



FIRST QUARTER 2022



FORWARD-LOOKING STATEMENTS

Except for historical information, certain matters discussed in this presentation may be forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include but are not limited to all projections and anticipated levels of future performance. Forward-looking statements involve risks, uncertainties and other factors that may cause our actual results to differ materially from those discussed herein. Any number of factors could cause actual results to differ materially from projections or forward-looking statements, including without limitation, global economic, social and political conditions, spending patterns of government agencies, competitive pressures, the impact of acquisitions and related integration activities, logistical challenges related to disruptions and delays, product liability claims, the success of new product introductions, currency exchange rate fluctuations and the risks of doing business in the markets in which we operate, including foreign countries. More information on potential factors that could affect the Company's financial results are more fully described from time to time in the Company's public reports filed with the Securities and Exchange Commission, including the Company's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K. All forward-looking statements included in this presentation are based upon information available to the Company as of the date of this presentation, and speak only as of the date hereof. We assume no obligation to update any forward-looking statements to reflect events or circumstances after the date of this presentation.

TODAY'S PRESENTERS



WARREN KANDERS

Chief Executive Officer and
Chairman of the Board



BRAD WILLIAMS

President



BLAINE BROWERS

Chief Financial Officer

AGENDA

- Q1 Review
- Business Overview
- Financial Summary
- Full Year Outlook
- Conclusion and Q&A



CONTINUED EXECUTION IN Q1

Cadre continues to deliver on strategic objectives in a challenging supply chain and inflationary environment

Commentary

Pricing Growth:	☑	<i>Significantly exceeded our 1% target above material inflation</i>
Adjusted EBITDA Conversion:	☑	<i>Generated strong EBITDA conversion of 92% in Q1</i>
Q1 Mix:	✗	<i>Duty gear and EOD volume down, offset by Distribution segment growth</i>
Orders Backlog:	☑	<i>Increased by \$3.3 million driven by soft body armor and US domestic duty gear demand</i>
M&A Execution:	☑	<i>Completed acquisition of Radar and acquired Cyalume Technologies</i>
Returned Capital to Shareholders:	☑	<i>Paid third consecutive quarterly dividend of \$0.08</i>
Healthy M&A Funnel:	☑	<i>Continue to actively evaluate robust pipeline of opportunities</i>

MACRO TAILWINDS SUPPORT LONG TERM SUSTAINABLE GROWTH OPPORTUNITY



Police protection expenditures have continued to trend upward even during previous financial and industrial recessions

Major US cities continue to increase police budgets

The American Rescue Plan provides \$350 billion to hire more police

Two-thirds of all NATO countries spend less than 2% of GDP targets on defense and security

Amidst current geopolitical turmoil, European leaders have advocated for significant increases in defense budgets

LATEST MARKET TRENDS

Domestic Law Enforcement

- Budgets are healthy but police departments are struggling to fill open positions

Geopolitical Landscape

- Watching customer priorities closely amid War in Ukraine
- Inquiries continue but no large opportunities to provide our safety and survivability equipment yet

Supply Chain

- Experiencing extended lead times with electronic components and various raw materials

Consumer

- Run rate for holster demand has stabilized

CADRE'S KEY M&A CRITERIA

Business

- ✓ Leading market position
- ✓ Cost structure where material > labor
- ✓ High cost of substitution
- ✓ Leading and defensible technology
- ✓ Mission-critical to customer
- ✓ Strong brand recognition

Financial

- ✓ Recurring revenue profile
- ✓ Asset-light
- ✓ Attractive ROIC

Market

- ✓ Niche market
- ✓ No large-cap competition
- ✓ Resiliency through market cycles



ACQUISITION OF CYALUME TECHNOLOGIES



Over 60 years as a leading manufacturer of chemical light solutions. Preeminent supplier of light sticks, chemi-luminescent ammunition and infra-red devices to US, NATO military forces, and commercial and law enforcement markets.

