Innovative solutions for flexible packaging and agriculture industries

$CDN unless otherwise indicated (Update as of January 8, 2018)
Safe Harbour

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Imaflex (TSX-V: IFX)

Innovative solutions for flexible packaging and agriculture industries

Established in 1994 and headquartered in Montreal, Quebec

Operating three manufacturing facilities, two located in Quebec (Montreal and Victoriaville) and one located in Thomasville, North Carolina

Warehouse facility located in Thomasville, NC

2016 sales of ~$74 million
## Portfolio Overview

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CONVERTER FILMS</strong></td>
<td>Polyethylene film for converters who process film into finished product: primarily packaging industry</td>
</tr>
<tr>
<td><strong>INDUSTRIAL PRODUCTS</strong></td>
<td>Garbage, compostable bags, gaylord bags and bags on rolls</td>
</tr>
<tr>
<td><strong>METALIZED FILMS</strong></td>
<td>Food packaging, commercial &amp; specialized metalized agriculture mulches for insect repellency, growth &amp; yield</td>
</tr>
<tr>
<td><strong>AGRICULTURAL FILMS (NON-METALIZED)</strong></td>
<td>Standard, compostable, &amp; barrier films + next generation active ingredient release film</td>
</tr>
</tbody>
</table>
## Imaflex Serves Two Key Markets

<table>
<thead>
<tr>
<th>FLEXIBLE PACKAGING¹</th>
<th>MULCH FILMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>~US $28B North American industry</td>
<td>~US $3.5B Global mulch film market³</td>
</tr>
<tr>
<td>North America market projected to grow at ~3-4% CAGR²</td>
<td>Global mulch market projected to grow at ~ 8.3% CAGR³</td>
</tr>
<tr>
<td><strong>Resilient</strong> to economic downturns</td>
<td><strong>Leader</strong> in agricultural film development with revolutionary patented film:</td>
</tr>
<tr>
<td><strong>Top 100</strong> North American film and sheet manufacturer by sales</td>
<td>• multi-million dollar market potential for ADVASEAL® once commercialized</td>
</tr>
</tbody>
</table>

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¹ Plastic News Annual Ranking: NA Film and Sheet Manufacturers (September 2017)
² Smithers Pira
³ ResearchandMarkets (August 2017). The Mulch Film market is expected to grow from $3.30 billion in 2016 to reach $5.75 billion by 2023 with a CAGR of 8.3%.
# Agricultural Films Portfolio Overview

**Reducing Production Costs, Pesticide Use and Plastic Waste**

## MULCH & BARRIER FILMS

**Can-Grow**
- Used for better weed control, increased and earlier harvests, higher quality produce and more efficient use of water

**Can-Block**
- Barrier mulches for pre-plant soil fumigation: mitigate evaporation and reduce nuisance odors

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## COMPOSTABLE FILMS

- Compostable plastic mulches providing the same advantages and benefits as traditional mulches
- Mineralization triggered after season by diskling and ploughing

## UV-REFLECTIVE FILMS

- UV-reflective metallized mulch for insect and disease control in fruit, vegetable and citrus production
- UV rays also stimulates plant growth, yield and quality

## COMPOSTABLE FILMS

- UV-reflective metallized mulch for insect and disease control in fruit, vegetable and citrus production
- UV rays also stimulates plant growth, yield and quality

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### ADVANTAGES

**Can-Grow XSB**
- 30% thinner and lighter, yet as strong as common mulch films
- 30% less plastic consumption
- Reduced purchase/disposal costs

**Can-Block EVOH**
- Qualified for highest US-EPA buffer zone credits (60%)
- Lower fumigant rates and costs

**ADVASEAL HSM** is an EPA commercialized herbicide releasing mulch. ADVASEAL® commercialization in development.

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### ADVANCED

**ADVASEAL®**
- Revolutionary multilayered film capable of releasing active ingredients
- Simplification of agriculture practices—combines pest control with plastic mulch

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### COMMERCIALIZED

- Eliminates working steps and costs (est. savings of $200 - $800 per acre)
- Safe, easy to apply & precise applications of crop chemicals
- Environmentally safer, with no drift

