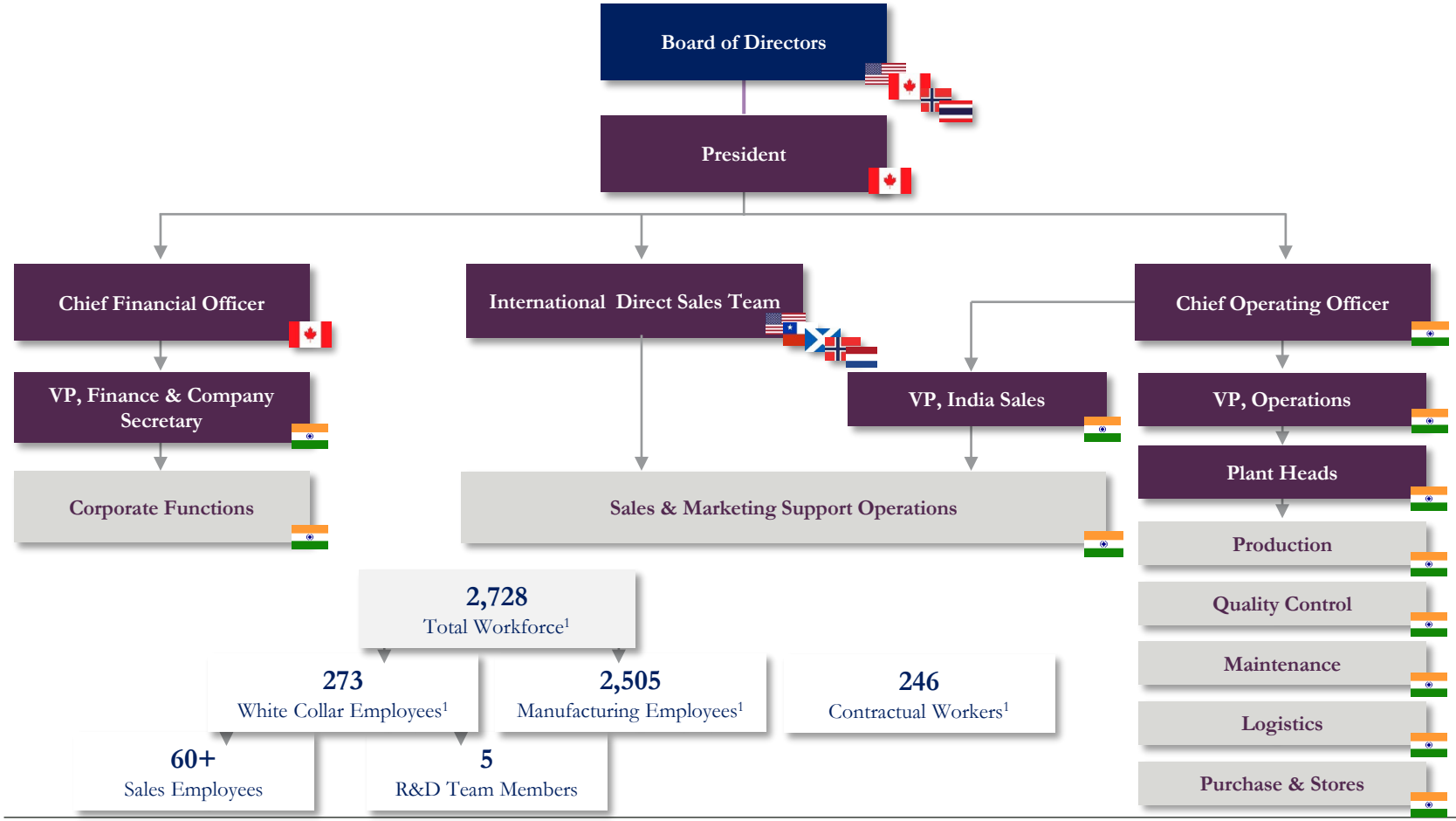
Certifications & Accreditation

14929:2001 Certified · ISO 9001 ISO 14001 BUREAU VERITAS Certification · 5175:2014 Certified

Source: Tufropes, Paladin research

TUFROPES ORGANIZATIONAL STRUCTURE SUPPLEMENTED BY NEW SENIOR MANAGEMENT

All existing Tufropes personnel will be retained & complemented by new senior hires (President, CFO, and COO) and a new international direct sales team



Note: upon transaction close, Aimia will hold a majority of the seats on the Tufropes Board of Directors. Paladin will retain two seats on the Board of Directors and, alongside Aimia, will support the Tufropes senior management team with its execution of the Investment Thesis.

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LOW-COST MANUFACTURING FOOTPRINT WITH MASSIVE INSTALLED BASE OF CAPACITY

Using existing capacity and no growth capex to fund manufacturing demand, Tufropes can grow at 10-12% for the next five years and service another ~$60mm+ of revenue

Total Installed Capacity Base:

~67,000 MT

Current Utilization:

~59%

Distinguished capabilities include 1) testbench facility with force up to 300 tons, 2) new generation autoclave machine for depth stretching of fish nets, 3) new generation Fermor coating machine

1 Mumbai Head office

Established: 1992

Functions:

- Finance, Procurement
- International Sales
- Domestic Sales

Office Staff: 19

1 Silvassa Rakholi

Established: 1992

Plant area: 6,165 SqM

Products: Fishing, agricultural, general purpose ropes

Office Staff: 79
Manufacturing Workers: 462

2 Silvassa Masat

Established: 2012

Plant area: 28,957 SqM

Products: PP HDPE Nylon composite ropes

Office Staff: 55
Manufacturing Workers: 715

3 Vadodara

Established: 2012

Plant area: 35,303 SqM

Products: Fishing, aquaculture safety & sports nets

Office Staff: 56
Manufacturing Workers: 430

4 Indore 1

Established: 2007

Plant area: 21,433 SqM

Products: Fishing nets, sports nets

Office Staff: 46
Manufacturing Workers: 594

5 Indore 2

Established: 2017

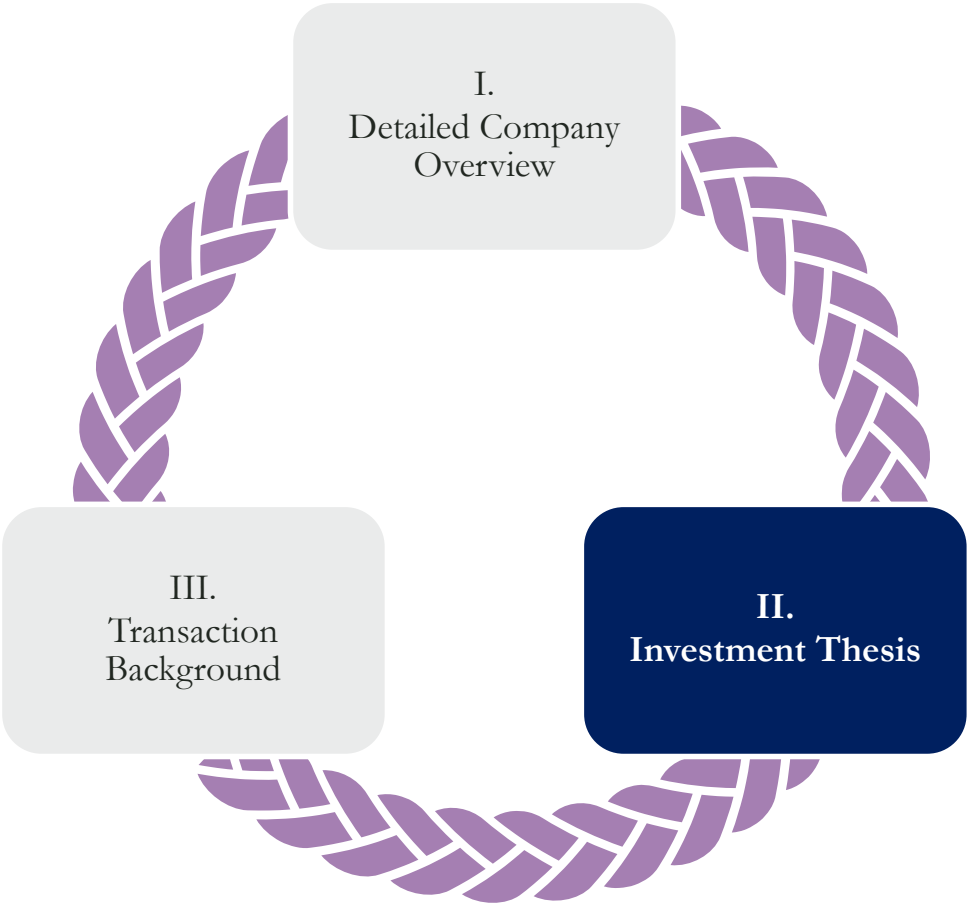
Plant area: 20,018 SqM

Products: 8 strand, 12 strand ropes, Aquaculture nets

Office Staff: 28
Manufacturing Workers: 443

Source: Tufropes. Note: figures above are as of FY22.

TABLE OF CONTENTS



INVESTMENT THESIS

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1

Global Market Leader with Sustainable Competitive Advantages

Leading global provider of synthetic ropes to attractive maritime, industrial, and commercial end markets. Top 3 global market share across all ropes with an expanding segment of premium nets to drive a two-pronged organic growth strategy. Sustainable competitive advantages driven by R&D and manufacturing expertise, manufacturing scale, a global network of distributors, presence in 70+ countries, and long-term, sticky customer relationships. Diverse array of >35,000 SKUs of ropes & nets with superior performance, safety, and value-added features & economics to become a "one-stop-shop"

2

Highly Attractive, Large & Growing End Markets Buoyed by Secular Trend of Fiber Rope Replacing Steel Wire

Within ropes, Tufropes is levered to stable end markets with recurring revenue; within nets, Tufropes is aligned to a global aquaculture market with secular tailwinds. Growth is further propelled as legacy steel and wire materials continue to be converted into synthetic fiber ropes for performance, safety, and other value-added reasons. Tufropes is positioned to capture markets early in the conversion phase

3

Attractive Financial Profile and Cash Flow Dynamics

Over 20-year history of organic sales growth (FF'01-FY'22 CAGR of ~20%) was only disrupted by temporary COVID-based shutdowns. Industry-leading EBITDA margins (18.5% growing to +20% run-rate) and strong Free Cash Flow Conversion

4

Multi-Pronged Approach to Organic & Inorganic Growth Opportunities

Expansion into value-added aquaculture nets, HPME ropes, and new markets converting to synthetic ropes. Focus on geographic (North Sea, Americas) expansion and M&A and strategic partnerships, supported by operational and lean initiatives that come from first-time dedicated & professional senior management

5

Strategic Transformation of Asian OEM into Innovative Western Rope & Netting Solutions Provider

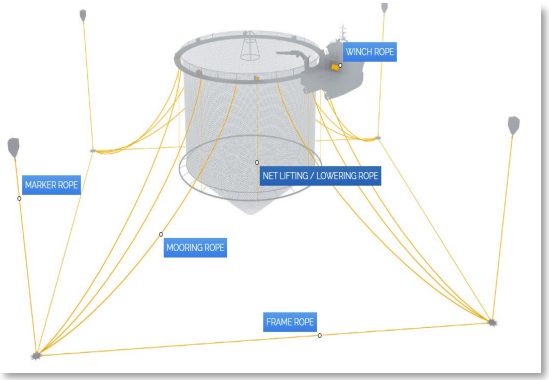
Tufropes represents an opportunity to transform a conservatively run, family-owned business with a deep history into a professionally run global organization, with first time dedicated C-Suite and Board of Directors, supported by the resources, marketing, and financial thinking of a PE owner

Note: Tufropes has a March 31st fiscal year end.

