



*This is a joint press release by Neways Electronics International N.V. (**Neways**) and Infestos Sustainability B.V. (**Infestos**), pursuant to the provisions of Section 4, paragraphs 1 and 3, Section 5, paragraph 1 and Section 7, paragraph 4 of the Netherlands Decree in Public Takeover Bids (*Besluit openbare biedingen Wft*) (the **Decree**) in connection with the intended public offer by Infestos for all the issued and outstanding ordinary shares in the capital of Neways (the **Offer**). This announcement does not constitute an offer, or any solicitation of any offer, to buy or subscribe for any securities in Neways. Any offer will be made only by means of an offer memorandum (the **Offer Memorandum**) approved by the Dutch Authority for the Financial Markets (*Autoriteit Financiële Markten*, the **AFM**). This announcement is not for release, publication or distribution, in whole or in part, in or into, directly or indirectly, the United States, Canada and Japan or in any other jurisdiction in which such release, publication or distribution would be unlawful.*

NEWAYS AND INFESTOS AGREE ON RECOMMENDED ALL CASH OFFER OF EUR 14.55 PER SHARE

Transaction highlights

- Recommended all cash public offer by Infestos for the outstanding shares of Neways at an offer price of EUR 14.55 in cash (*cum dividend*) per Share, representing a total consideration of approximately EUR 177.5 million.
- The Offer Price represents a premium of 33.5% over the closing price of Neways on 29 April 2021 and delivers immediate, certain and attractive value to Neways' shareholders.
- The Management Board and Supervisory Board fully support the Transaction and unanimously recommend the Offer.
- Infestos will provide Neways with the expertise and support to accelerate the 'One Neways' and 'System Innovator' strategy.
- With Infestos as the majority shareholder, Neways will create a stable governance structure to advance the further roll-out of its strategy, whilst remaining a listed company.
- Infestos fully supports Neways in its transition into a *best in class* electronic manufacturing services enterprise benefitting Neways' shareholders, employees, customers and other stakeholders.
- Neways' corporate identity, values and culture will be maintained and existing rights and benefits of Neways' employees will be respected.
- Neways' existing Management Board will continue to lead the Company and the existing members of the Supervisory Board will remain in place.
- Infestos has committed financing in place providing certain funds and high deal certainty.
- The Offer is subject to certain customary conditions, including acquiring at least 60% of the outstanding shares of Neways, and is expected to complete in the second half of 2021.

Son / Enschede, the Netherlands, 24 June 2021, Neways Electronics International N.V. (Neways or the Company) (Euronext Amsterdam: NEWAY) and Infestos (Infestos) are pleased to announce that a conditional agreement (the **Merger Protocol**) has been reached on a recommended public offer (the **Offer**, and together with the other transactions contemplated in connection therewith, the **Transaction**) for all of the issued and outstanding ordinary shares in Neways (the **Shares**) at a price per Share of EUR 14.55 in cash (*cum dividend*) (the **Offer Price**), representing an aggregate equity value of approximately EUR 177.5 million. The Neways management board (the **Management Board**) and supervisory board (the **Supervisory Board** and together with the Management Board, the **Boards**) believe the Offer is in the best interest of Neways



and all its stakeholders. The Boards unanimously support the intended Offer and the Transaction and recommend these to the holders of Shares.

Eric Stodel, CEO of Neways, commented, *“Infestos is a strong and entrepreneurial investment firm that is well-positioned to support us in realizing our long term ambitions. We continue to develop and grow our market position as a differentiating System Innovator in the EMS market, by moving up the value chain and adding greater value for our customers. We increasingly work in collaboration with our customers to develop new and innovative systems and products, which will lead to sustainable and profitable growth. We will also continue to develop our in-house talent and technological expertise. We are convinced that Infestos is the right partner for this next phase of development. With their expertise they can help us to further accelerate the roll-out of our transition and growth of our business in the years to come, whilst remaining an independent company.”*