KEY M&A CRITERIA MET

- ✓ Leading market position
- ✓ Mission-critical to customer
- ✓ Strong brand recognition
- ✓ Asset light
- ✓ Attractive ROIC
- ✓ Resiliency thru market cycles
- ✓ Recurring revenue profile

INTEGRATION – TOP PRIORITIES

- Functional teams working on first 100-day basics
- 80/20 process to identify product line priorities
- Optimize growth by leveraging Cyalume and Cadre selling teams
- Implementation of Cadre operating tools

Increases wallet share with current military, law enforcement and commercial customer base. Adds resilient recurring revenue stream to our portfolio.



Route / Landing Markings



Hazard Marking



Search & Rescue Positioning



ID of Man Overboard



*Identification of Personnel
or Vehicles*

FIRST QUARTER 2022 FINANCIAL PERFORMANCE

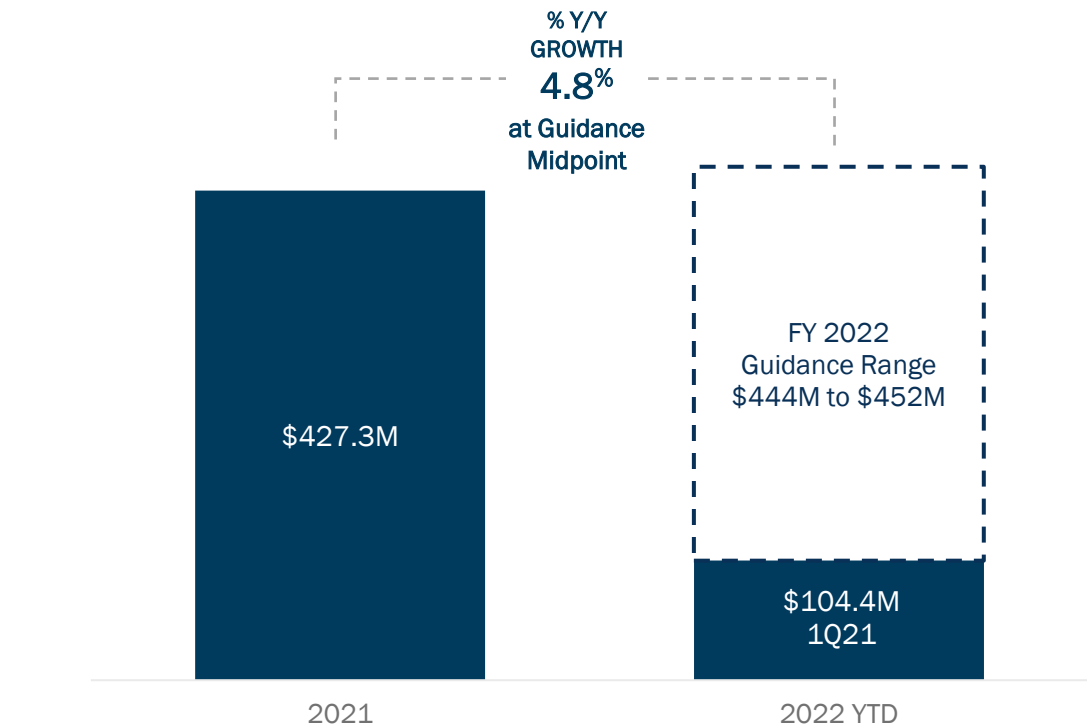


	Q1 2022	Q1 2021
NET SALES	\$104.4M	\$110.5M
GROSS MARGIN	38.5%	39.8%
NET (LOSS) INCOME	(\$10.2M) / (\$0.30) per share	\$6.9M / \$0.25 per share
ADJUSTED EBITDA ¹	\$14.2M	\$20.2M
ADJUSTED EBITDA MARGIN ¹	13.6%	18.3%