MISSION CRITICAL PRODUCT PORTFOLIO WITH HIGH-COST OF FAILURE MARITIME APPLICATIONS

Tufropes' differentiated technical products are used in the most critical maritime applications, where reliability, safety, and performance are paramount to ensure customer success

Aquaculture

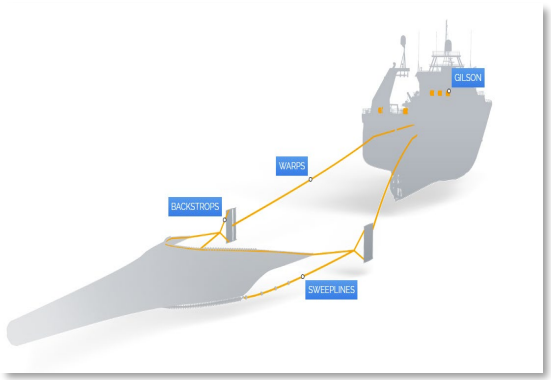


$10-20mm+

value of fish held in aquaculture net system

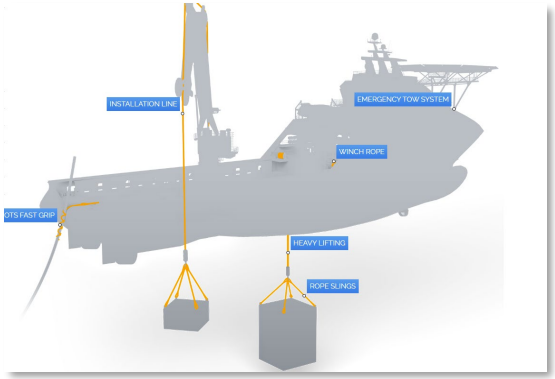
- The exceptional strength and toughness of synthetic fiber ropes and netting helps significantly reduce escape by fish and prevents predators biting through nets
- The fiber's durability helps reduce the need for repairs. As a result of superior strength, thinner twines can be used, providing less resistance to currents and waves and forming larger opening so more water can flow through, improving cleanliness and oxygenation for healthier fish
- Because synthetic ropes and nets are lightweight and do not absorb water, the ropes and netting are easier to lift out of the water for maintenance, especially in heavy seas or bad weather

Commercial Fishing



- Compared with heavy steel wire lines for fishing, lines made with synthetic fiber are only a fraction of the weight, while providing the same strength
- Lighter weight, smaller netting twines also enable faster boat speed, reduced drag, improved fuel efficiency and greater stability by reducing the load carried
- With its proven longer lifetime and minimal maintenance requirements, synthetic ropes are a more economical choice for ship operators

Shipping, Offshore, and Renewables

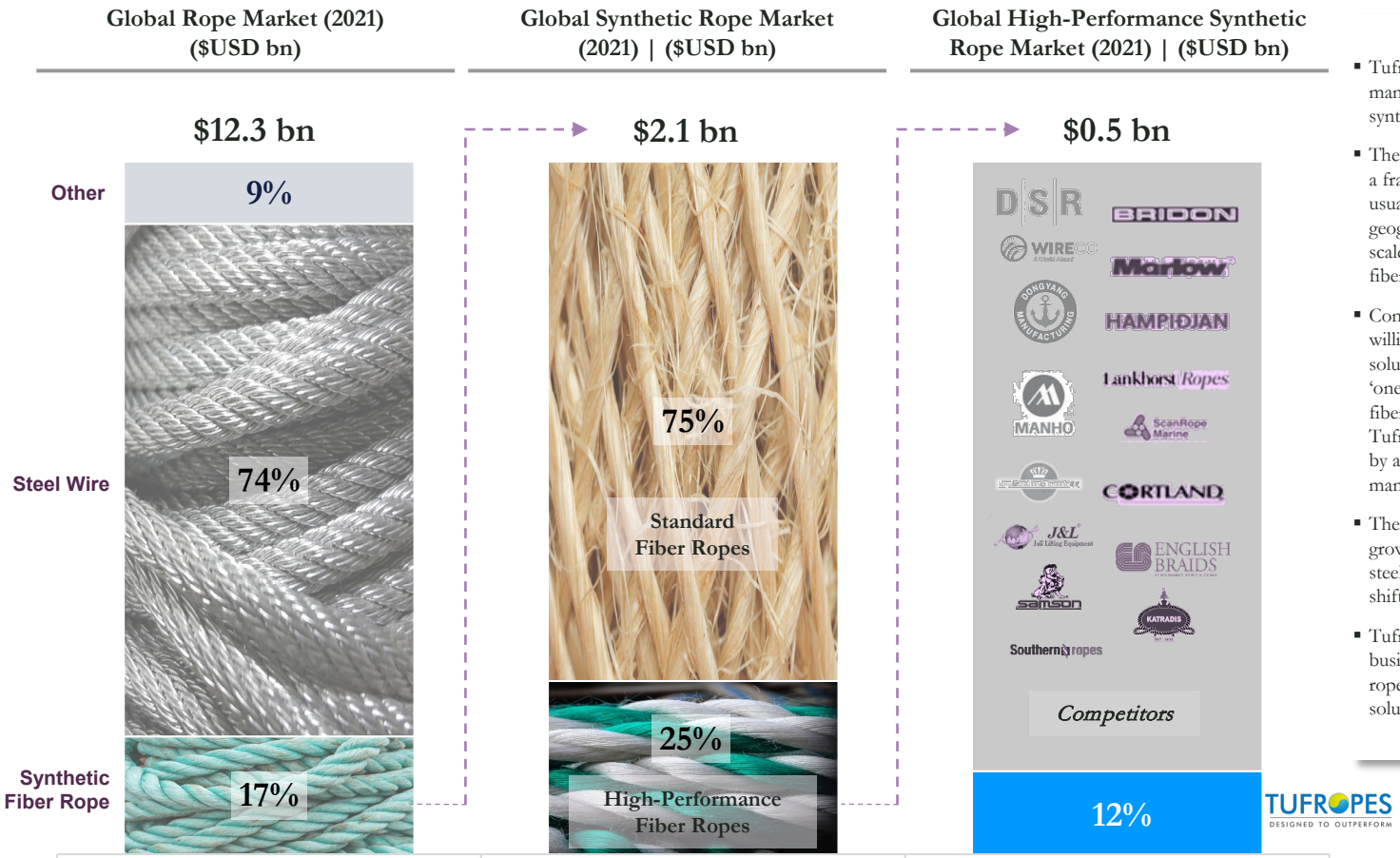


- Synthetic ropes solve the problem of delivering enough strength to moor vessels and tow large fishing nets without increasing the weight and mass of the ropes to an unacceptable level. Lighter ropes are easier to handle, shortening mooring time and increasing vessel efficiency
- Synthetic ropes can be made at a fraction of the weight of similar steel wire-based equipment. Lighter weight makes handling ropes easier, especially in rough seas, and helps increase worker safety in a variety of industrial settings
- The fiber's superior abrasion, cut resistance, and high strength-to-weight ratio makes the lifting slings faster and easier to handle, and extends their useful life
- Low elongation helps crane operators place cargo with even greater precision. Furthermore, it help reduce the physical workload for crew members and are safer to work with, resulting in less hand and back injuries and lower risk of injury from backlash

Source: Morenot, Grandview Research, Paladin research, public sources.

TUFROPES IS A LEADING GLOBAL MANUFACTURER OF HIGH-PERFORMANCE SYNTHETIC FIBER ROPE

Tufropes is a true market leader, already a global top 3 player in the high-performance synthetic rope market of US$500mm+ and growing

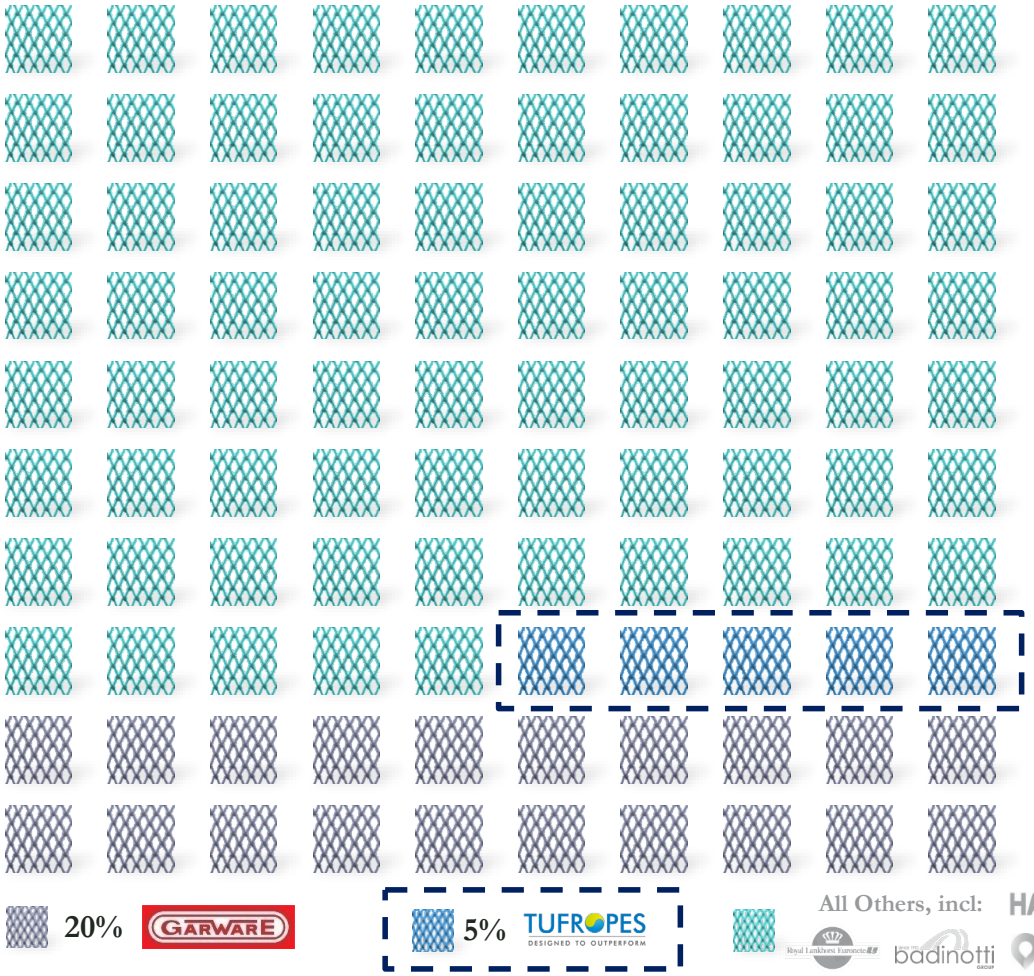


- Tufropes is the largest global manufacturer of high-performance synthetic fiber ropes
- The global synthetic rope market holds a fragmented base, with competitors usually specializing in niche markets or geographies, or otherwise focusing on scale within commoditized class one fibers
- Conversely, with >35k SKUs, and a willingness to develop customized solutions, Tufropes seeks to become a 'one-stop-shop' provider for all the fiber rope needs of its customers. Tufropes will continue to be supported by a world-class, low-cost manufacturing footprint
- There remains further untapped growth potential from wallet share of steel wire providers as the industry shifts towards fibers
- Tufropes' seeks to expand its ropes business into higher margin HMPE rope products and customized solutions

Source: Paladin research, Grand View Research, McKinsey, Tufropes

TUFROPES IS THE SECOND LARGEST MANUFACTURER OF AQUACULTURE NETS GLOBALLY

Global Aquaculture Nets Market (2022) | $450mm USD



- Tufropes is the second largest global manufacturer of aquaculture nets despite breaking into the industry only in the last decade and having no direct sales force
- The global aquaculture nets market remains extremely granular, with significant wallet share held through regional specialists and family-owned assets
- The market is dominated by seafood-driven geographies of Norway, Chile, Scotland, the Mediterranean, and Canada
- Tufropes' seeks to significantly expand its aquaculture netting business through the establishment of a direct-to-end user go-to-market sales & marketing strategy
- Currently, Garware and Tufropes are the only producers offering the latest fiber technology nets as local players are almost all using nylon / class one fibers

"There's a lot of demand for nets from the industry. Most suppliers have a long lead time so you need to schedule production out. We've been working hard to give suppliers a long window on net requirements to make sure they don't have an issue, and would be benefitted by a supplier with scalable and responsive existing capacity…

Garware has a great product and is well-liked, but the market is begging for a second alternative. [we] need one ourselves."

