



MONTANA AEROSPACE AG

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CORPORATE NEWS

Reinach (Aargau), 01 April 2022

[Ad hoc announcement pursuant to art. 53 SIX Listing Rules]

MONTANA AEROSPACE AG ANNOUNCES CLOSING OF TAKEOVER OF ASCO INDUSTRIES

Montana Aerospace AG (the “Company”) and its operating subsidiaries (the “Group” or “Montana Aerospace”), a leading, highly-vertically integrated manufacturer and supplier of system components and complex assemblies for the aerospace, e-mobility and energy industries with worldwide engineering and manufacturing operations, announces the closing of the acquisition of 100% of the shares of S.R.I.F. NV in Belgium (the “Asco Group” or “Asco”).

Founded 68 years ago, the Asco Group is a leading supplier and development partner of high-end components and structures for the aerospace industry, operating four production facilities in Belgium, Germany, the United States and Canada with around 1,100 employees. In pre-pandemic years, Asco generated annual sales of up to EUR 260 million.

Products

Asco capitalizes on its worldwide recognition and know-how as an industry benchmark for the design, development, manufacture, treatment, and assembly of complex high-lift mechanisms and critical structural (sub-)assemblies and is positioned as an industry leader for technological development within the aerospace industry. Asco’s product portfolio focuses on large and complex fuselage, wing and landing gear components. The combination with Montana Aerospace’s material competence and best-cost-country footprint will accelerate growth and reinforce the Group’s standing as a strong industrial company well-equipped to meet the customer needs of tomorrow.



Terms of the deal and capital increase

Yesterday, the Company signed an amendment agreement related to the share purchase agreement regarding the purchase of S.R.I.F. NV (the Asco Group) by a subsidiary of the Company from the sellers. Under the share purchase agreement, as amended by the amendment agreement, the acquisition of the Asco Group was closed yesterday by effectuating a payment payable in cash, and, as the sellers also had a strong interest in being shareholders of Montana Aerospace – believing and participating in the long-term and sustainable development of the Group including Asco – by a share consideration of 4,431,600 ordinary shares of the Company. The payment has been paid upon closing and the aggregate purchase price is subject to customary price adjustments. In addition to the purchase price, an earn-out of up to EUR 30 million based on the attainment of certain performance indicators by the Company has been agreed, that will be paid by 30 June 2025 at the earliest. The shares to be newly issued from the authorized share capital of the Company – excluding the pre-emptive subscription rights of existing shareholders – will be issued to the sellers on 14 April 2022 at the latest.

Michael Pistauer, CFO of Montana Aerospace said: “Asco is a highly renowned company and its expertise makes it a leading aerostructures company. We are happy to have this strong partner and shareholder with its extensive aerospace know-how on board, which will help us sustainably develop the Group. On the one hand, this partnership expands our broad knowledge and network of contacts within the industry, and on the other, it enables the best possible development of the two – now joint – companies in future. In addition, the agreed structure protects our liquidity and resilience considering the growing market uncertainty.”

Post-merger integration

In line with Montana Aerospace’s M&A strategy, the Asco facilities will be integrated into Montana Aerospace’s global manufacturing network and the Asco brand will be further developed and strengthened. Initial meetings between the management of Montana Aerospace and Asco are taking place, which should ensure the smooth and fast implementation and integration of Asco into our existing business operations.

Montana Aerospace will also locate the headquarters of the ‘Aerostructures’ segment at Asco’s main plant in Zaventem, Belgium. Kai Arndt, COO of Montana Aerospace and Head of the ‘Aerospace/Aerostructures’ segment, will also take over as CEO of Asco. The previous shareholder and CEO of Asco, Christian Boas, will remain associated with the Company in the coming years, and will continue to support the entire Group with his experience in an advisory capacity.

“With the integration of Asco into Montana Aerospace, we are acquiring a respected market and technology leader in the field of machining and single-parts production. Asco’s product range fits perfectly into Montana Aerospace’s current portfolio and is a valuable addition. In line with the philosophy of vertical integration, Asco will also benefit from Montana Aerospace,” explained Kai Arndt. “Asco is our ‘perfect match’ in this phase of our strategically planned expansion.”



The former CEO and owner of Asco, Christian Boas, sees great opportunities in the takeover by Montana Aerospace: "The aerospace industry is undergoing fundamental change. The supplier industry is consolidating, because the requirements of the aircraft manufacturers are becoming more stringent, and only the best suppliers will survive. After 68 years of continuous development, I see the transfer of Asco to the Montana Aerospace Group as an important step forward, as it allows us to contribute our expertise and production quality to a network that will play a decisive role in shaping the future of aerospace. We are happy to participate in the development of the newly formed Group as shareholders of Montana Aerospace, and we will do everything we can to contribute to the successful development of the companies."

The parties agreed to not disclose the purchase price.

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About Montana Aerospace AG

Montana Aerospace AG is a leading manufacturer of system components and complex assemblies for the aerospace industry, with worldwide engineering and manufacturing operations. The Company has approximately 5,500 highly skilled employees at 28 locations on four continents – designing, developing and producing ground-breaking technologies for tomorrow's aerospace, e-mobility and energy industries made of aluminium, titanium, composite, copper and steel.

Disclaimer

Statements contained herein may constitute "forward-looking statements". Forward-looking statements are generally identifiable by the use of the words "may", "will", "should", "plan", "expect", "anticipate", "estimate", "believe", "intend", "project", "goal", "aim" or "target" or the negative of these words or other variations of these words or comparable terminology.

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