Henk Scheepers, Chairman of the Supervisory Board of Neways, commented, *“We unanimously support the offer as we believe that it will be beneficial to the company and all its stakeholders. With this strong majority shareholder we create a stable governance structure, enabling the company to advance the roll-out of its strategy. The offer reflects a compelling and immediate value for our shareholders, provides additional deal certainty due to the funds already committed and safeguards the interests of both our customers and employees.”*

Frank van Roij, Investment Director of Infestos, commented, *“We are excited to join Neways in its journey to become a best in class EMS company. We fully support its ‘One Neways’ and ‘System Innovator’ strategy. We believe this strategy can create long-term value whilst Neways remains an independent publicly listed company. With our extensive experience in transitioning and growing strongly positioned technology companies, we are looking forward to working together with Neways on accelerating its journey of profitable growth.”*

Strategic rationale

Infestos and Neways believe that the Transaction is in the best interest of the Neways Group, the continued and sustainable success and long-term value of its business, taking into account the interest of all its stakeholders, and by Infestos becoming the majority shareholder of Neways it will provide strategic and other benefits to Neways and its business.

Key elements of the strategic rationale for the Transaction include:

- (a) Infestos fully supports the current 'One Neways' strategy of Neways and the positioning of Neways as 'System Innovator';
- (b) Infestos' goal is to provide Neways with the expertise and support to accelerate this strategy and support Neways in its transition into a *best in class* electronic manufacturing services enterprise benefitting Neways' shareholders, employees, customers and all other stakeholders;
- (c) Infestos supports the Group's 'One Neways' and 'System Innovator' strategy. Infestos supports Neways in the further development of leadership, craftsmanship and entrepreneurship in the operating



companies. Infestos further acknowledges the importance of the continuing development of talent and technological expertise among employees; and

- (d) Infestos is a sustainable investment company focussing on long-term growth that has the track record, experience and expertise to provide Neways and its business with support on strategic, organisational and operational matters through a consultancy agreement that shall be entered into by Infestos and Neways at arm's length terms.

In order to achieve the strategic benefits of the Transaction and enhance the continued and sustainable success of Neways' business, Infestos aims to become the majority shareholder of Neways.

Infestos and Neways have together determined that no merger control filings are required for the completion of the Transaction, which will enable Infestos and Neways to implement the Merger Protocol without merger control filing delays.

With Infestos as the majority shareholder, the strategic rationale can be adequately supported, deployed or achieved whilst Neways remains a publicly listed company, as this enables Neways to retain its independent position, to incentivise the management team and senior staff, and to continue to attract talent to join its workforce in the future, aligning their interests with other shareholders of Neways, and Neways keeps access to the capital markets to support potential capital raises in the future.

If, however, following settlement of the Offer, Infestos holds at least 85% of the Shares, Infestos may, on the terms set out in the Merger Protocol, pursue a delisting of the Shares and determine to implement the Squeeze-Out or Post-Closing Merger Restructuring (each as defined below), with the intention to acquire 100% of the Shares. In such case Infestos and Neways also see merits and benefits in pursuing the implementation and acceleration of the 'One Neways' strategy and other strategic benefits set out above in a private environment in a fully owned set-up after delisting.

If Infestos acquires at least 95% of the Shares, it is intended that Neways' listing on Euronext Amsterdam will be terminated as soon as possible. In that case, Infestos will start statutory squeeze-out proceedings (*wettelijke uitkoopprocedure*) to obtain 100% of the Shares as soon as possible (the **Squeeze-Out**).

If Infestos acquires less than 95% but at least 85% of the Shares, Infestos intends to acquire the entire business of Neways at the same price and for the same aggregate consideration as the Offer, pursuant to a legal triangular merger of the Company with two newly incorporated subsidiaries of the Company (Company Holdco and Company Sub), a share sale regarding the shares of Company Sub, between the Infestos and Company Holdco, and a subsequent liquidation of Company Holdco to deliver such consideration to the shareholders (the **Post-Closing Merger Restructuring**). The advance liquidation distribution to the shareholders of Company Holdco will be an amount that is to the fullest extent possible equal to the Offer Price, without any interest and less any applicable withholding taxes and other taxes. The Post-Closing Merger Restructuring is subject to the approval of the shareholders of Neways at the EGM. The Boards have agreed to unanimously recommend that shareholders vote in favour of the Post-Closing Merger Restructuring. Once the legal triangular merger is implemented, the listing of Neways will terminate.

