



Bringing everyday heroes home safely

TSXV: PSP





Forward Looking Agreement

Apart from historical data, this document contains information and statements concerning the future results of the Pacific Safety Products Inc. (the “Company” or “PSP”) which should be considered as prospective and forward-looking. These statements reflect the current vision of the Company’s concerning future events; they are based on information currently available to the Company and on assumptions which are considered reasonable. These prospective statements are subject to risks, uncertainties and other factors likely to influence the results, performance and achievements of the Company such that they could differ substantially from the results, performance and achievements prospective statements of this nature might imply.

The Company is in no way obliged nor does it intend to update or revise these prospective statements on the basis of new information, future events, etc.

- Largest supplier of Armour and Blast Protection Products in Canada
- Board and management aligned on the business growth path
 - ✓ Refreshed product lines
 - ✓ Clean balance sheet with healthy cash position (~\$1M)
 - ✓ Momentum evident to fuel increasing profitability
- Current business has a robust portfolio of NIJ Certified refreshed products
 - ✓ Opportunity to take advantage of US competitor weakness
 - ✓ Only company in the market with Canada and US MFG capability
 - ✓ 130 people located in two plants: Arnprior, ON & Dover, TN
- Sustainable cash flow
 - ✓ No needs of dilution in order to grow the business
- Opportunity for significant revenue growth based on visible/tangible contract opportunities





Investment Highlights

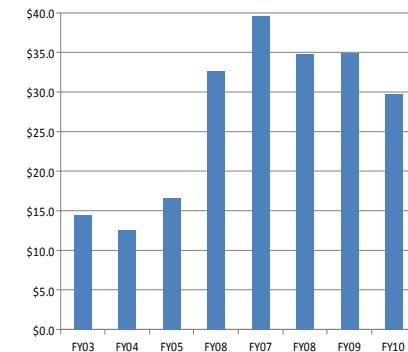
TSX Venture:	PSP
Shares Outstanding:	65.1 Million
Warrants:	Nil
Options:	4.9 Million
Fully Diluted:	69.8 Million
52 Week High/Low:	\$0.225 / \$0.035
Market Capitalization:	11.4 Million
Insider Ownership:	21.2%
FY 2014* Revenues:	14.2 Million
FY 2014* EBITDA:	~\$600 k



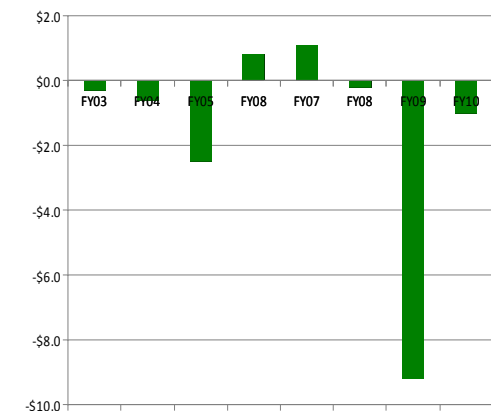
* Fiscal Year End: June 30, 2014

- Established in 1984
- Public Company since mid 1990's
- History of underperformance and unprofitability
- In 2004 two major DND contracts created a multi-year backlog of business (~\$60M)
- Company market cap soars to over \$40M in by mid-late 2004
- From 2005 – 2009 PSP enters the US body armour market with GH Armour (formerly Sentry Armor Systems, Dover, TN)
- PSP overpays for a US body armor competitor (GH Armor) and a CDN distributor of law enforcement equipment, fails to integrate and grow the business
- Company burdens itself with inefficient organization structure
- Large R&D projects are funded and never capitalized on
- New management arrived in October 2012 to turn Company around

