

QUICKSTEP TO ACQUIRE BOEING AUSTRALIA COMPONENT REPAIRS

Media Release: 13th November, 2020

Quickstep Holdings Limited (ASX: QHL) (**Quickstep or Company**), Australia's leading independent carbon fibre composites manufacturer, today announced that it has agreed terms for the purchase of Boeing Defence Australia's aerospace maintenance, repair and overhaul (MRO) capability based in Tullamarine, Victoria.

Under the terms of the Asset Purchase Agreement, Quickstep (through its wholly-owned subsidiary, Quickstep Aerospace Services Pty Ltd) will acquire operating assets plus inventories and certain customer contracts from Boeing Australia Component Repairs Pty Ltd (BACR). Quickstep will also make offers to certain BACR employees and will take on employee liabilities for transferring employees and certain other business liabilities.

A top tier Australian bank has committed to funding the purchase as part of a refinancing package for Quickstep's existing long term loan, offering a reduced margin.

Completion is expected around the end of 2020 and is subject to Quickstep obtaining certain necessary regulatory approvals related to the operation of the facility. It is anticipated that the acquisition will be EPS accretive by year two.

BACR manages a wide range of composite, bonded and conventional metal aircraft structures for both commercial and military operators using leading edge equipment and state-of-the-art MRO know-how. The team has recent experience working with Boeing, Airbus, Embraer and Bombardier aircraft, F/A-18A/B Classic Hornets, F/A-18F Super Hornets, C-130J Hercules and CH-47 Chinooks. Quickstep intends to leverage its existing relationships and capabilities to broaden the scope of MRO work offered to include F-

35 and other military and commercial work. Key approvals include all major regulatory bodies - CASA, FAA, EASA and DADR and Quickstep is working towards obtaining these certifications.



Quickstep CEO and MD, Mark Burgess and Boeing Defence Australia VP and MD, Scott Carpendale signing the Asset Purchase Agreement.

Separate to the Asset Purchase Agreement, Boeing Defence Australia and Quickstep have agreed to commence discussions on a long term agreement that, if entered into, would develop a broader, ongoing collaboration in both the military and commercial aerospace segments, covering new production and sustainment of existing aircraft types.

Commenting on the acquisition Mark Burgess, CEO of Quickstep said “We are delighted to soon be welcoming highly capable aerospace employees from the BACR business to Quickstep. The acquisition of this important national capability aligns well to our business strategy, positions us to grow our defence sustainment business and opens up new opportunities in the high value commercial aftermarket as we move toward post-pandemic recovery.”

“We’re pleased that this agreement will offer Quickstep – a well-established and highly capable Australian company – the ability to grow its unique sovereign capability to the benefit of regional commercial and

defence customers,” said Scott Carpendale, vice president and managing director of Boeing Defence Australia.

“We look forward to continuing to work with Quickstep on new opportunities to increase their support of Boeing customers locally and globally.”

This announcement was approved by the Board of Quickstep Holdings Limited.

ABOUT QUICKSTEP HOLDINGS

Quickstep Holdings Limited (ASX: QHL) is Australia’s leading independent carbon fibre composites manufacturer, operating from state-of-the-art aerospace manufacturing facilities at Bankstown Airport in Sydney, NSW, a manufacturing and R&D/process development centre in Geelong, Victoria and a representative office in Houston, USA. The group employs more than 270+ people in Australia and internationally. More information about Quickstep is available at www.quickstep.com.au.

FOR FURTHER INFORMATION:

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