Transaction details

The proposed transaction envisions the acquisition of the Shares pursuant to a recommended public offer by Infestos. The Offer Price represents an implied equity value for 100% of Neways on a fully diluted basis of approximately EUR 177.5 million.

The Offer Price, delivering immediate, certain and significant value to Neways' shareholders, represents the following premiums:

- a premium of 33.5% over the closing price of Neways on 29 April 2021, being the pre-disturbed share price;
- a premium of 55.5% over the VWAP per Neways share over a period of three (3) months up to and including 29 April 2021;
- a premium of 65.3% over the VWAP per Neways share over a period of six (6) months up to and including 29 April 2021;
- a premium of 68.7% over the VWAP per Neways share over a period of nine (9) months up to and including 29 April 2021;
- a premium of 74.6% over the VWAP per Neways share over a period of twelve (12) months up to and including 29 April 2021.

Unanimous support and recommendation by the Boards

This announcement follows constructive interactions between Neways and Infestos. Neways' Boards and Infestos have extensively discussed their intentions in relation to the Transaction throughout the process. Consistent with their fiduciary duties, the Boards, with the support of their financial and legal advisers, have given careful consideration to all aspects of the proposed transaction. As part of that process, the Boards have also considered the proposed transaction in light of the announcement VDL Groep made on 28 May 2021. The Boards have concluded that the Infestos offer is significantly superior to this proposal, including price, non-financial and other terms. The Boards of course continue to value VDL Groep as a partner, customer and shareholder.

Having taken the interests of all stakeholders into account the Boards have unanimously concluded that the Offer is in the best interest of Neways, the continued and sustainable success of its business and all of its stakeholders.

Accordingly, the Boards decided unanimously to fully support and recommend the Transaction and the Offer to the holders of the Shares and to furthermore recommend the holders of the Shares to vote in favour of the resolutions relating to the Offer, subject to honouring the Offer (the **Resolutions**), at the upcoming extraordinary general meeting of Neways (the **EGM**) to be held during the offer period.

The support and recommendation of the Boards, and the obligations of Infestos in relation thereto, are subject to the terms and conditions of the Merger Protocol.



Fairness opinion

ABN AMRO Bank N.V. acting as financial adviser to Neways, has issued a fairness opinion to the Boards as to the fairness, as of such date, and based upon and subject to the factors, assumptions, qualifications and other matters set forth in the fairness opinion, to the effect that (i) the Offer Price is fair to the holders of Shares from a financial point of view, and (ii) the consideration to be paid and distributed under the Post-Closing Merger Restructuring is fair, from a financial point of view, to the holders of Shares. The full text of such fairness opinion, which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with such opinion, will be included in the Boards' position statement.

Certainty of funds

Infestos has committed financing in place to finance the Offer, the share sale and the Squeeze-Out and represents and warrants to Neways that, pursuant to such financing, it has sufficient funds available to comply with the requirement of article 7 paragraph 4 of the Decree.

Non-Financial Covenants

Infestos and Neways have agreed to certain non-financial covenants in respect of, amongst others, corporate governance, strategy, employees and financing for a duration of three years after settlement of the Offer, including the covenants summarised below.

Strategy

As mentioned above, Infestos shall support and respect Neways' current business strategy as described in Neways' 2020 annual report (the **Strategy**). Following settlement of the Offer, Infestos shall work with Neways to grow the business in a manner that reflects the Strategy of Neways.

Governance

At settlement, the Management Board will consist of the current members of the Management Board, being Eric Stodel, Steven Soederhuizen and Paul de Koning.

It is envisaged that at settlement, the Supervisory Board will be composed of two (2) new members to be nominated by Infestos and the three (3) current members, who will each continue to serve on the Supervisory Board and who qualify as independent within the meaning of the Dutch Corporate Governance Code. The current chair shall continue to act as chair of the Supervisory Board (the **Chairman**).