Revenue

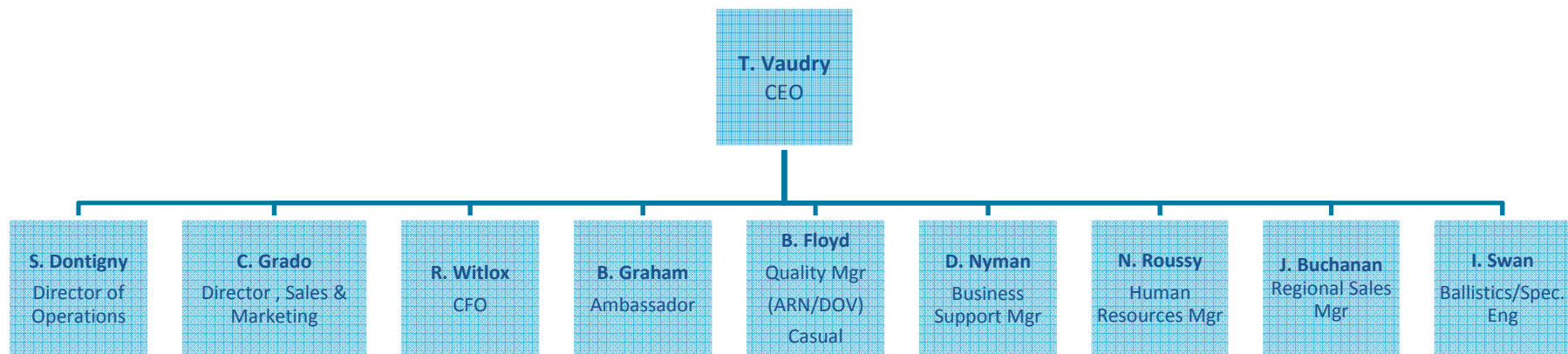


Earnings



➤ Board of Directors:

- ✓ Fraser Campbell, Chairman of the Board
- ✓ Terry Vaudry, CEO & Director
- ✓ Ken Hight, Chairman of the Audit Committee



- Defense and Security
 - ✓ Protective Products for Law Enforcement and the Military
 - ✓ Primary focus on the individual Officer, Agent or Soldier
 - ✓ PSP provides Duty & Ballistic Protection

- Uniforms/Clothing
 - ✓ As an OEM (tactical clothing)
 - ✓ CBRN Protective Clothing

- Industrial & Vehicle
 - ✓ Blast Protection for mission critical components
 - ✓ Workplace safety

- ISO 9001 Certified (Canada & USA)



➤ Ballistic and Blast Protection

- ✓ Research, Development and Testing
- ✓ Product Design and customization
- ✓ Manufacturing
- ✓ Post Delivery Support Services

➤ Dedicated Design Team

- ✓ Product Designers
- ✓ Mechanical Engineering
- ✓ Human Factors/ Ergonomics



Canada:

- Sells direct to end users in Canada
- Canadian SBA market size \$10 – 15M annual ex military
 - ✓ PSP occupies 70% of marketplace
 - ✓ Excellent client focused reputation (Dominant MFG)
- Multi-year trend lines (entering into prolonged expansion)
- Military buys 1-2 times per 10 year cycle on average
 - ✓ Tender due fall 2014 (expected value \$20 – 30M delivered over 2 years)

USA - GH Armor Business:

- Sells via distributors
- US SBA market size: \$200M annual (ex military)
 - ✓ GH occupies 3% of marketplace
 - ✓ Opportunity to grow market share
- Business retrenching after neglect and failed sell transactions
- GH in the process of a complete product refresh and is expanding sales and marketing efforts to take advantage of a fragmented market place

- Low tech but high quality product
- High barriers to entry due to certification costs, product development time
- Sales cycles difficult to time for new competitors into the marketplace
- Client loyalty paramount
- Frequent customization allows PSP to differentiate from competitors
- Preference for domestic in country production
- Offshore MFG not an option due to quality & low volume orders