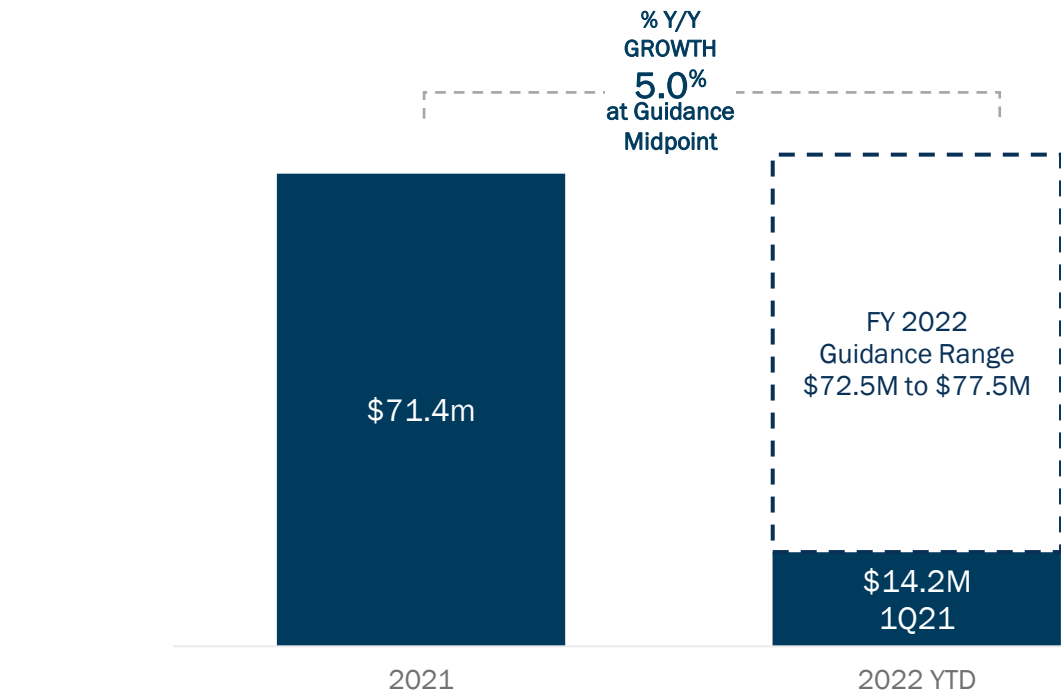
- Achieved pricing growth that significantly exceeded target, generated strong adjusted EBITDA conversion, and increased backlog
- Q1 2022 net loss reflects \$23.6 million stock-based compensation expense

NET SALES AND ADJUSTED EBITDA

NET SALES (\$MM)



ADJ. EBITDA¹ (\$MM)



1. A non-GAAP financial measure. See slide 17 for definitions and reconciliations to the nearest GAAP measures

1Q22 CAPITAL STRUCTURE

March 31, 2022

(in thousands)

Cash and cash equivalents	\$	9,877
Debt:		
Revolver	\$	—
Current portion of long-term debt		11,700
Long-term debt		146,599
Capitalized discount/issuance costs		(1,938)
Total debt, net	\$	156,361
Net debt (Total debt net of cash)	\$	146,484
Total debt / LTM Adj. EBITDA ⁽¹⁾		2.4
Net debt / LTM Adj. EBITDA ⁽¹⁾		2.2
LTM Adj. EBITDA ⁽¹⁾	\$	65,357

2022 MANAGEMENT OUTLOOK



2022 GUIDANCE

Current

NET SALES

\$444M to \$452M

Adj. EBITDA

\$72.5M to \$77.5M

Adj. EBITDA Conversion

92% to 95%

Prior

NET SALES

\$434M to \$441M

Adj. EBITDA

\$70.0M to \$75.5M

Adj. EBITDA Conversion

92% to 95%

CONCLUSION



Accelerate Organic Revenue Growth



Continuously Improve Gross and Adj. EBITDA Margins



Pursue M&A Opportunities

APPENDIX



STATEMENT OF OPERATIONS

UNAUDITED (IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)