Infestos and Neways agree that Neways shall continue to apply the full large company regime (*volledig structuurregime*).

Employees

- The existing rights and benefits of Neways Group's employees shall be respected by Infestos, including existing rights and benefits under their individual employment agreements, social plans, and including existing rights and benefits under existing covenants made to the works councils.

- There will be no material reorganisations or restructuring plans resulting in material redundancies with respect to Neways' employees as a direct consequence of the Offer.
- Infestos shall procure that the existing pension arrangements and the pension rights of Neways Group's current and former employees shall be respected by Infestos.
- Infestos recognises the existing rights of and arrangements with the relevant works councils and trade unions of Neways Group under the Dutch Civil Code, the Dutch Works Council Act, the Articles of Association and the covenants with the relevant works councils and Neways, and shall respect these rights.
- Infestos respects and supports a culture of excellence at Neways Group, where qualified employees are offered attractive training and career progression.

Commencement and Offer Conditions

The commencement of the Offer is subject to the satisfaction or waiver of the following commencement conditions:

- no material adverse effect having occurred and is continuing;
- no material breach of the Merger Agreement having occurred, which (i) has or could reasonably be expected to have material adverse consequences for Neways, Infestos, the Offer and the Transaction and (ii) is incapable of being remedied or has not been remedied (to the extent necessary) by Neways or Infestos, respectively;
- the AFM having approved the offer document;
- no revocation or amendment of the recommendations by the Boards or any member thereof;
- no Superior Offer (as defined below) having been announced or made;
- no third party, unrelated to Infestos, being obliged and has announced to make, or has made a mandatory offer pursuant to Dutch law for consideration that is at least equal to the Offer Price;
- no order, stay, judgement, injunction or decree having been issued and restrains, prohibits or materially delays the making, closing and/or settlement of the Offer and/or the Transaction;
- no notification having been received from the AFM stating that one or more investment firms (*beleggingsondernemingen*) will not be allowed to cooperate with the Offer;
- trading in the Shares on Euronext Amsterdam not having been suspended or ended as a result of a measure taken by the AFM or a listing measure (*noteringsmaatregel*) by Euronext Amsterdam;
- an irrevocable undertaking with ZBG having been signed and being in full force and effect and not having been materially breached or terminated, except as approved by Infestos; and
- the fulfilment of Neways' information and consultation obligations pursuant to the Dutch Works Council Act (*Wet op de Ondernemingsraden*).

If and when made, the consummation of the Offer will be subject to the following satisfaction or waiver of the following offer conditions:

- minimum acceptance level of at least 60% of the Shares, or such lower amount as determined by Infestos after consultation with the Boards but with a minimum of 50.01% of the Shares;
- no material breach of the Merger Agreement having occurred, which (i) has or could reasonably be expected to have material adverse consequences for Neways, Infestos, the Offer or the Transaction and (ii) is incapable of being remedied or has not been remedied by Neways or Infestos, respectively;
- no material adverse effect having occurred and is continuing;
- no revocation or amendment of the recommendations by the Boards;
- no recommended Superior Offer (as defined below) having been announced or made;
- no third party being obliged and has announced to make, or has made a mandatory offer pursuant to Dutch law for consideration that is at least equal to the Offer Price;
- no order, stay, judgement, injunction or decree having been issued or enacted, prohibiting or materially delaying the making, closing and/or settlement of the Offer and/or the Transaction;
- no notification having been received from the AFM stating that one or more investment firms (*beleggingsondernemingen*) will not be allowed to cooperate with the Offer;
- trading in the Shares on Euronext Amsterdam not having been suspended or ended as a result of a measure taken by the AFM or a listing measure (*noteringsmaatregel*) by Euronext Amsterdam;
- the irrevocable with ZBG being in full force and effect and the relevant parties being fully compliant therewith; and
- the Resolutions having been adopted at the EGM and being in full force and effect.

The offer conditions will have to be satisfied or waived ultimately on 30 April 2022.