–Head of procurement at one of the world's largest seafood companies

Source: Paladin research, Grand View Research, Garware Investor Reports, UP Market Research, McKinsey, Tufropes

COMPETITIVE LANDSCAPE WITHIN ROPE MANUFACTURERS

Tufropes has become a global leader in synthetic rope manufacturing; the business has an opportunity to become the clear global leader and take share from a more specialized, regional-producing field of competitors that rely heavily on distributors

	TUFROPES DESIGNED TO OUTPERFORM	Competitor 1	Competitor 2	Competitor 3	Competitor 4
Headquarters	India *(Transitioning to Canada)*	North America	Asia	Asia	Asia
Ownership	Family Owned	Private Equity Owned	Public	Privately Held	Public
Geographical Coverage	Global	European-Focused	Global	America, Europe, Asia	Southeast Asia-focused
Product Depth (One-Stop-Shop)	●	●	●	◔	●
Manufacturing Efficiencies / Cost Basis	●	◑	◑	◑	◔
Quality Perception in Market	◕	●	◕	◑	◔
Intellectual Property	◑	◑	●	◕	◔
Scalability / Capacity	●	◑	◕	◑	●
Competitive Pricing	◕	◔	◕	●	●

Source: Tufropes, Paladin research, public sources

COMPETITIVE LANDSCAPE WITHIN NETTING MANUFACTURERS

1 Global Market Leader with Sustainable Competitive Advantages

With industry-leading capacity and a strong & balanced product offering, Tufropes offers an extremely compelling opportunity for customers that can be unlocked through a strong commercial & sales effort

	TUFROPES DESIGNED TO OUTPERFORM	Competitor 1	Competitor 2	Competitor 3	Competitor 4
Headquarters	India *(Transitioning to Canada)*	Asia	Europe	Europe	North America
Ownership	Family Owned	Public	Family-Owned	Public	Private Equity Owned
Geographical Coverage	Global	Global	Mediterranean Sea, Chile	Global	European-Focused
Product Depth (One-Stop-Shop)					
Manufacturing Efficiencies / Cost Basis					
Quality Perception in Market					
Intellectual Property					
Scalability / Capacity					
Competitive Pricing					

Source: Tufropes, Paladin research, public sources

TUFROPES' COMPETITIVE ADVANTAGES, INDUSTRY BARRIERS TO ENTRY, AND COSTS FOR CUSTOMER SWITCHING

Sticky, Long-Term Relationships

- Tufropes has over 400 customers across 70+ countries
- Average tenure of 15+ years for key account customers
- Known for having an open and transparent approach to solving problems and overcoming challenges
- Strong reputation for confidentiality in developing proprietary solutions with customers; IP theft is an industry concern

Vertically Integrated Manufacturing Base with World-Class Machinery

- Sources the highest quality machinery globally (Germany, Japan, Netherlands) for fully-automated output
- Vertical integration from raw material to finished product drives lower cost base
- Automated capabilities supplemented by difficult manual servicing: (e.g. splicing)
- Stringent quality control checkpoints at key stages of production

Technical Know-How and New Product Development Capabilities

- Manufacturing leaders with extensive rope and net-making knowledge over decades of problem-solving
- Frequent dialogue with international customers staying on top of latest developments and new solutions
- Large portfolio of co-developed products exclusive to specific customers
- Ability to adapt proprietary customer recipes to Tufropes' equipment and processes

One-Stop-Shop with Numerous SKUs

- Wide array of >35,000 SKUs providing customers a "one-stop-shop" to procure any rope or netting solution
- R&D & engineering capabilities and manufacturing experience allow for innovative, customized products; competitors are far less flexible
- Ongoing testing and improvement for unique projects and use cases

Market Leading Capacity Across Huge Installed Base

- Large installed base over-invested to handle future growth capacity with minimal incremental capital investment
- Annual capacity of 59,500MT in ropes and 7,200MT in nets
- Production facility in Silvassa currently under expansion doubling the plant size to capture growing export demand
- 41% estimated spare capacity equal to ~$60mm+ of incremental sales capacity

Focus on R&D and Customer-Centric Solutions

- Dedicated R&D team augmented by highly experienced plant-based teams
- Track record of new product development reflecting market trends and customer feedback
- Custom-built testing equipment exceeding normal specifications
- World-class capabilities to produce premium caliber, highest performance products for global key account customers

Value-Added Services

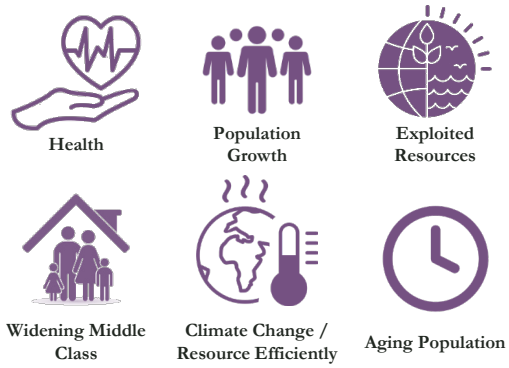
- Design and engineering services for unique rope and aquaculture net products
- Customer specific fiber colors & packaging to facilitate integration into respective supply chains
- Highly skilled labor and specialized equipment capable of providing various terminations, splices and finishes
- Proven capabilities with coatings, infusions, and other innovations that have already been shown to customers

Source: Paladin research, Tufropes, public sources

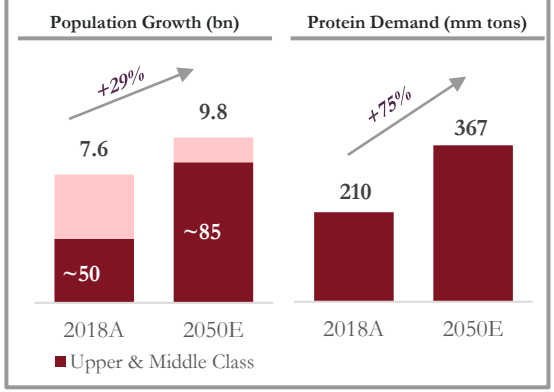
HIGHLY ATTRACTIVE, SECULAR END MARKET DYNAMICS

Seafood Sector

Global megatrends to drive sustainable growth within aquaculture and fish consumption:



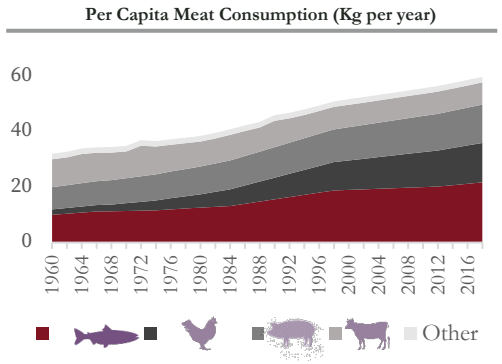
Global megatrends expected to increase protein demand for consumers[1]:



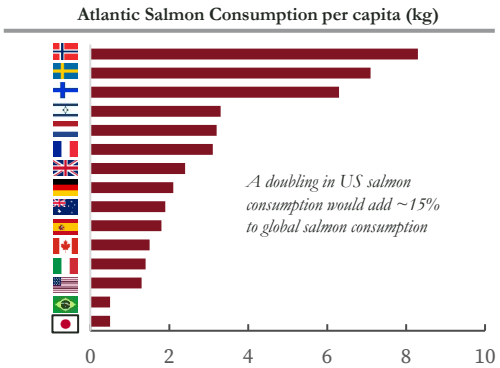
Salmon has favorable ESG attributes compared to other animal protein sources:

Category				
Protein Retention	28%	37%	21%	13%
Energy Consumption	25%	27%	16%	7%
Edible Yield	73%	74%	73%	57%
Feed Conversion Ration	1.3	1.9	3.9	8.0
Edible Meat / 100kg feed	56 kg	39 kg	19 kg	7 kg
Carbon footprint (Kg Co2/Kg meat)	2.9	2.7	5.9	30

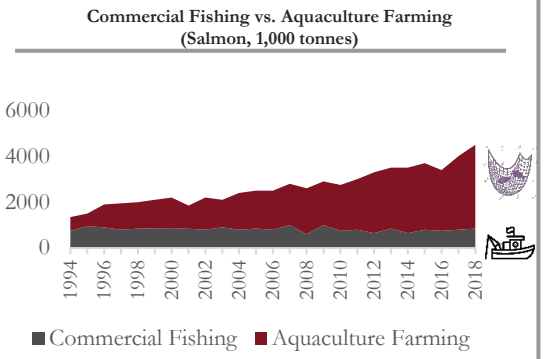
Growing per capita seafood consumption relative to other products:



Significant potential for additional salmon demand from several large economies:



Seafood supply growth met by aquaculture expansion, especially within farmed salmon:



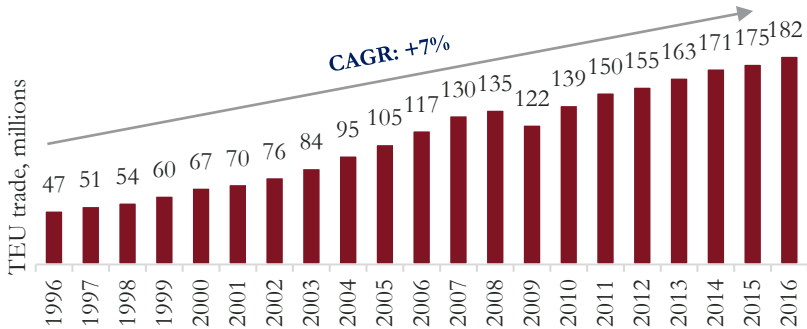
Source: Paladin research, United Nations "The Evolving Chemicals Economy, Mowi, Proximar, Kontali, Multiexport Foods
[1]Middle Class defined by median income factors per Census Bureau and Bloomberg, reported as of November 2017, assuming Alan Krueger income band model of 50-150 percentage.