	Three Months Ended March 31,			
	2022		2021	
Net sales	\$	104,406	\$	110,536
Cost of goods sold		64,217		66,577
Gross profit		40,189		43,959
Operating expenses				
Selling, general and administrative		53,950		28,051
Restructuring and transaction costs		599		321
Related party expense		122		153
Total operating expenses		54,671		28,525
Operating (loss) income		(14,482)		15,434
Other expense				
Interest expense		(1,490)		(5,044)
Other expense, net		(205)		(44)
Total other expense, net		(1,695)		(5,088)
(Loss) income before provision for income taxes		(16,177)		10,346
Benefit (provision) for income taxes		6,012		(3,482)
Net (loss) income	\$	(10,165)	\$	6,864
Net (loss) income per share:				
Basic	\$	(0.30)	\$	0.25
Diluted	\$	(0.30)	\$	0.25
Weighted average shares outstanding:				
Basic		34,446,318		27,483,350
Diluted		34,446,318		27,483,350

NON-GAAP RECONCILIATION

(IN THOUSANDS)

	Year ended December 31, 2021	Three Months Ended March 31,		LTM March 31, 2022
		2021	2022	
Net (loss) income	\$ 12,661	\$ 6,864	\$ (10,165)	\$ (4,368)
Add back:				
Depreciation and amortization	13,718	3,539	3,544	13,723
Interest expense	16,425	5,044	1,490	12,871
(Benefit) provision for income taxes	6,531	3,482	(6,012)	(2,963)
EBITDA	\$ 49,335	\$ 18,929	\$ (11,143)	\$ 19,263
Add back:				
Restructuring and transaction costs ⁽¹⁾	3,430	321	599	3,708
Loss on extinguishment of debt ⁽²⁾	15,155	—	—	15,155
Other expense, net ⁽³⁾	947	44	205	1,108
Stock-based compensation expense ⁽⁴⁾	355	—	23,723	24,078
Stock-based compensation payroll tax expense ⁽⁵⁾	—	—	298	298
LTIP bonus ⁽⁶⁾	2,162	952	384	1,594
Amortization of inventory step-up ⁽⁷⁾	—	—	153	153
Adjusted EBITDA	\$ 71,384	\$ 20,246	\$ 14,219	\$ 65,357
Less: Capital expenditures	(3,029)	(788)	(1,069)	(3,310)
Adjusted EBITDA less capital expenditures	\$ 68,355	\$ 19,458	\$ 13,150	\$ 62,047
Adjusted EBITDA conversion rate⁽⁸⁾	96 %	96 %	92 %	95 %
Adjusted EBITDA margin⁽⁹⁾	16.7 %	18.3 %	13.6 %	

1. Reflects the "Restructuring and transaction costs" line item on our consolidated statements of operations, which primarily includes transaction costs composed of legal and consulting fees.
2. Reflects losses incurred in connection with the August 2021 debt refinance.
3. Reflects the "Other expense, net" line item on our consolidated statements of operations. For the three months ended March 31, 2022 and 2021, other expense, net primarily includes losses on foreign currency transactions.
4. Reflects compensation expense related to equity and liability classified stock-based compensation plans.
5. Reflects payroll taxes associated with vested stock-based compensation awards.
6. Reflects the cost of a cash-based long-term incentive plan awarded to employees that vests over three years.
7. Reflects amortization expense related to the step-up inventory adjustment recorded as part of the Radar acquisition.
8. Reflects (Adjusted EBITDA less capital expenditures) / Adjusted EBITDA.
9. Reflects Adjusted EBITDA / Net Sales for the relevant periods.