Termination

On termination of the Merger Agreement by Infestos on account of, amongst others, a material breach of the Merger Agreement by Neways or in case the Merger Agreement is terminated by either Infestos or Neways pursuant to a Superior Offer that is not matched by Infestos (see below), Neways will forfeit a EUR 2.25 million termination fee (the **Termination Fee**) to Infestos.

On termination of the Merger Agreement by Neways on account of Infestos failing to commence the Offer on the commencement date or the settlement has not taken place on the settlement date, Infestos will forfeit a EUR 2.25 million termination fee (the **Reverse Termination Fee**) to Neways.

The foregoing termination fees are without prejudice to, and not in lieu of, (a) any right of Infestos or Neways, respectively, to demand specific performance of the provisions of the Merger Agreement and (b) any liability of Neways or Infestos, respectively, under the Merger Agreement, including, but not limited to in relation to the events set forth above, in which case Infestos or Neways, respectively, shall be entitled to claim the full amounts of its damages in addition to the Termination Fee or the Reverse Termination Fee, respectively.



Superior Offer

Infestos and Neways may terminate the Merger Agreement in the event a *bona fide* third-party offeror makes an offer which, in the reasonable opinion of the Boards, taking into account their fiduciary duties and having consulted their financial and legal advisers, is substantially more beneficial to Neways, the continued and sustainable success of its business and its shareholders, employees and other stakeholders than the Offer and the Transaction, taking into account, amongst other things, the strategic rationale for the Transaction, the overall terms and conditions set out in the Merger Protocol and taking into account the overall terms and conditions of the alternative offer (including deal certainty aspects and timing thereof) and exceeds the Offer Price by at least ten (10) percent (a **Superior Offer**).

In the event of a Superior Offer, Neways gives Infestos the opportunity to match such offer, in which case the Merger Agreement may not be terminated by Neways.

Indicative Timetable

Infestos expects to submit a request for review and approval of the Offer Document with the AFM at short notice and to publish the Offer Document shortly thereafter, in accordance with the applicable statutory timeline.

Neways will hold the EGM at least six (6) business days prior to the closing of the Offer period to inform the shareholders about the Offer and to adopt the Resolutions.

Based on the required steps and subject to the necessary approval of the Offer Document, Infestos and Neways anticipate that the Offer will close in the second half of 2021.

Advisers

Allen & Overy LLP (Amsterdam) is acting as legal adviser to Infestos. ABN AMRO Bank N.V. is acting as financial adviser and AKD N.V. is acting as legal adviser to Neways. AXECO Corporate Finance B.V. is acting as financial adviser to the Supervisory Board of Neways.

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About Neways

Neways is an international company active in the EMS (Electronic Manufacturing Services) market. Neways offers its clients custom-made solutions for the complete product life cycle (from product development to after-sales service) of both electronic components and complete (box-built) electronic control systems. Neways operates in a niche of the EMS market and focuses primarily on small to medium-sized specialist series, in which quality, flexibility and time-to-market play a crucial role. Neways products are used in sectors such as the Semiconductor, Medical, Automotive and Industrial. Neways has operating companies in the Netherlands, Germany, the Czech Republic, Slovakia, China and the United States, with a total of 2,598 employees at year-end 2020. Neways recorded net turnover of € 478.6 million in 2020. Neways shares are listed on the Euronext Amsterdam stock exchange (symbol: NEWAY).

About Infestos

Infestos is a sustainable investment firm focused on entrepreneurial and hands-on investment of family capital. Infestos was established in 1999 and consists of a team of experienced professionals with multidisciplinary skills. Infestos has extensive experience on the capital markets through its investments in Alfen, NX Filtration and ESG Core Investments. In addition to its investment portfolio, Infestos supports talent development in sports through TalentNED, sustainable renovation of monumental real estate and projects in the fields of education and healthcare through the Infestos Foundation.

Disclaimer

This is a joint public announcement by Infestos and Neways pursuant to Section 4 paragraphs 1 and 3, Section 5 paragraph 1 and Section 7 paragraph 4 of the Decree and contains inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

The information in this press release is not intended to be complete. This announcement is for information purposes only and does not constitute an offer, or any solicitation of any offer, to buy or subscribe for any securities.

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