HIGHLY ATTRACTIVE, SECULAR END MARKET DYNAMICS

Container Shipping

As container trade has evolved, larger ships are being used by fewer, healthier, ESG-focused corporate entities; larger vessels are inherently harder and more complicated to moor, with greater safety consequences of failure, requiring more sophisticated and high-performance equipment

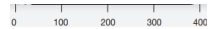
Container-trade has grown consistently over the last 25 years



Since the first voyage in 1956, ship capacity has grown 125x

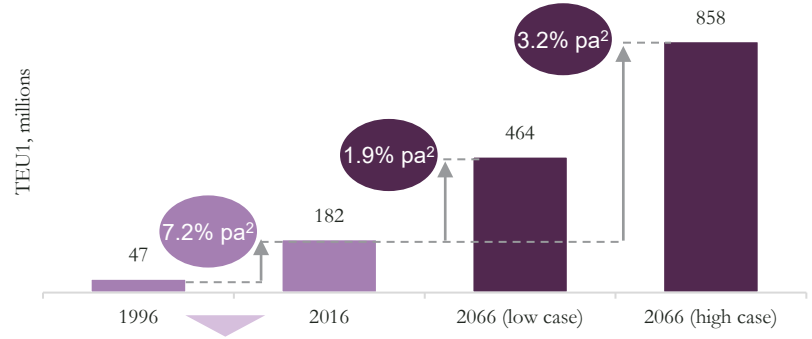
Maximum container-vessel capacity, TEU[6]

Time Period	Vessel Size	Type	Capacity
Early Containerships 1956-1970		Bulk vessels & tankers	200-800
Panamax I & II 1980-2000		APL C10 containerships	3,000-8,500
VLCS (Very Large Containerships) 2006-2014		Post-Panamax containerships	11,000-15,000
ULCV (Ultra Large Containerships) 2013-today		Triple E (Maersk) Megamax-24	18,000-25,000+



125x

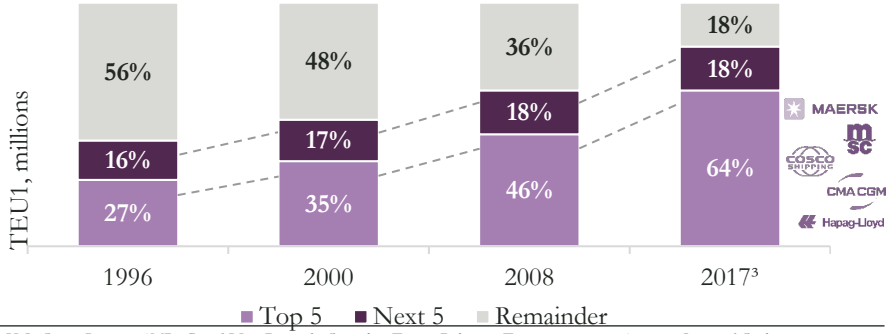
"Peak container" is not on the horizon; growth expected to continue



Real GDP CAGR[3], %	2.9%	2.1%[4]	2.1%[4]
GDP Multiplier[5]	2.5x	0.9x	1.5x

The container shipping industry continues to consolidate

Consolidation has led to larger corporate entities which have a greater focus on safety and usage of high-performance products



Source: Department of the Treasury, McKinsey, Facts & Factors, Grandveiwe, Paladin Research, Government Publications, and AMR Analysis, U.S. Census Bureau, AMR, Grand View Research; Council on Foreign Relations, Fortune magazine, American Society of Civil Engineers; Alphaliner; McKinsey Global Institute; McKinsey analysis; [1]Twenty-foot equivalent unit; [2]Per annum; [3]Compound annual growth rate; [4]Based on same growth in output per worker as 1966-2016 (1.8% a year) and slowing employment growth (0.3% a year); [5]Forecast multipliers are assumptions and not the result of modelling; [6]Twenty-foot equivalent unit.

HIGH-PERFORMANCE FIBER ROPES ARE THE SOLUTION OF CHOICE FOR DEMANDING MARITIME APPLICATIONS

High-Performance fiber ropes have become the rope of choice for demanding maritime applications with benefits of unique technical features and lifetime value proposition significantly outweighing upfront price compared to standard fiber and steel wire alternatives

		"Standard" Fiber Rope	High-Performance Fiber Rope	Steel Wire Rope
				
Description		▪ "Standard" fiber rope is elastic (i.e. it creeps when loaded) ▪ Need a larger diameter for the same strength as high performance ropes ▪ Main materials include Nylon, polypropylene, polyethylene and polyester	▪ **High performance rope is ~3-4 times as strong as the "standard" fibers** ▪ **The rope does not store energy and will fall straight down safely when breaking** ▪ **High performance ropes are increasingly replacing steel due to it's high strength, low weight, and lower total cost of ownership** ▪ **Main types: HMPE, Aramid, LCP, PBO (HMPE one of the strongest, only type that floats)**	▪ Steel wire is static and has high strength compared to "standard" fiber ropes ▪ Traditionally used for situations that require high strengths, e.g. lifting and tug/ towing ▪ Steel wire is extremely heavy and does not float ▪ Preferred in legacy organizations due to familiarity and access to documentation/ certifications ▪ Require maintenance (lubrication)
Technical attributes	Mooring	▪ "Standard" fiber gives good elasticity ▪ Not an ideal solution for larger vessels and / or operating in deep / rough waters	▪ **Ideal solution for mooring larger vessels and operating in deeper, rougher waters** ▪ **Easy to handle: smaller dimensions needed and a far lighter alternative** ▪ **Flexibility achieved by adding a "tail" piece of "standard" fiber rope** ▪ **Requires fewer personnel to handle**	▪ Becomes heavy and hard to handle with big vessel dimensions and in deep water ▪ More difficult to fit with a tail for flexibility ▪ Most expensive labor & logistics
	Lifting	▪ High elasticity/ flexibility reduce control under loading operations	▪ **Highest load control** ▪ **Ideal replacement to steel which becomes very heavy with increasing depth / length**	▪ High load control ▪ Becomes very heavy with increasing depth/length
	Towing	▪ Limited in strength and are far more susceptible to abrasion	▪ **Highly sought alternative to steel** ▪ **Most abrasion resistant**	▪ Used for towing large vessels ▪ High weight less of an issue
	Other	▪ "Consumables" (small utility ropes) ▪ Fisheries/ aquaculture (large dimensions hard to handle)	▪ **Seismic towing and rope systems** ▪ **Safety systems (e.g. emergency towing)** ▪ **Aquaculture (better handle large dimensions)**	▪ Subsea installation
Price		$5-10 / kg	**$15-30 / kg**	~$10/ kg
Lifetime		2-3 years	**7-10 years**	~5 years

Source: Paladin research, Timm, Arkwright research and Paladin expert interviews

HMPE FIBERS PROVIDE TECHNICAL ADVANTAGE, ESPECIALLY IN TUFROPES' CORE MARITIME END MARKETS

Compared to alternative materials, synthetic fibers (and in particular, HMPE) have proven to be stronger, more durable, safer, and averse to extreme performance settings, making them undeniably the preferred choice within maritime applications

Drawbacks of Standard Fibers

Polyamide, polyester, and polypropylene fiber do have some drawbacks:

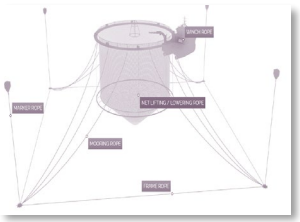
- ✗ High elasticity means they will stretch under stress, raising the safety risk of dangerous backlash if the rope breaks.
- ✗ For adequate strength, synthetics require a large diameter rope that takes up a large amount of space
- ✗ These materials (except polypropylene) have a higher density than water, causing lines to sink
- ✗ Polyamide also absorbs water, lowering its breaking strength and making the ropes even heavier

Clear Advantages of HMPE

HMPE fiber overcomes the disadvantages of steel and the commoditized synthetics, while also offering many other benefits:

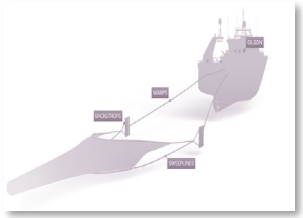
- ✓ HMPE offers an extremely high strength-to-weight ratio (and is approx. 1/8th the weight of a steel wire rope of equal strength)
- ✓ HMPE fiber provides a very low elongation at break
- ✓ It also exhibits excellent resistance to wear factors such as abrasion, corrosion, algae growth, and UV degradation

Aquaculture



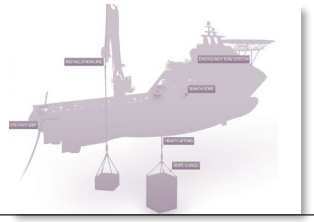
- HMPE's exceptional strength significantly reduces escape by fish and prevents predators biting through nets. HMPE's durability helps reduce the need for netting repairs. As a result, thinner twines can be used – providing less resistance to currents and waves and forming larger openings so more water can flow through, improving cleanliness and oxygenation for healthier fish. Because HMPE is lightweight (~65% lighter than when using nylon) and does not absorb water, netting is easier to lift out of the water for maintenance, especially in heavy seas or bad weather

Commercial Fishing



- Compared with heavy steel warp lines for fishing, lines made with HMPE fiber are only a fraction of the weight while providing the same strength. Lighter weight coupled with smaller netting twines also enable faster boat speed, reduced drag, improved fuel efficiency, and greater stability

Shipping, Offshore, and Renewables



- The safety and efficiency of undersea equipment placement operations are significantly enhanced with HMPE fiber. Lightweight HMPE fiber enables manufacturing of ropes that are only 15% of the weight of similar steel wire-based equipment. This enables easier handling, especially in rough seas, and helps increase worker safety. Ropes made with HMPE are exceptionally durable for deep sea installations

Source: Morenot, FMR research, Paladin research, public sources

FIBER ROPES ADDRESS HISTORICAL SAFETY ISSUES THE MARITIME INDUSTRY HAS HAD WITH MOORING

Safety concerns are a primary driver for mooring operations converting from steel wire and standard fiber rope to high-performance, synthetic fiber ropes

- Each year, too many seafarers and terminal operators are regularly injured or worse when mooring lines fail; mooring accidents also involve asset damage and environmental harm
- A safe and well-managed mooring process with high quality equipment will not only reduce incidents but also improve the overall efficiency of ship mooring operations
- The most serious personal injury incidents occur from 'snap-backs' of active ropes and wires when they break
- Mooring incident is among the top seven types of insurance claims, reported by UK P&I club
- In an effort to bring these numbers down, central mooring rules and regulations are being amended and updated. Amendments to SOLAS regulation II-1/3-8 and new guidelines for safe mooring for all ships were approved in 2019 and become effective 01-Jan-2024

60%

of maritime personal injury incidents occur during mooring operations

95%

of mooring-related personal injury incidents are caused by failure of mooring ropes & wires

53%

of mooring accidents are caused by 'snap-backs'; 1 in 7 snap-backs result in a fatality

Case Studies: Major Maritime Accidents

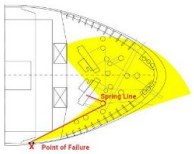
In 2015, a deck officer suffered severe head injuries when he was struck by a mooring rope that snapped on the LNG Zarga vessel. The officer was within a snap-back zone of a mooring line

In 2019, an American Presidents Line containership in Mexico City broke off it's mooring, and drifted until hitting and ultimately collapsing a crane where several officers were involved, causing both worker and economic harm

'Snap-Back' Risk

A steel cable wire snapping causes a dangerous recoil of sharp materials and an uneven snap, leading to serious worker injuries

By contrast, a fiber rope snaps straight down, without a harmful recoil or sharp materials, significantly improving safety quality



Snap back Area

Source: Paladin research, public sources, Moorgard, AMR analysis, Council of Foreign Relations, UK Protection & Indemnity Insurance Club

THE 6 KEY FACTORS SUPPORT HMPE ROPE AS OPTIMAL FOR MOORING EQUIPMENT SOLUTIONS

1 Tension Fatigue

- Mooring operations are complex and place severe wear & stress on lines securing vessels
- Due to wind, waves, and currents, vessels are in motion even when docked, and constantly exerting tension on rope systems
- Selecting high-performance, HPME fibers can offer many multiples of lifespan and tensile strength
- Proper testing and servicing is top of mind for mooring customers

2 Abrasion Resistance

- Durability is an essential part of performance given a rope's exposure during mooring operations
- Abrasion resistance coatings can further add to resistance and improve life span (e.g. coatings designed to harden ropes and resist rough fairlead surface wear, allowing for now vertical rope compromise)
- Testing for customers in realistic conditions is a huge value proposition before purchase

3 Creep Life

- All synthetic fiber ropes are subjected to long-term elongation (or "creep")
- Selecting the right fiber rope lead to 4x+ longer creep lifetime just among different HMPE ropes
- Innovative materials at the fiber level (e.g. Dyneema SK78) provide low creep due to proprietary manufacturing processes
- Various services to monitor creep performance are also attractive to customers