- Ontario Shared Services
 - ✓ Soft Body Armour
 - ✓ Tactical Clothing

- Canada Border Security Agency
 - ✓ Soft Body Armour

- Dept. Fisheries & Ocean
 - ✓ Soft Body Armour

- RCMP
 - ✓ Soft Body Armour



Customer	Soft Body Armour	Tactical Clothing	Special Duty Body Armour	Ballistic Panels	Ballistic Blankets	MP Armour	Spike Body Armour
Ontario Shared Services	★	★					
Canada Border Security Agency	★						
Dept. Fisheries & Oceans	★						
RCMP	★		★	★			
DND					★	★	
OPP							
CSC	★						★

- Sales are direct to end customer buyers
- 60 – 75% multi-year with fixed pricing and yearly options, frequently extended

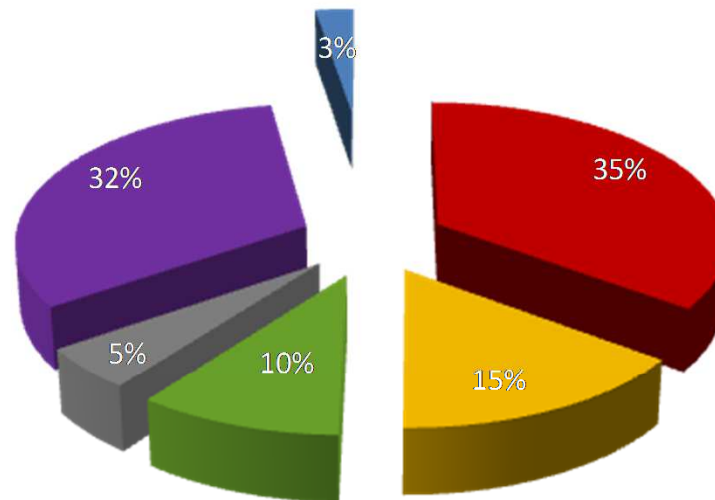
- Revenue levels for Law Enforcement expanding due to contract mining
- Canadian Military confirmed to buy vests and CBRN equipment
- Opportunities for growth as we expand our product portfolio (vehicle armour)
- International sales growth
- Margin expansion



- Mature market - \$200 Million
- It is an intimate market: everybody knows everybody; relationship and history are valuable for success
- Highly fragmented
- Key competitors weak due to over expansion during Iraq and Afghan wars
- Competitive pricing
- “Made in USA” is important
- Delivery times and frequent customization is the key to success



- The US Competition for Soft Body Armour for Law Enforcement (non Military) is as follows:



■ Safariland ■ Point Blank/PACA ■ Diamond Black ■ KDH ■ All others ■ PSP

- Sales are primarily to domestic distributors with end users primarily in the state/local, private security and federal sectors

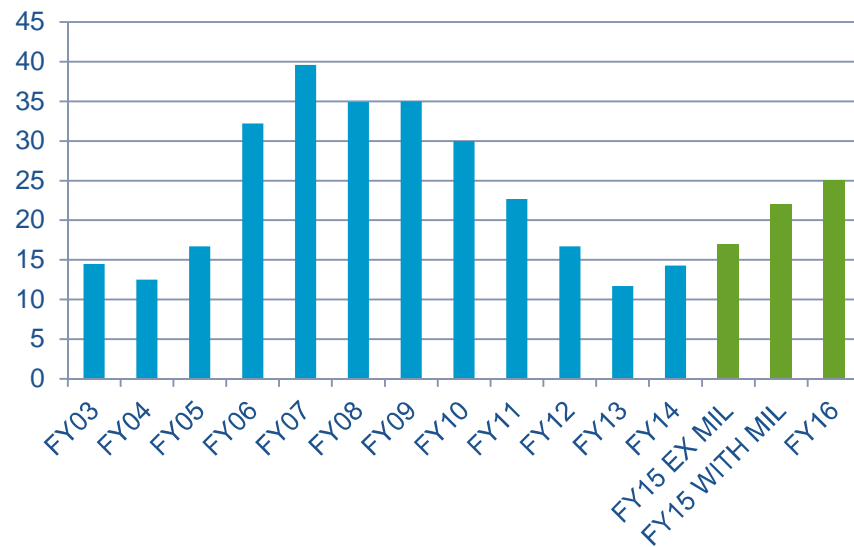
- Top Distributors (FY 2014 sales)
 - ✓ Grainger (National)
 - ✓ Galls (National)
 - ✓ Kroll (National)
 - ✓ Blumenthal Uniforms (WA/OR)
 - ✓ Uniform Den (IL)
 - ✓ Azar's/McCain (AL)
 - ✓ Skaggs (UT)
 - ✓ CMS Uniforms (TN)
 - ✓ GL Distributors (FL)
 - ✓ Syspro (Mexico)



