

Press Release

WINNING Group (CZ) TO ACQUIRE SONA BLW PRÄZISIONSSCHMIEDE GMBH

September 29, 2020, Wuppertal/Germany and Brno/Czech Republic.

The Winning BLW GmbH and the Winning BLW Management (belong to Winning Automotive a.s., Brno (CZ) which is part of the Winning Group a.s. (CZ)) signed a definitive agreement with the insolvency administration heading the regular insolvency proceedings (Regelinsolvenzverfahren) last week to purchase the assets of SONA BLW PRÄZISIONSSCHMIEDE GMBH and SONA AUTOCOMP GERMANY GMBH.

SONA Germany is a leading supplier specialized in complex precision forgings mainly for passenger cars, truck and industrial applications. SONA Germany has 3 production facilities in Germany (Duisburg, München, Remscheid).

All facilities of SONA Germany will be acquired and continued through this asset deal. Around 960 of the more than 1200 jobs will be saved. An employment and qualification company was set up to allow a smooth transformation process.

The insolvency administrator, Dr. Jörg Bornheimer, from the law firm Görg was advised and supported throughout the entire transaction process by EY M&A Advisory.

Dr. Bornheimer stated: "We are happy that the strategic investor Winning Group is to acquire SONA Germany. Winning Group will continue SONA Germany's business operations and is capable of further strengthening the company's market position. I would like to thank everyone involved for their outstanding support and the very constructive and focused discussions. Especially the employees were highly committed in the last months and significantly contributed to the successful transaction. We are convinced that Winning Group is a perfect fit for SONA Germany and is going to develop the acquisition into a sustainable and long-term success story."

The purchase agreement is part of Winnings' Strategy to create a diversified group and strengthening its automotive business unit offering integrated metal forming/machined solutions to its customers in certain targeted products such as precision splined forgings, gears, etc.

"We are very pleased that we were able to come to an agreement with the insolvency administration" said Sebastian P. Wagner, CEO and Chairman of the Board of Executive Directors Winning Group a.s., "This purchase is a significant step forward for the WINNING Group on its growth path in the automotive sector. We would also thank the customers and supplier for their continued support and patience and explicitly the SONA BLW work force for its contribution to support the transaction and ensure the turn-around of the operations. We are confident to effectively develop the operations and create a meaningful market share growth." The purchase illustrates Winning's focus on innovation in manufacturing and advanced process capabilities and its strategy of diversification.

The transaction is subject to customary conditions precedent and is expected to be closed within the upcoming weeks.

About Winning Group

Winning Group a.s., Brno (CZ) is an industrial investment group focused on “old economy” markets with the target to create leading companies in industry and construction. The group was founded in 2016 by Sebastian P. Wagner, who is today its sole shareholder. The group is divided into five business areas: Construction, Project development, Engineering services, Industrial/Automotive and Specialty products. Over the past four years WINNING has been able to grow successfully through six start-up companies and two company acquisitions.

About GÖRG

GÖRG is one of Germany's leading independent commercial law firms and one of the top 10 insolvency law firms in Germany.

More than 290 highly specialized professionals work at five central locations in Hamburg, Berlin, Cologne, Frankfurt/M. and Munich as well as in 19 other insolvency administration offices throughout Germany. Among them are numerous insolvency and restructuring experts who have already attracted nationwide attention in renowned insolvency and restructuring proceedings.

About EY M&A Advisory

EY M&A Advisory is one of the leading M&A advisors in Europe specialized in mid-market deals. According to the latest MergerMarket league table (by volume) EY again is Number 1 in advising on announced transactions in Germany in the period January 1, 2020 – September 22, 2020. Within the DACH region EY has about 65 M&A experts independently advising the clients in M&A and Corporate Finance matters.

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