4 Performance at Extreme Temperatures

- When producing rope for mooring, the end usage could be anywhere from the Arctic to the Middle East, requiring performance in extreme cold and heat
- HMPE fibers are known to withstand low temperatures; heat performance (a natural synthetic weakness) is a major differentiator
- The highest quality ropes can withstand temperatures from -40°C to 70°C without tensile difference

5 Low Environmental Impact

- Sustainability is a key driver of customer procurement, especially larger customers
- Selecting fibers that adhere to UN sustainability development goals and Dow Jones sustainability induces are important
- Due to the low mass of HMPE ropes, manufacturers are able to offer a low carbon footprint, faster mooring times and reduced energy requirements

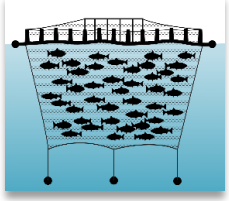
6 Quality, Certification, and Compliance

- Certifying bodies such as DNV GL, Bureau Veritas, and Class NK demonstrate blue-chip products that customers are comfortable with
- In-house inspection and ongoing service is important; oftentimes technology innovations such as creep performance tools are given separate qualifications / certifications

Source: Dyneema, FMR research, Paladin research, public sources

AQUACULTURE NET SYSTEMS ARE THE MOST MISSION-CRITICAL ELEMENT TO FISH FARMING

Aquaculture net systems represent a major economic investment; due to the criticality of net performance, customers have a strong willingness to pay for superior products and true value-added services



Complex, highly-engineered netting systems in harsh environments

+

~$1.5-2mm

Approximate cost of an aquaculture netting system using HMPE ropes

+

$10-20mm+

Value of fish held per net, based on a typical fish capacity of 2 to 3 tons

=

TUFROPES
DESIGNED TO OUTPERFORM

mission-critical, high-value solution yielding strong EBITDA margins

Aquaculture net systems require complex construction

- An aquaculture net system is comprised of components designed to absorb the energy from waves, currents and winds. These components typically comprise anchors, floating net pen collars and mooring lines
- Understanding the interaction between the flexible containment net, the structure of the mooring system and net pen collars is key to optimizing system design and reducing net and net pen failures
- Netting solutions must withstand harsh and dangerous environments, waves, ultraviolet light, algae, and predators to name a few. Customers buy directly from manufacturers they trust and can demonstrate performance upfront
- As the weakest (and therefore most critical) component of a net pen system, net design and installation is key to fish containment and long-term performance
- Proper training, reporting, installation methods, and monitoring are critical as even a small breach can lead to a loss of containment. There are many factors (mooring specifications, maintenance, fish transfer operations, predator protection, and many more) that determine a manufacturer's success with customers

Reduced need for harmful bio-fouling coatings and more effective cleaning

- Reduced cleaning frequency
- Faster cleaning & less water usage
- Zero or very limited use of anti-fouling coatings
- Reduced weight stress
- Minimal algae growth thanks to low surface area of the material

Increased durability and lifetime of nets

- Reduced fish escape
- Excellent strength-to-weight ratio
- Outstanding resistance to abrasion, UV and chemicals
- Fewer holes due to reduced fish biting and predator attacks
- Fewer repairs & net replacements
- Reduced frequency of inspections

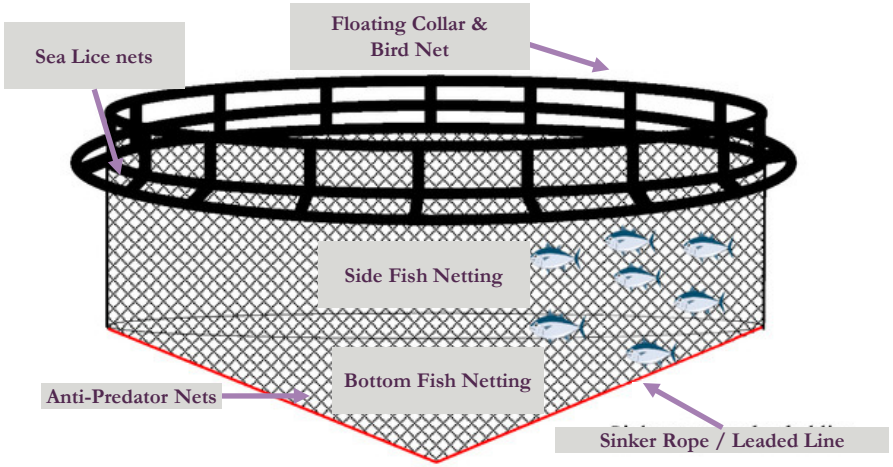
Operational cost reduction and better-quality environment;
Higher profitability for aquaculture business

Source: Arkwright research, Morenot, Aquaculture Stewardship Council, Paladin research
Note: Value of fish calculated by taking a historical average of $6.00 per kg, and assumes the average farmed salmon weighs 5.71kg; statistics per Mowi.

CASE STUDY: TECHNICAL, LARGE-SCALE AQUACULTURE NET SYSTEMS PROVIDE TUFROPES HIGH-GROWTH PROJECTS AT 40% EBITDA MARGINS

Tufropes' most complex stream of revenue comes from the production of aquaculture net systems; it is also one of the most profitable

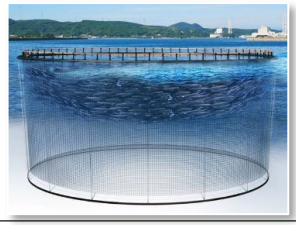
Aquaculture net system diagram



Scale in context

Weight:	Size:	Capacity:
5-12 tons (depending on fiber)	70,000 cubic meters	10,000 tons of biomass 2,000 tons of fish

Examples in use



A high margin opportunity for Tufropes

- Aquaculture net systems are an elaborate system requiring multiple different types of nets to be woven into one cylindrical or square cage
- Synthetic netting, and in particular HMPE netting, is the undisputed solution of choice for high-performance, critical environments such as off-shore aquaculture farming
- There is an immense amount of regulatory and customer-specified oversight into delivering nets that are capable of extremely high-performance in mission-critical settings: escape prevention, predator prevention, anti-corrosion, anti-fouling, weather resistance, and durability are all major requirements
- Tufropes has signed an exclusive partnership agreement with AKVA, one of the world's largest aquaculture material suppliers based in Scotland; the partnership is currently yielding ~$3-4mm in revenue

~$1.5-2mm

Approximate cost of an aquaculture netting system using HMPE ropes

1.5-2x Avg. Margins

EBITDA Contribution for Tufropes

"There's a lot of demand for nets from the industry. Most suppliers have a long lead time so you need to schedule production out. We've been working hard to give suppliers a long window on net requirements to make sure they don't have an issue, and would be benefitted by a supplier with scalable and responsive existing capacity…

Garware has a great product and is well-liked, but the market is begging for a second alternative. [we] need one ourselves."

–Head of procurement at one of the world's largest seafood companies

"The supplier has to understand the operating environment and design a net to suit the need… A new net has to work perfectly; when it doesn't, that bill for replacement is significant and so are the opportunity costs. We have to get it right the first time which factors into the way we think about cost."

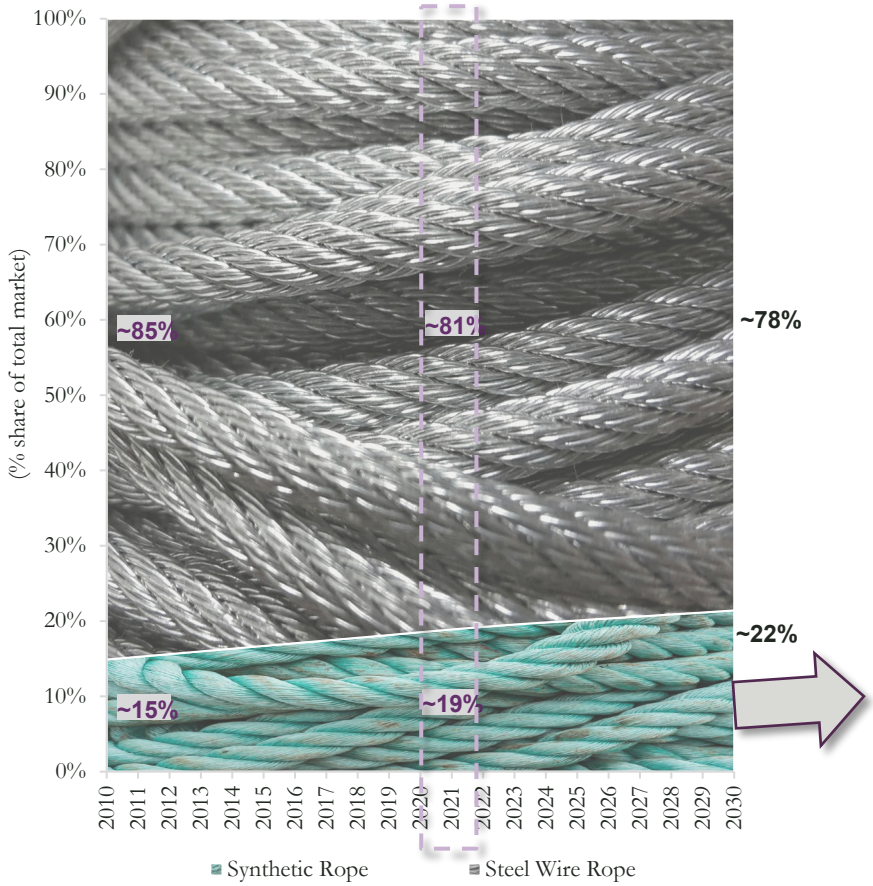
–Head of procurement at one of the world's largest seafood companies

Source: Tufropes, public sources, Paladin research

SECULAR TREND OF FIBER ROPES REPLACING STEEL WIRE FOR HIGH-PERFORMANCE AND MISSION CRITICAL APPLICATIONS

Synthetic rope increasingly replacing steel wire rope due to its superior performance characteristics

Global Rope Market (2010 – 2030E)



Fiber has ideal technical characteristics for high-performance, mission-critical applications

Superior tensile strength

Up to 15x times stronger than steel wire ropes and 3-5x stronger than conventional synthetic fiber ropes, providing for an extreme advantage in mission critical lifting, mooring, and other industrial operations; considerably less recoil despite higher strength

Improved Safety

Eliminates "snap-back effect" and uneven breakage, which presents a huge worker safety concern; less exposed to dangerous partial ruptures that occur in steel wire; less impact due to weight in cases of heavy lifting

Abrasion resistance

With an abrasion lifespan 4x times longer than steel alternatives, fiber ropes are less expensive in the long-term and have a longer replacement cycle; less resistant to surface friction and abrasion, allowing for a rope to remain "newer" longer

Lightweight and easy to handle

Up to 7x lighter than conventional steel wire, presenting a significant economic advantage in transportation, storage, and personnel required; significantly easier to handle, leading to an elevated customer experience

Excellent Chemical and UV resistance

HMPE or UHMWPE fibers are very resistant against chemicals; fiber ropes limit swelling, hydrolyzing, or other water damages, making them suitable for a variety of demanding applications

Temperature Resistant

Pre-stretching using specific heat conditions provides a uniform structure enhancing the mechanical properties; Excellent performance in temperatures from -(40) to 70 degrees Celsius