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### IN DEVELOPMENT

1. IMAFLEX INC.
Shine N’ Ripe XL

Advanced Metalized pest repellency film for the citrus market to fight citrus greening, while increasing growth and yield

- Advanced heavy duty film to control insect vectored disease by solar reflection
- Solar UV-light disorients insects, accelerates plant growth, enhances fruit coloration and shortens time to market
Citrus Greening Threatens Global Citrus Production

**Bacterial disease** transmitted by the **Asian Citrus Psyllid (ACP)** while feeding on **citrus trees**

**Effects:** early fruit drops, low yields, deformed off-flavored fruits, **eventual tree death** and **large economic loss**.

**Citrus Greening** is one of the most significant threats to global commercial and sustainable citrus production. There is **no cure**, aside from replacing an infected tree – but it takes 5 years for new tree to produce fruit.
Citrus Greening Causing Large Economic Loss

- **WW annual citrus production** >110 million tons and covers an area of ≈20 million acres: oranges account for 43% of this
- **Citrus greening causing loss of millions of citrus trees**, threatening fruit and juice supply
- Sao Paulo, Brazil and Florida are world’s two largest regions for OJ production: supply >80% of world’s OJ
- The citrus business in Florida has a $10 billion-plus economic impact and supports about 60,000 jobs
- **Florida Economic impact between ’06 – ’14** estimated to be a **loss of >$8 billion** in cumulative industry output

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1 USDA National Agricultural Statistics Service: Annual Citrus Forecast Reports - oranges (October 11, 2012 report versus October 12, 2016 report)
Our Solution – Shine N’ Ripe XL

Long Lasting Metalized Mulch for Insect Repellency and Growth Promotion

<table>
<thead>
<tr>
<th>ABOUT SHINE N’ RIPE XL</th>
<th>BENEFITS OF SHINE N’ RIPE XL</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Heavy-duty, walkable, highly-reflective</td>
<td>• Immediate protection faster and more efficient earlier on than chemicals</td>
</tr>
<tr>
<td>• Mirror-like, hair-thin metal layer reflects more than 80% of incident solar radiation</td>
<td>• High reflection of solar UV-radiation from ground repels insects</td>
</tr>
<tr>
<td>from UV, over PAR(^1) to IR(^1)</td>
<td>• Repels pests &amp; attracts 2X as many beneficial insects (e.g. honey bees) versus bare soil</td>
</tr>
<tr>
<td>• Proprietary coating prevents metal layer from corrosion – maintains outdoor</td>
<td>• Increases plant growth and yield</td>
</tr>
<tr>
<td>stability &amp; high sunlight reflectivity for minimum of 3 years</td>
<td></td>
</tr>
</tbody>
</table>

Environmentally friendly crop protection and growth/yield enhancement

\(^1\)PAR: Photosynthesis Active Radiation to IR: heat
Shine N’ Ripe XL

Normal orange Citrus Transplants after 20 months

PLANTING TO HARVEST IN <3 YEARS

“In my entire professional career, I haven’t seen anything comparable to the positive benefits of Shine N’ Ripe XL on citrus production, in terms of both growth and yield and the bottom-line”

~ Robert C. Adair, FLARES

Transplants on Imaflex’s Metalized Mulch Film After 20 months
2x GROWTH

Repels infestation while increasing growth and yields2, making it an environmentally-friendly integrated pest management tool

1Mr. Robert C. Adair, Jr., the Executive Director of Florida Research Centre for Agriculture Sustainability (FLARES): March 2017

23.5 year University of Florida – Institute of Food and Agriculture Science test trial found 44% increase in yields using combination of IFX metalized film and insecticides: Citrus Magazine March 2016
Immediate Addressable Market: USA & Brazil

12 million lbs. of citrus film

= ~$45 million market

MULTI-MILLION $ ADDRESSABLE MARKET

1 USDA and internal estimates
ADVASEAL®

Next generation patent protected mulch film

REVOLUTIONARY PATENT PROTECTED MULT-LAYERED FILM

Revolutionary patent protected multi-layered film capable of releasing active ingredients (pesticides, fungicides and/or herbicides) in safe & precise manner
Today, Spraying Used to Control Pests & Weeds

Most farmers control pests and weeds through spraying – an ecologically wasteful practice.

