

ALLGAIER WERKE GmbH

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PRESS RELEASE

July 4, 2022

Allgaier Successfully Closes Transaction with New Majority Shareholder

Uhingen (Germany). The Allgaier Group has succeeded in its search for a new investor.

In the Westron Group, Allgaier has secured a strong financial partner that can help to ensure the future growth of the company and strengthen its market position. Westron's many years of investment experience and extensive expertise will play a decisive role in strengthening Allgaier.

The transaction was examined and approved by the German Federal Ministry for Economic Affairs and Climate Action in February 2022. The new investor will invest additional capital in Allgaier Werke GmbH in return for a majority stake in the longstanding business based in Swabia in south-west Germany.

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On July 1, 2022, Allgaier Werke GmbH, the family of Prof. Dr. Dieter Hundt – as shareholders of Allgaier Werke GmbH – and a Westron Group company signed a contract that had been concluded in November 2021 with conditions precedent. The contract about the Westron Group's acquisition of a stake in Allgaier Werke GmbH and its national and international subsidiaries thus came into effect. The Westron Group invested additional capital in Allgaier Werke GmbH in return for shares in the company. For the Allgaier Group, the deal represents an important step forward in its attempt to strengthen and restructure its business and will ensure the financial stability of the group.

Since 2020, the Allgaier Group has set about restructuring and realigning its business against the challenging backdrop of the COVID-19 pandemic and resulting shortages in the supply chains for raw materials and semiconductors. The war in Ukraine has added to the difficulties. These challenges led customers in the automotive industry to temporarily shut down their factories, while Process Technology customers encountered project delays. Consequently, the Allgaier Group experienced a drop in sales across both sectors. However, despite these difficult market conditions, the group succeeded in restructuring its operations. It already achieved a positive operating result in 2020 and 2021, with an improvement of EUR 50 million overall. It reduced its debt by EUR 30 million to a significantly improved leverage. The restructuring process proved a great success thanks to the contributions of staff and close collaboration with the works council. The customer loyalty that the Group had earned through many years of cooperation led to incoming orders of EUR 650 million in 2021. This historically high figure has resulted

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in a welcomed increase in revenue in the current year. The investment of the Westron Group has provided additional equity and significantly increased the financial stability of the Allgaier Group.

The new deal sees the Hundt family and Allgaier Werke GmbH transfer 88.9% of their shares to the Westron Group. The Allgaier Group will retain its Automotive and Process Technology divisions as before while moving forward at the same time. In particular, all existing contracts with the company's staff, financial partners, and customers will be retained.

The Westron Group is an industry company with its investment arm focusing automotive and technology sector. The group holds interests in different companies in China and in Germany, with its product portfolio covering chassis, powertrain, and connectivity. The shareholders and partners of the Westron Group are former senior executives from multi-national companies, with years of management experience in the industry sector. As well as providing financial capital, Westron partners will also be involved in the management of the Allgaier Group and bring their experience in business restructuring, the automotive sector and metalworking to the table.

The mutual aim of the Westron Group partners and the Allgaier Group management is to strengthen and expand the Automotive division, including the tool making operations, and the Process Technology division, along with their various subsidiaries and locations. The Automotive division will be more strongly

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aligned to customer requirements in today's globalized world. The Process Technology division will expand its global sales network and build on its product range and customer base, notably in the environmental and recycling sectors. Markets in China and Asia will play a central role for both divisions. The financial capital provided by the Westron Group will be used to increase capacity and finance future growth.

Prof. Dieter Hundt, main shareholder of the Allgaier Group and former longstanding president of the Confederation of German Employers' Associations: "I am pleased to report that, in the Westron Group, we have found an investor with the experience and financial capital to take the Allgaier Group on to future success and give all our employees a fantastic vision for the years ahead. The meetings to date have been conducted in a trusting and goal-oriented atmosphere, which leads me to believe that the successful development of the Allgaier Group will continue on into the future."

Rolf Graf, CFO and CRO of the Allgaier Group: "At all stages of the negotiations, the Westron Group were very focused on the needs of our customers, financial partners, staff, and management; they put forward in all aspects competitive offers during the bidding process. The deal meets the company's goals and the Allgaier Group can now look to the future.

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Scanny Cai, Westron Group Partner: "The Allgaier Group has an excellent reputation in the automotive, environmental, and recycling sectors, and has shown great resilience in successfully navigating the crises of recent years. Already in 2022, we're seeing a marked increase in sales and a good volume of orders coming in for both divisions. We want to build on this foundation and further strengthen and develop the Allgaier Group on a global scale, in collaboration with its management, staff, and customers.

Stilianos Barembas, Chair of the Works Council: "The workforce is happy that a suitable investor has been found. The investment of the Westron Group paves the way for further economic success and, above all, for the retention of all our jobs that that implies. The employees were ready to help the company in all respects. The workforce has always supported the company in the past. We will now work in close cooperation with Westron to keep the Allgaier success story going."

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About the Allgaier Group

The Allgaier Group is not only an indispensable partner for the automotive industry, but is also known for developing standard and custom solutions for the process engineering industry.

About the Westron Group

The Westron Group is known for investing in advanced solutions for the automotive industry and has a particular interest in developing smart car technologies, improving safety, and reducing emissions.

About Prof. Dr. Dieter Hundt

Prof. Dr. Dieter Hundt is a well known face beyond the Allgaier Group and Baden-Württemberg. Over the past 40 years, he has transformed the Allgaier Group from a craftsman-oriented workshop operation into a company that is recognized as a worthy partner throughout the automotive industry and process technology sector. In addition, he has helped shape the wage agreements of German industry for many years as the President of the German Employers' Associations. Thanks to the investment from the Westron Group, he will now see his life's work continue well into the future.

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