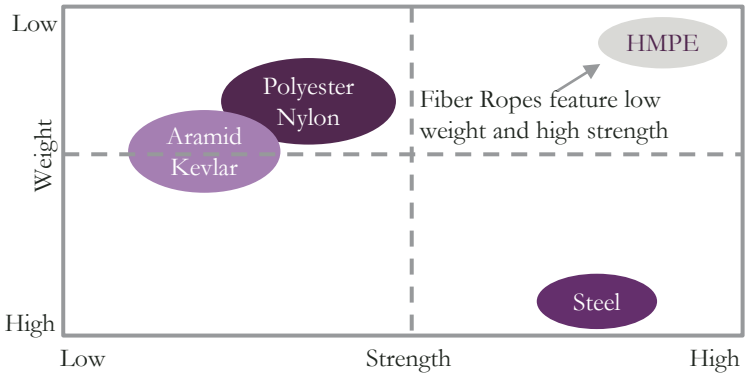
Source: Paladin research, Handbook of Tensile Properties of Textile and Technical fibers, Safety in mooring Operations ASK-EHS Engineering, Samson ocean systems abrasion test

SYNTHETIC VS. STEEL PRODUCT & APPLICATION COMPARISON

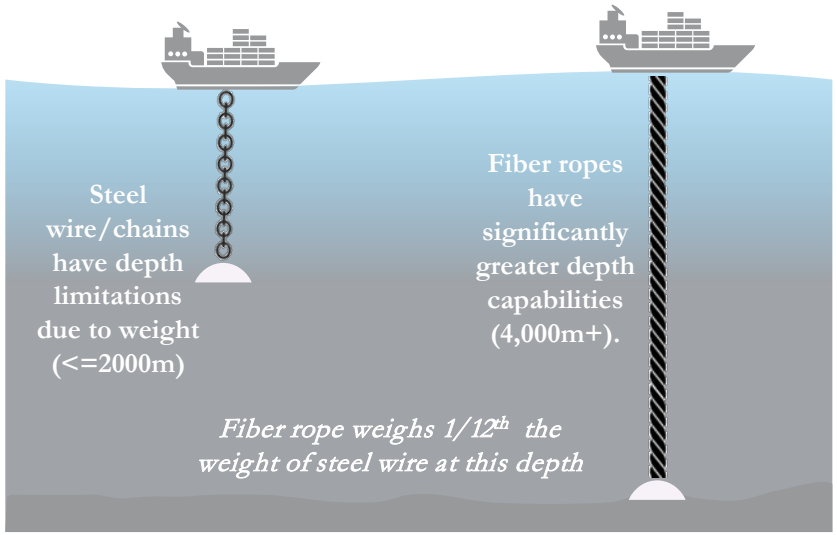
Synthetic products are primarily used in offshore and maritime applications, but the market is expanding to other technical applications where high-strength and low-weight is critical

Material Product Comparison

- Fiber ropes offer attractive physical characteristics vs. steel
  - ✓ Greater or equal strength
  - ✓ Greater flexibility
  - ✓ Lighter weight
  - ✓ Deeper application: weight of steel prevents its use beyond 2,000 meters in depth, whereas fiber ropes can service up to 10,000 meters
  - ✓ Higher demand of fiber ropes within offshore markets as depths continue to increase
- Common uses include mooring lines, offshore hook-ups to O&G offloading systems, submerging subsea equipment, towing seismic equipment, vessels, fishing equipment, and other diversified industrial end uses



Material Application Comparison



- As depth increases, the weight of steel wire increases, while installation capacity decreases – thereby making steel wires unserviceable in deepwater uses
- Solutions using fiber rope can reach great depths (unlimited) with virtually no increase in weight
- High-end synthetics tend to price higher than steel ropes on a headline basis due to greater performance capabilities

Source: Paladin research, WireCo public filings

HMPE ROPES ARE A BETTER OPTION THAN WIRE FOR LARGE VESSEL MARITIME OPERATIONS - ECONOMIC PAYBACK ANALYSIS

The economic payback analysis indicates a four-year year payback period, or ~$1.4mm lifetime cost savings

- The estimated cost for a mooring set for a Very Large Crude Carrier (VLCC) is roughly US$265,000, compared to US$120,000 for a set of steel wires. The estimated lifespan of the HMPE ropes is basically the life of the vessel (approximately 20 years), whereas the wires would need changing every five years due to deterioration on account of weather. On cost alone, the annual expenditure on wires is US$24,000
- HMPE fiber ropes avoid approximately US$40,000 per year of costs through:
  - In-service costs of the wires, which are estimated to require a deck crew roughly one month per year to maintain the wires correctly. This included cleaning the decks of grease after use and making good mechanical damage on the chock fairleads and rollers. The cost of grease and paint also had to be included
  - Mooring times; the savings in crew costs and turnaround times are also included and are significant during ship-to-ship operations
  - The cost of incidents involving mooring wires was also examined. After looking over past mooring incidents and their causes, it was estimated that mooring incidents would be reduced by 50%
- When added to the annual capital cost of wires (US$24,000), we get a cost to the company of US$64,000. Bearing in mind the cost of the HMPE mooring ropes, there is payback in just over four years, and a cost avoidance over the life of the vessel (20 years) of nearly US$1.4 million

Source: Riveramm, Paladin research

REGULATORS AND INSPECTION AUTHORITIES ARE FOCUSED ON INCREASED SAFETY DURING MOORING

Regulatory bodies increasing the safety and performance standards for mooring vessels will lead to a further HMPE adoption

- In an effort to bring such accident numbers *(see right hand side)* down and increase safety , central mooring rules and regulations are being amended and updated. Amendments to SOLAS regulation II-1/3-8 and new guidelines for safe mooring for all ships were approved in 2019. The amended requirements and new guidelines are expected to enter into force on 1 January 2024
- By this date, all new ships will be required to comply with the revised regulations for appropriate and safe-to-use designs of mooring arrangements. All existing ships must comply with new regulations for in-service inspection and maintenance regimes for mooring equipment and lines, and provide proper documentation
- Issued in 2018, the fourth edition of the Mooring Equipment Guidelines (MEG4) introduced the Mooring System Management Plan (MSMP) for tankers. Human-centric design principles are highlighted, along with a systematic approach to design and verification of mooring equipment, and a holistic application to managing mooring lines. MSMP, including Ship Design Minimum Breaking Load (MBL), has been adopted to the Ship Inspection Report (SIRE) vetting regime in the revised Vessel Inspection Questionnaire (VIQ7)
- DNV GL's help desks report receiving three to four new requests related to mooring every week for the past two years. In the tanker segment, seven percent of vetting inspection questions have been related to mooring since SIRE VIQ7 took effect in September of 2018

60%

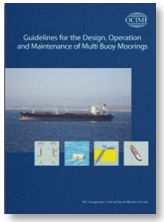
of maritime personal injury incidents occur during mooring operations

95%

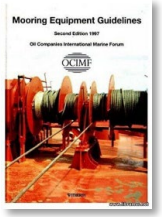
of mooring-related personal injury incidents are caused by failure of mooring ropes & wires

53%

of mooring accidents are caused by 'snap-backs'; 1 in 7 snap-backs result in a fatality

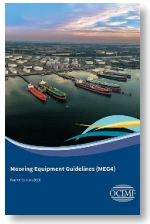


MEG1
1992



MEG3
1997

MEG3
2008



MEG4
2018

IAPH International Association of Ports and Harbors

OCIMF

IMO SOLAS

BIMCO

IMO

Source: Riveramm, Paladin research

WE ARE STILL IN THE EARLY INNINGS OF CONVERSION TO FIBER FROM STEEL ALTERNATIVES

The vast majority of industrial businesses have yet to convert to fiber alternatives, representing a massive growth avenue through direct sales channels and customer edification

Assumptions of High-Performance Fiber Rope Penetration vs. Steel Wire and Alternatives

End Market		2000 Conversion (%)	2022 Conversion (%)	2030 Conversion (%)	Commentary & Growth Prospects
Commercial Fishing & Aquaculture					▪ Increasing cage sizes drive demand for HMPE due to high strength and ease of handling ▪ HMPE netting is used in demanding conditions along with other synthetic fibers. ▪ Use of HMPE are effective in reducing escape incidents due to holes in nets caused by predators, chafing and snagging and mooring failures
Marine & Shipping, Tugging, & Towing					▪ HMPE increasingly used on larger ships to replace wire or large standard ropes ▪ 7-9 times stronger than steel wire ropes and 3 times stronger than conventional synthetic fiber ropes at same weight ▪ HMPE especially beneficial for LNG ships where wire can cause sparks around highly flammable gas
Offshore Oil, Gas & Renewables					▪ Many deep-water mooring applications have converted from steel wire to synthetic fiber rope ▪ HMPE offers the utmost safety and reassurance for increasing water depths and larger installations ▪ Applications include including deep water mooring lines, marine lifting and rigging ropes and seismic tow ropes
Lifting, Mining, Safety & Infrastructure					▪ Mining is one of the most punishing environments, requiring heavy duty pulling, hoisting, and lifting operations ▪ Lightweight, flexible, and easy to handle, high strength synthetic fiber rope solutions significantly reduce rigging time, manpower and injury risk

Source: Paladin research, Paladin expert interviews

BARRIERS FOR CUSTOMERS SWITCHING TO FIBER ROPE ARE GRADUALLY BEING OVERCOME

The major conversion hurdle for legacy steel wire users is headline price; Barriers to switching are expected to fall significantly as the costs of HMPE raw materials continues to decline with new supply sources, and the comfort levels with using this new technology continues to increase over time

	Barriers to switching from steel wire to high-performance fiber rope	Perceived importance	Key Trends
1 **Price**	▪ Price continues to be the main barrier as it is 2-3 times as expensive as standard rope and steel. Customers often are not educated on "total cost" and the savings across the rope's lifetime ▪ When ropes are replaced on a particular unit or vessel, customers typically will replace the entire set all at once; this leads to a lumpy effect on the P&L. Value-selling and incremental replacement can reduce the switching costs from steel wire		▪ HMPE raw material price dropping as competition increases
2 **Performance Factors**	▪ In end markets where rope performance and weight is critical (e.g. offshore), high performance ropes are critical to the overall operational success of the company ▪ Increasingly, companies also seek to switch for safety, reduced workforce, and ease of handling ▪ The alternatives to high performance ropes (class one fibers, nylons, steel wire) are often considered satisfactory in less mission-critical markets		▪ HMPE fibers have significantly better performance characteristics
3 **Knowledge**	▪ Users of steel wire are typically legacy purchasers with decades of experience using an antiquated material. It is easier for such procurers to not bear the cost of change ▪ Significant potential for demonstrations, in-person visits, and customer edification exists; this customer service can be accompanied by ongoing testing, monitoring, training, and installation services to allow customers to have greater comfort in the new products		▪ Comfort with HMPE technology increasing over time
4 **Certification / documentation**	▪ Having proper documentation and certificates is highly important in regulated industries (e.g. oil & gas); extensive documentation of steel wire already exist here ▪ However, as high-performance ropes have now matured in the market and adhered to regulatory standards of their own, this barrier is less and less of a barrier		▪ Certification / documentation comes with continued industry use

Source: Paladin research, Timm, Arkwright research, Paladin expert interviews

CASE STUDY: WORLD'S LARGEST CRANE MANUFACTURER EXPLORES SWITCHING FROM STEEL WIRE TO FIBER ROPE

Liebherr, the world's largest crane manufacturer, has developed a new type of high-strength fiber rope for hoisting operations. Whether tower, mobile, crawler, or maritime cranes, this new development of a high-strength fiber rope will in future be replacing the steel rope in a wide range of crane operations. This project is based on a systematic cooperative venture between Liebherr engineers from various divisions, including Liebherr-Components Biberach GmbH, as well as the three Liebherr manufacturing plants for tower cranes, mobile and crawler cranes, and maritime cranes in Biberach, Ehingen, and Nenzing. Currently, the ropes are undergoing tests on both the bench and on a number of Liebherr cranes in field trials.