Under/overdosing is common by mistake, equipment limitation etc. reducing crop quality and/or yield.

Farmers need a new approach that is more efficient, cost effective and environmentally friendly.

Pesticide and herbicide fumigation, typically at high concentrations are sprayed / dusted over fields as run off and drift occurs. Agriculture films are applied once soil concentration levels are met.

CURRENT APPROACH EXPENSIVE & ENVIRONMENTALLY UNFRIENDLY
Intelligent Active Ingredient Films: ADVASEAL®

Patent Protected Film Enabling Safe & Precise Chemical Application

ABOUT ADVASEAL®

- Safe and precise – eliminates spraying
- Jointly developed with Bayer
- Patent protected until 2032
- Exact dosing improves crop quality, ↑ yields, ↓ chemicals, ↓ costs
- Safe to handle, transport and apply
- Environmentally friendly - recyclable

THE APPLICATION

ADVASEAL® reduces grower costs ~$200-$800 per acre

Internal estimate based on crop grown and chemicals required
The EPA accepted ADVASEAL HSM, in July 2015, as a selective herbicide film to control certain broadleaf the sedge weeds in selected crops (Asparagus, Cucumber, Melons, Squash and Tomatoes) and can be used to reduce fumigant emissions.

Mulch + common herbicide spray application
Potential Multi-Million $ Market for ADVASEAL® in USA

130 million lbs. mulch film

= ~US $750 million market

REVOLUTIONARY PATENTED COATED FILM TECHNOLOGY THAT ENABLES CROP PROTECTION EBITDA ONCE ADVASEAL® LAUNCHED

\(^1\)USDA and internal estimates: Total Addressable Market for ADVASEAL® in USA
Imaflex Stock info

52 week Low/High: $0.47 / $1.35
Closing Price: $1.10
Market Cap: $55 million
Average daily volume: 43 thousand
Shares O/S (basic): 49.7 million
Insider Ownership: 56%

Analyst Coverage:
Beacon: Ahmad Shaath
Cormark: Maggie MacDougall

Note: Stock price and market cap as of January 5, 2018. Average daily volume is for past 3 months.
Consolidated Historical Performance

‘12–16 Revenue CAGR 12%

<table>
<thead>
<tr>
<th>Year</th>
<th>EBITDA ($M)</th>
<th>EBITDA CAGR</th>
<th>Sales ($M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$47</td>
<td>$1.5</td>
<td>$67</td>
</tr>
<tr>
<td>2013</td>
<td>$56</td>
<td>$2.3</td>
<td>$74</td>
</tr>
<tr>
<td>2014</td>
<td>$61</td>
<td>$2.7</td>
<td>$69</td>
</tr>
<tr>
<td>2015</td>
<td>$69</td>
<td>$3.8</td>
<td>$74</td>
</tr>
<tr>
<td>2016</td>
<td>$74</td>
<td>$3.5*</td>
<td>$67</td>
</tr>
<tr>
<td>Q3 YTD 17</td>
<td>$67</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Excluding FX: 2016 EBITDA was $3.8M, up 53% over $2.5M in 2015
### 2017 – Moving to the Next Level