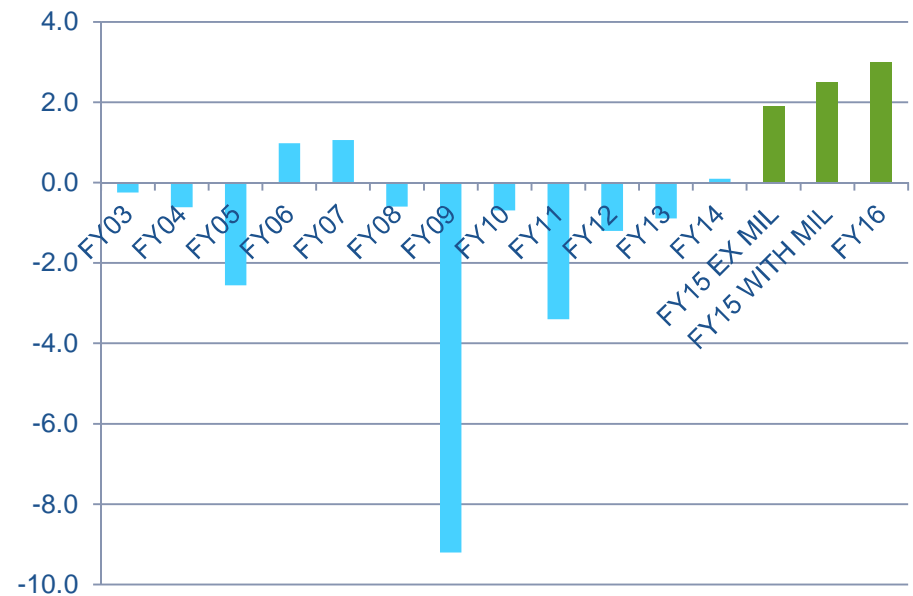
READY IS THE ONLY OPTION.

- There are opportunities for sales growth in FY 2015 and FY 2016:
 - ✓ GH current, small share of the market at roughly 3% of \$200M total available
 - ✓ Competitor difficulties allow targeting of key, new distributors
 - Large competitors struggling after ongoing expansion to service the war effort
 - ✓ Use of distributor GSA sales forces to address the federal market
 - ✓ The GH Armor brand is respected:
 - Products are competitive
 - Firm has a reputation for integrity
 - Better delivery times
 - Customization
 - ✓ New products are coming online: complete product refresh
 - ✓ Margin expansion

Revenue



Earnings



* FY 15 to FY16 are company's projections. Actual results may differ from the figures above.

- PSP at the right size to remain profitable at ~ \$14M revenue (FY 2014)
- Significant near term opportunities for sales growth:
 - ✓ Fiscal 2015 (Revenue ex military \$16 -\$18M)
 - ✓ Calendar year 2015 with military \$20 – 23M
 - ✓ Fiscal 2016 \$23 – \$26M
- Gross Margins target to be 30 – 32%
- EBITDA 12% - 14%
- With the need for continued consolidation in the United States, PSP is expanding sales and marketing efforts to take advantage of a fragmented US market place



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