STATEMENT OF CASH FLOWS

UNAUDITED (IN THOUSANDS)

	Three Months Ended March 31,	
	2022	2021
Cash Flows From Operating Activities:		
Net (loss) income	\$ (10,165)	\$ 6,864
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	3,544	3,539
Amortization of original issue discount and debt issue costs	111	677
Deferred income taxes	(6,951)	3,319
Stock-based compensation	23,588	—
(Recoveries from) provision for losses on accounts receivable	45	(91)
Foreign exchange loss	253	109
Changes in operating assets and liabilities, net of impact of acquisition:		
Accounts receivable	(1,693)	(5,626)
Inventories	(2,956)	(2,496)
Prepaid expenses and other assets	3,158	(141)
Accounts payable and other liabilities	(18)	10,678
Net cash provided by operating activities	8,916	16,832
Cash Flows From Investing Activities:		
Purchase of property and equipment	(950)	(788)
Business acquisition, net of cash acquired	(19,787)	—
Net cash used in investing activities	(20,737)	(788)

Continued on next slide

STATEMENT OF CASH FLOWS - CONTINUED

UNAUDITED (IN THOUSANDS)

	Three Months Ended March 31,	
	2022	2021
Cash Flows From Financing Activities:		
Proceeds from revolving credit facilities	—	88,593
Principal payments on revolving credit facilities	—	(88,593)
Principal payments on term loans	(2,506)	(566)
Principal payments on insurance premium financing	(1,474)	(917)
Payment of capital leases	(11)	(7)
Taxes paid in connection with employee stock transactions	(6,216)	—
Dividends distributed	(2,750)	—
Net cash used in financing activities	(12,957)	(1,490)
Effect of foreign exchange rates on cash and cash equivalents	798	13
Change in cash and cash equivalents	(23,980)	14,567
Cash and cash equivalents, beginning of period	33,857	2,873
Cash and cash equivalents, end of period	\$ 9,877	\$ 17,440
Supplemental Disclosure of Cash Flows Information:		
Cash (received) paid for income taxes, net	\$ (100)	\$ 15
Cash paid for interest	\$ 1,282	\$ 4,292
Supplemental Disclosure of Non-Cash Investing and Financing Activities:		
Accruals and accounts payable for capital expenditures	\$ 119	\$ —

BALANCE SHEET

UNAUDITED (IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)

	March 31, 2022	December 31, 2021
Assets		
Current assets		
Cash and cash equivalents	\$ 9,877	\$ 33,857
Accounts receivable, net of allowance for doubtful accounts of \$749 and \$645, respectively	52,001	48,344
Inventories	69,401	63,978
Prepaid expenses	7,747	10,353
Other current assets	4,360	3,171
Assets held for sale	271	278
Total current assets	143,657	159,981
Property and equipment, net of accumulated depreciation and amortization of \$38,631 and \$37,171, respectively	35,729	33,053
Deferred tax assets, net	12,979	7,059
Intangible assets, net	50,158	42,415
Goodwill	72,510	66,262
Other assets	5,965	3,026
Total assets	\$ 320,998	\$ 311,796
Liabilities, Mezzanine Equity and Shareholders' Equity		
Current liabilities		
Accounts payable	\$ 27,477	\$ 19,328
Accrued liabilities	34,363	40,736
Income tax payable	2,239	1,255
Liabilities held for sale	120	128
Current portion of long-term debt	11,700	13,174
Total current liabilities	75,899	74,621
Long-term debt	144,661	146,516
Deferred tax liabilities	3,799	1,297
Other liabilities	694	722
Total liabilities	225,053	223,156
Mezzanine equity		
Preferred stock (\$0.0001 par value, 10,000,000 shares authorized, no shares issued and outstanding as of March 31, 2022 and December 31, 2021)	—	—
Shareholders' equity		
Common stock (\$0.0001 par value, 190,000,000 shares authorized, 34,782,271 shares and 34,383,350 shares issued and outstanding as of March 31, 2022 and December 31, 2021, respectively)	3	3
Additional paid-in capital	144,978	127,606
Accumulated other comprehensive income (loss)	931	(1,917)
Accumulated deficit	(49,967)	(37,052)
Total shareholders' equity	95,945	88,640
Total liabilities, mezzanine equity and shareholders' equity	\$ 320,998	\$ 311,796