<table>
<thead>
<tr>
<th>$000, Except Ratios</th>
<th>Q3 2017</th>
<th>Q3 2016</th>
<th>YR/yr Change</th>
<th>2017 YTD*</th>
<th>YR/yr Change</th>
<th>Fiscal 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>REVENUE</td>
<td>20,791</td>
<td>16,997</td>
<td>22%</td>
<td>66,902</td>
<td>23%</td>
<td>73,513</td>
</tr>
<tr>
<td>Net Income (Loss)</td>
<td>556</td>
<td>(104)</td>
<td>635%</td>
<td>3,001</td>
<td>1,115%</td>
<td>408</td>
</tr>
<tr>
<td>EBITDA (excl. FX)</td>
<td>1,865</td>
<td>511</td>
<td>265%</td>
<td>7,178</td>
<td>145%</td>
<td>3,838</td>
</tr>
<tr>
<td>EBITDA</td>
<td>1,248</td>
<td>632</td>
<td>98%</td>
<td>6,054</td>
<td>145%</td>
<td>3,547</td>
</tr>
<tr>
<td>EBITDA %</td>
<td>6.0%</td>
<td>3.7%</td>
<td>2.3 pp</td>
<td>9.0%</td>
<td>4.5 pp</td>
<td>4.8%</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>14.7%</td>
<td>9.9%</td>
<td>4.8 pp</td>
<td>16.4%</td>
<td>4.6 pp</td>
<td>11.4%</td>
</tr>
</tbody>
</table>

* For the nine-month period ending September 30, 2017

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**Business Momentum Continues**

- Significant year-over-year gains in sales and profitability
- Solid growth across product portfolio and in all geographies
- Well positioned to capitalize on market opportunities and drive revenue and margin expansion
# Experienced Leadership Team

<table>
<thead>
<tr>
<th>LEADERSHIP TEAM</th>
<th>EXPERIENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Joe Abbandonato</td>
<td>40+ years</td>
</tr>
<tr>
<td>President and CEO</td>
<td>Founder/entrepreneur</td>
</tr>
<tr>
<td></td>
<td>Deep industry experience working in extrusion and converting business</td>
</tr>
<tr>
<td></td>
<td>Formerly with JT Packaging, Tecsyn International and Leco</td>
</tr>
<tr>
<td>Tony Abbandonato</td>
<td>35+ years</td>
</tr>
<tr>
<td>Vice President Manufacturing and Corporate Secretary</td>
<td>Founder</td>
</tr>
<tr>
<td></td>
<td>Deep industry experience working in extrusion and converting business</td>
</tr>
<tr>
<td></td>
<td>Formerly with JT Packaging (bought by St Johns Packaging), Logo</td>
</tr>
<tr>
<td></td>
<td>Packaging and independent manufacturer’s sales agent</td>
</tr>
<tr>
<td>Gerry Phelps, B.Eng.</td>
<td>50+ years</td>
</tr>
<tr>
<td>Vice President Operations</td>
<td>Founder, Chemical Engineer</td>
</tr>
<tr>
<td></td>
<td>Deep industry experience working in extrusion and converting business</td>
</tr>
<tr>
<td></td>
<td>Formerly with DuPont</td>
</tr>
<tr>
<td>Ralf Dujardin, Ph.D.</td>
<td>30+ years</td>
</tr>
<tr>
<td>Vice President Marketing and Innovation</td>
<td>Chemist</td>
</tr>
<tr>
<td></td>
<td>Over 75 patents to his name (with Bayer)</td>
</tr>
<tr>
<td></td>
<td>Formerly with Bayer, BASF, GE</td>
</tr>
<tr>
<td>John Ripplinger, MBA</td>
<td>25+ years</td>
</tr>
<tr>
<td>Vice President Corporate Affairs</td>
<td>Formerly with BCE, Bell, Bell Nordiq, Miranda Technologies</td>
</tr>
<tr>
<td>Giancarlo Santella, CPA, CA</td>
<td>11+ years</td>
</tr>
<tr>
<td>Corporate Controller</td>
<td>Formerly with BCE, Ernst &amp; Young</td>
</tr>
</tbody>
</table>
Delivering Sustainable Growth

• Recognized industry leader, in recession-resistant sectors
• Serving growing multi-billion dollar markets
• Macro environment working in our favour: sustainability & “intelligent farming”
• Profitable and growing revenues consistently
• Healthy capital structure: strengthening cash flows
• Unique business model
  - Strong core, helping to fund growth initiatives
  - Next-generation crop protection & yield enhancement products offer significant upside potential
Thank you!
For more information, contact johnr@imaflex.com
visit imaflex.com