Reasons behind the development

The practical requirements of cranes with increasingly higher hoisting heights and maximum load capacities require a realignment in the rope and crane design. The HMPE fiber rope was developed after many years of collaborative work is based on the vast experience of Liebherr in rope applications and the in-depth know-how of Teufelberger in the development and manufacture of fiber and steel ropes.

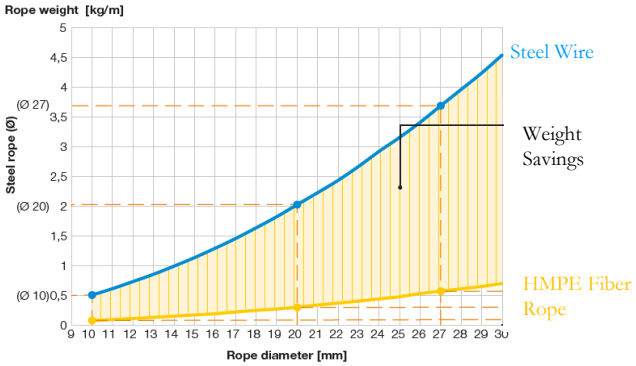
Status of development

Up to now, Liebherr has tested a big number of rope designs on several test benches for a total duration of about 45.000 hours. These tests were conducted specifically on multi layer drum windings and reverse bending strength. The total rope length tested was about 50.000 m. The result is a high-strength fiber rope that fulfills all the specified requirements.

Achieved targets

- ✓ Maximum weight savings of about 80 % compared with a steel rope
- ✓ Easy reeving and unreeving operations.
- ✓ Less rope weight for increasing load capacities, especially for big lifting heights
- ✓ Maritime cranes can lower loads to considerably greater water depths
- ✓ Reduced hook block weight
- ✓ Reduced transport weight
- ✓ Smooth-running multi layer windings on the drum.
- ✓ No rope lubrication needed; no soiling on vehicle cranes' front windows
- ✓ Long service life
- ✓ Clear discard criteria

Liebherr test results: steel wire weights compared to HMPE fiber



Source: Liebherr

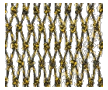
DIVERSE SET OF HIGH-PERFORMANCE PRODUCTS POSITIONS TUFROPES AS A "DO-IT-ALL" ROPES & NETS PROVIDER

Tufropes' product portfolio of over 35,000 SKUs services the harshest, mission-critical environments where commoditized alternatives do not suffice

Fishing & Aquaculture

Key Products:

Aquatuf™ & Polaris™ HMPE Netting



Aquamarine Braided & Knotless Nets

Supertuf™ High Tenacity Rope

HDPE Twisted & Knotted Nets

Ropes & netting products that are focused on high tensile strength, low stretch, and innovative materials (HMPE, HDPE, knotless, twisted, & braided nets)

Certifications & Accreditation

aquastructures

Shipping, Offshore & Renewables

Key Products:

Polaris™ HMPE Strand ropes

Tufflex™ High Tenacity Ropes

PP Winch Line Double Braid

Tufflex™ Tails

Products built for the long term, with a focus on high performance in harsh conditions, abrasive elements, and over long periods of time

Certifications & Accreditation

Lloyd's Register · OCIMF · DNV·GL · 14929:2001 Certified · ISO 9001 ISO 14001 BUREAU VERITAS Certification

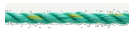
Industrial & Safety

Key Products:

Powerline™ & Nylotuf™ Transmission Ropes

Triple Layer Braided & Twisted Safety Nets

Industrial PP and HMPE Rope



Supertuf™ High Tenacity Rope

Products highly focused on tension strength and durability for maximum safety across critical applications; replacement of legacy steel chain and wire products

Certifications & Accreditation

14929:2001 Certified · ISO 9001 ISO 14001 BUREAU VERITAS Certification · 5175:2014 Certified

Other (Commercial, Sport, Recreation, Agriculture)

Key Products:

Gym, Recreation, and Climbing Ropes

Sporting Nets

Baler Twine

Bird Netting

Products are built with superior design, performance within harsh conditions, and great aesthetics in high visibility situations to promote the brand

Certifications & Accreditation

14929:2001 Certified · ISO 9001 ISO 14001 BUREAU VERITAS Certification · 5175:2014 Certified

Source: Tufropes, Paladin research

MULTIPLE STRATEGIC GROWTH OPPORTUNITIES FOR PERFORMANCE IMPROVEMENT

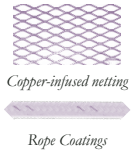
As Tufropes enters into its next phase of ownership, there are several identified ways to accelerate future growth and margin expansion organically and inorganically

1

New product development: expand further into high-margin, value-added products: aquaculture nets and high-strength, high-durability HPME ropes, and other additive / customizable services

Aquaculture Nets

HMPE for Maritime & Industrial Applications



Value-add Innovations

Tracking / Testing Services

Tufropes is well-positioned for future growth with capacity to grow at **10-12% p.a. without incremental capital expenditures over the next five years**

2

Direct go-to-market sales & marketing strategy: establish direct salesforce to focus on the Aquaculture Nets market and the HMPE Maritime & Industrial Rope end markets

Current go-to-market strategy

Raw Material Suppliers → TUFROPES DESIGNED TO OUTPERFORM → Rope & Netting Distributors → End Users

New go-to-market strategy for key end markets / products, in addition to legacy strategy

Raw Material Suppliers → TUFROPES DESIGNED TO OUTPERFORM → Netting Distributors → Aquaculture Netting End Users

3

Operational improvement plan: Transition from multi family-owned, passively and conservatively managed business to dedicated professional management team, backed by growth-focused owners

- ✓ First time dedicated CEO & CFO, supported by newly formed Board of Directors
- ✓ Renewed investment into new product development and R&D
- ✓ Performance management and incentive alignment; first-time management incentive plan and sales bonus scheme
- ✓ Lean management, total productivity management, industry 4.0, enhanced safety programs, and ESG initiatives to drive tremendous operational improvements; leading to significant annual cost savings
- ✓ M&A support (opportunity identification, ownership support, incremental growth capital, integration and synergy realization)
- ✓ Aggressive growth strategy through research, additional human capital, and idea generation
- ✓ Streamlined back-office functionality, cloud-based software installation

4

Transformational and bolt-on M&A: strategic opportunities identified as additional upside not included in financial plan

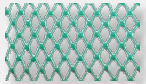
Transformational M&A	Transformational M&A	Bolt-on M&A	Bolt-on M&A
Target #1	Target #2	Target #3	Target #4
			
Leading HPME ropes manufacturer	*Leader in fisheries, aquaculture, and offshore industries*	*Leading aquaculture products supplier*	*Leading maritime products manufacturer*

Source: Paladin research, public sources

STRATEGIC EVOLUTION TO GLOBAL MARKET LEADER FOR HIGH-PERFORMANCE FIBER ROPES & NETS

A: From Family-Owned, Single Focus to Regional Expert

Over its 30-year history, Tufropes has captured a market-leading position within ropes, both domestically and as an exporter; the business has grown organically into a global top 3 player in synthetic ropes and a well-respected brand, supported by a strong technical base of employees…

	Early Years (1992-2010)	Recent Years (2010-2022)
Strategic Position	▪ Family-owned ropes manufacturer ▪ Focus on gaining market share and developing quality rope products	▪ Achieved dominant position in ropes (#1 India, top 3 Globally) ▪ Focus on building product portfolio across ropes, nets, and services ▪ Focus on driving export sales through partnerships and commercial efforts
Commercial Footprint	 **India**	  **Europe** **Asia**
Product Offering	 **3-Strand Ropes** **8- Strand Ropes** **12-Strand Ropes**	  **3 Strand Through-24 Strand Ropes** **HMPE Ropes** **Splicing Services** **Knotted Netting** **Knotless Netting** **Braided Twine**

- Tufropes is a true multigenerational, family-owned and operated success story
  - In 1992, the business was founded and began selling high quality ropes domestically at competitive prices
  - Today, the business has fundamentally expanded the under second generation ownership into a global leader in both ropes and nets, growing at a double-digit CAGR over the last twenty years
- Through active partnerships and significant product development, the business has entered into the premium netting industry and is poised for future market gains, having already partnered with companies in Scotland and Chile
- The business has steadily improved profitability and has invested into an industry-leading base of capacity

Source: Tufropes, Paladin research. Note: Tufropes has a March 31st fiscal year end.

STRATEGIC EVOLUTION TO GLOBAL MARKET LEADER FOR HIGH-PERFORMANCE FIBER ROPES & NETS

B: From Regional Expert to Global Enterprise and Market Leader

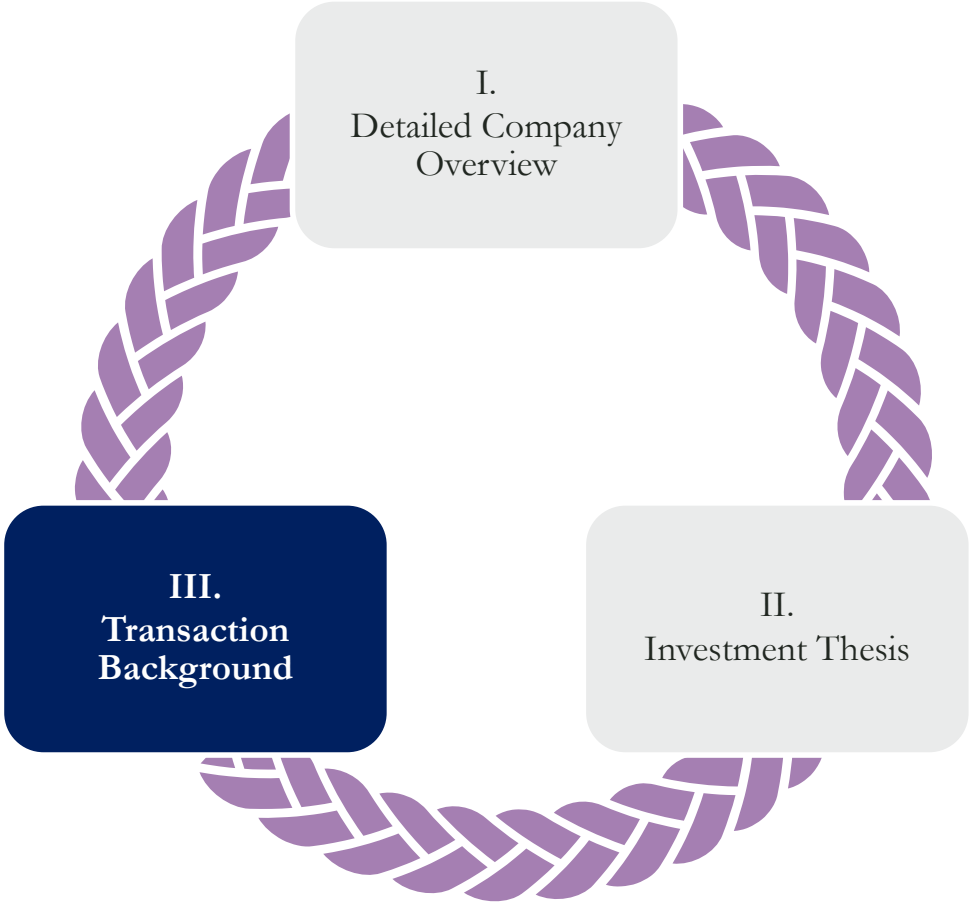
…and Aimia & Paladin believe that the business has reached a mature scale and passive operational state, leading to an immense opportunity for future growth under new ownership focused on expanding the product and geographical footprint

	Recent Years (2010-2022)	Under Aimia Ownership (2023+)
Strategic Position	▪ Achieved dominant position in ropes (#1 India, top 3 Globally) ▪ Focus on building product portfolio across ropes, nets, and services ▪ Focus on driving export sales through partnerships and commercial efforts	▪ Globalization of company supported by new management, marketing, and sales efforts ▪ Focus on lean operational improvements ▪ Strategic M&A to expand geographically and into new product niches
Commercial Footprint	Europe, Asia	Asia, Europe, N. America, S. America Aquaculture Nets, HPME Rope
Product Offering	3 Strand Through-24 Strand Ropes HMPE Ropes Splicing Services Knotted Netting Knotless Netting Braided Twine	3 Strand Through-24 Strand Ropes HMPE Ropes Splicing Services Knotted Netting Knotless Netting Braided Twine Services: Alloyed-infused nets, Coated Ropes, Sensing / Tracking Technology

Source: Tufropes, Paladin research. Note: Tufropes has a March 31st fiscal year end.

