

Announcement

Dear All,

Megadyne is proud to announce the acquisition of SATI SpA. Sati SpA is located in Valsamoggia Italy and was founded 1974. Sati's astounding growth during the 45 years since its establishment, based on the quality of its products and its service levels, has turned it into the European market leader for open transmission components.

This transaction follows the acquisition of Challenge PT in July 2018. With the combination of Sati, Challenge and the existing manufacturing unit in Poland, Megadyne becomes a leader in offering a complete range of open transmission components to the benefit of its customers.

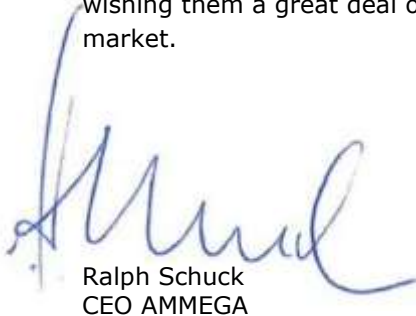
Ralph Schuck: *"I am very pleased to welcome Sati to the Megadyne & AMMEGA family. We are looking forward to combine the expertise, management competencies, product and market knowledge of both the Rambaldi and Cody families, both European pioneers and reference in their field. By combining both companies, we will further strengthen our group's position in Europe."*

Mr. Rambaldi: *"The entire Sati team is looking forward to start this new challenge and to become part of Megadyne. This is another defining moment in Sati's 45-year-old journey. With renewed enthusiasm we will continue with the development of Sati. As part of a larger group, benefiting from greater financial and commercial strengths, this will allow Sati and its employees to further grow and expand internationally."*

The Rambaldi family and the whole Sati team, from the daily management to a skillful workforce with decades of expertise, will remain with the company going forward, ensuring continuity in serving customers.

Sati's state-of-the-art logistic center and quality control in Bologna, combined with Challenge's hubs in the UK, South Africa, China and Australia, will make Megadyne a real global player in this arena.

Please join us in warmly welcoming Sati SpA, into the Megadyne and Ammega family and in wishing them a great deal of future success in helping Megadyne build its position in the market.



Ralph Schuck
CEO AMMEGA



Fabio Vitali
M&A Director AMMEGA

Member of Ammega Group.



Messrs. Rambaldi and Vitali

Member of Ammega Group.