- Tufropes is extremely well-positioned for future growth under a new ownership structure:
  - Significant brand equity has been created but not heavily marketed & sold internationally
  - The company had limited bandwidth and experience managing international sales personnel; this growth effort will be catalyzed under new leadership and incentive structures
  - Aimia & Paladin have identified several large-scale and bolt-on opportunities, where the company has formerly avoided engagement or relied on partnerships
- Coupled with operational initiatives under first-time professional ownership, Amia & Paladin believe top-line can be doubled and an organic margin expansion of 500-800bps is feasible

TABLE OF CONTENTS



TRANSACTION BACKGROUND

Multi-family, passive ownership

- Since its founding in 1992, Tufropes has been owned by two families
- Tufropes' family owners have been extremely conservative in pursuing growth initiatives (e.g. avoiding M&A, not investing in an international direct sales team). They have, however, invested a significant amount of capital into building a large, well-capitalized manufacturing operation with capacity to service future demand
- Both families believe that the company's full growth potential will be achieved through a transition to a professional management team and a less capital-constrained, global owner willing to invest to support growth through M&A and a direct sales team in North America and Europe

Transition to professional management & active board

- Tufropes will operate for the first time in its history with a dedicated President & CEO and with active oversight from a newly appointed Board of Directors
- All existing employees of Tufropes will remain with the business providing continuity of its well-regarded commercial and manufacturing offering to current and prospective customers
- Tufropes' family owners have agreed to a meaningful and ongoing role through a committed transitional support agreement

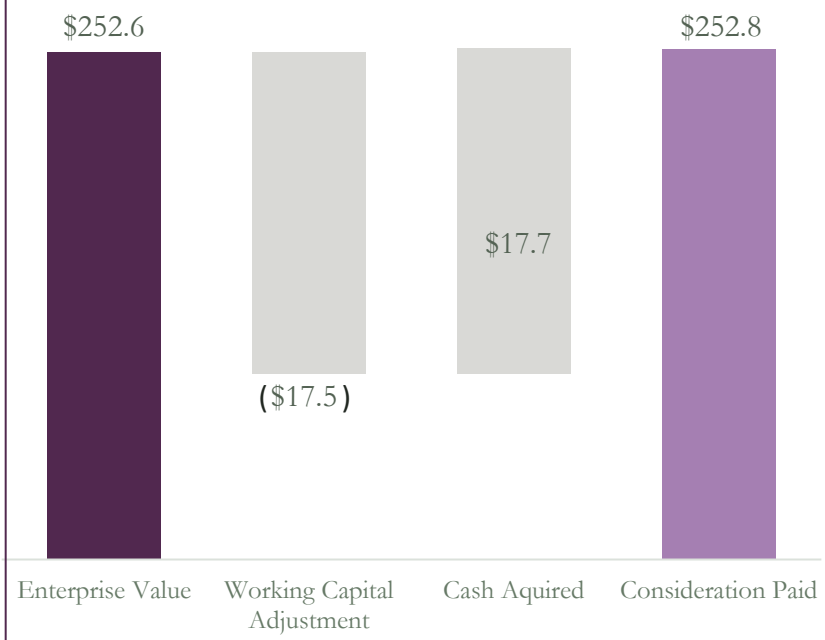
Proprietary and exclusive

- Paladin leveraged its strong relationships with Tufropes' family owners and its advisors to secure a proprietary, bi-laterally negotiated transaction outside of any auction process
- During an exclusivity period (December 2022 – January 2023), Aimia and Paladin completed extensive due-diligence using third-party advisors (covering the following key diligence areas - commercial, operational, accounting, tax, legal, environmental, insurance, HR benefits and detailed background checks)
- During the same exclusivity period, Aimia and Paladin also negotiated extensive transaction documentation (including customary purchase agreements and a transitional services agreement). These transaction documents were signed on January 31st, 2023. Aimia expects the transaction to close on or about March 17, 2023
- Aimia expects to finance the transaction with a combination of cash from its balance sheet and third-party debt borrowings (with Tufropes as the borrower)

TRANSACTION PRICING OVERVIEW

($CAD in millions)

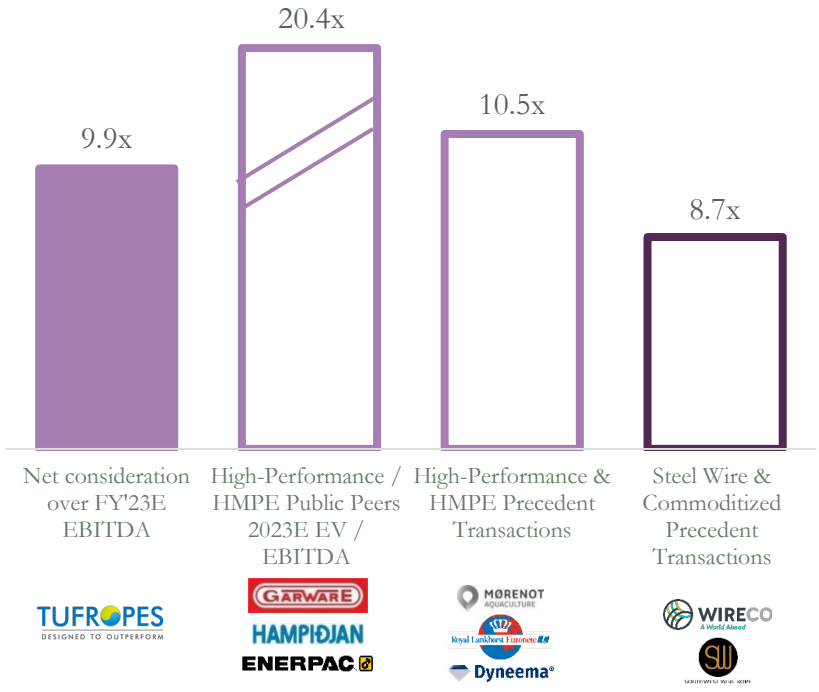
Purchase Price Analysis



Net consideration = $235.3 million = total consideration paid less working capital adjustment

Effective Purchase Price Multiples

Tufropes trades at an effective discount to its closest high-performance peers while maintaining a substantially higher growth rate over the past two decades



Source: Tufropes, Paladin research
Note: Tufropes has a March 31st fiscal year end;

PALADIN PRIVATE EQUITY LLC BACKGROUND (1/2)

PALADIN

BUILDING GLOBAL LEADERS

Firm Background

- Paladin Private Equity LLC ("Paladin") is a global private equity firm based in the US (Los Angeles & New York) and Germany (Hamburg) with a focus on investing in and building global market leaders within the industrial technology sector (website)
- Paladin's investment strategy targets unique companies that dominate highly attractive niche markets encompassing highly-engineered, manufactured products and technology-enabled, business services. These companies are distinguished by deep and sustainable competitive advantages and with as yet unfulfilled global growth, lean management and digital technology performance improvement potential
- Paladin's investment team, board of directors and senior advisor network have extensive experience advising management teams on global sales & marketing growth strategies (including new product development and geographic expansion), executing and integrating global M&A, optimizing complex global manufacturing, procurement, and supply chains and pioneering the use of lean management and cutting-edge digital technology to automate and modernize operations for maximum efficiency, quality, innovation and safe operations

Team Background

The Paladin team collectively have over 50 years of relevant investing and operational experience into global businesses like Tufropes:

- Tariq Osman, Founder & Managing Partner – (LinkedIn)
- Eric Hauser, Principal – (LinkedIn)
- David Joyce, Partner & Chief Financial Officer – (LinkedIn)

PALADIN PRIVATE EQUITY LLC BACKGROUND (2/2)

Key Terms of Aimia & Paladin Memorandum of Understanding

On January 26th, 2023, Aimia and Paladin entered into a binding Memorandum of Understanding that provides for the following key terms:

- Paladin will be entitled to a customary success fee upon a successful closing of the Tufropes transaction. Paladin will also be entitled to reimbursements of certain fees & expenses it incurred
- Contingent upon a successful investment outcome, Paladin will be entitled to carried interests in the Tufropes investment subject to a minimum preferred return to Aimia.
- For a period of up to one year after closing of the Tufropes transaction, Paladin will be entitled to acquire up to 19.9% minority equity position of Tufropes from Aimia within one year of closing, at Aimia's initial cost plus an 8% per annum cost of capital charge
- Paladin will provide management services and support certain key projects directly with the senior management team of Tufropes.
- Upon transaction close, Aimia will hold a majority of the seats on the Tufropes Board of Directors. Paladin will retain two seats on the Board of Directors and, alongside Aimia, will support the Tufropes senior management team with its execution of the Investment Thesis

TUFROPES SENIOR MANAGEMENT TEAM

Jack Wang
President

- Mr. Wang is a Senior Executive with over 20 years of leadership experience in sales & marketing, business strategy, and corporate transformations. Jack has held various leadership roles across Asia, Europe and Americas. Most recently, he was the General Manager of the Americas regions for Packaging Accessories division at Greif Inc.
- He holds a B.A.Sc. degree in materials engineering from University of British Columbia and an MBA from INSEAD
- After closing, a senior management team led by Jack Wang will implement a detailed "100-day plan" and initiate the Paladin growth strategy

LinkedIn

Previous Experience:

Tri-Sure®

HW HUA WEI®

GREIF PACKAGING SUCCESS TOGETHER™

Source: Paladin research

WORLD-CLASS INDEPENDENT NON-EXECUTIVE DIRECTORS TO JOIN TUFROPES BOARD

Paladin & Aimia have identified tenured non-executive directors with deep industry knowledge to support the business plan, identify future M&A prospects, and offer key insights into Tufropes' core and prospective end markets

- Mr. Wandl has spent his 30+ year career in the maritime fiber rope mooring sector, and is the current CEO of Moreld Wind, an offshore wind engineering company focusing on mooring products. He is based in Rogaland, Norway, strategically close to Tufropes core end markets within for ropes
- Previously, he served as CEO for Delmar Systems, a US-based offshore mooring systems services firm, and as CEO for Global Maritime Mooring Group. Mr. Wandl is a leading executive within global mooring communities and brings an extensive knowledge of synthetic fiber ropes
- Mr. Wandl received an engineering degree from Technische Universität Wien
- LinkedIn

Wolfgang Wandl

Experience:

moreld ocean wind

DELMAR

VIKING SeaTech

GLOBAL MARITIME

strukturas

- Mr. Scherr has over 20 years of experience with top-tier law firms and in-house with large multinationals, most recently as current Vice President and General Counsel (Asia Pacific) for Tetra Pak, a Swedish–Swiss multinational food packaging and processing company
- In his current role, Mr. Scherr has led a team of 16 market lawyers and one contract manager. He directs the Global Legal Affairs 2030 initiative to ensure the law department evolves in line with the company's 2030 targets, and is responsible for legal matters in the Asia Pacific region, including Asia, South Asia, and Oceania
- Mr. Scherr received a B.A. from the University of Texas at Austin and a J.D. from Stanford University
- LinkedIn

René Mario Scherr

Experience:

Tetra Pak

JONES DAY

AIMIA

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