

ABC TECHNOLOGIES TO ACQUIRE WMG TECHNOLOGIES

Acquisition Enhances Exteriors Portfolio, Two-Shot Molding and Mold-in-Color Capabilities, Strengthens North American Customer Relationships

TORONTO – December 22, 2022 - ABC Technologies Holdings Inc. (TSX: ABCT) (“ABC Technologies”, “ABC” or the “Company”), a leading manufacturer and supplier of custom, highly engineered, technical plastics and lightweighting innovations to the global automotive industry, today announced that it has entered into a definitive agreement to acquire WMG Technologies (“WMGT”) from the Bierer family for US\$165 million (the “Initial Close”) with potential earn-out payments that may become payable upon the achievement of specified profitability targets over the next 24 months (the “WMGT Acquisition”).

Based in Windsor, Ontario, WMGT was founded in 1972 and is a leading tier-1 and tier-2 supplier to major global automotive OEMs with facilities across North America. Along with an extensive portfolio of complementary exteriors products, WMGT is a leading provider of complex tooling for injection molded exterior and interior parts, lighting molds and optic inserts. For WMGT’s Fiscal Year ended April 30, 2022, WMGT generated approximately US\$270 million in revenue.

“WMGT brings with it a rich history as a family-owned Canadian business that parallels ABC’s own story. Founded two years apart, both companies built strong legacies guided by intentional and focused leaders. Six years after our own transition from being a family-owned business, ABC is excited to welcome WMG into its next exciting chapter as part of the ABC family,” said Terry Campbell, President and CEO of ABC Technologies. “This acquisition strengthens ABC’s exterior products offering, expands our injection molding technical expertise and brings additional value-added tooling in-house.”

David Mastronardi, President and CEO of WMG Technologies said, “As we move past a key 50-year milestone in our history, driven by a passion for innovation and the relentless pursuit of excellence, I’m excited to usher in the next phase of WMGT’s journey under ABC’s stewardship. I’m confident that the combination of our businesses – enabled by a continued focus on people, quality, and customers – will catalyze meaningful growth and opportunities while establishing the combination as a supplier of choice.”

To finance the Initial Close, the Company expects to drawdown under its Credit Facilities (as hereinafter defined). On December 5, 2022, ABC amended and restated its existing credit agreement (the “Credit Facilities”) to, among other things, allow for the WMGT Acquisition, provide an additional term facility to be used solely in connection with the WMG Acquisition and to be funded at the Initial Close and to provide additional flexibility.

The transaction is expected to close in ABC Technologies’ Fiscal Third Quarter 2023 (1st Quarter CY 2023) following the satisfaction of customary closing conditions and regulatory approvals, including the approval of the Canadian Competition Bureau and the Mexican Federal Economic Competition Commission.

Advisors

Blake, Cassels & Graydon LLP acted as lead counsel to ABC Technologies with respect to the WMGT Acquisition. Evercore acted as sole financial advisor to ABC Technologies and its Board of Directors with respect to the WMGT Acquisition. Cassels Brock & Blackwell LLP acted as lead counsel to WMGT. KPMG LLP, Deloitte Mexico and Akin Bay Company LLC acted as financial advisors to WMGT.

About ABC Technologies

ABC Technologies is a leading manufacturer and supplier of custom, highly engineered, technical plastics and lightweighting innovations to the North American light vehicle industry, serving more than 25 OEM customers globally through a strategically located footprint. ABC Technologies' integrated service offering includes manufacturing, design, engineering, material compounding, machine tooling and equipment building that are supported by a team of skilled professionals (including professional practicing engineers and additional employees with technical diplomas or at least 15 years technical working experience serving in other technical engineering roles), which we believe ultimately contributes to our differentiated product innovation. Our vertically integrated capabilities include our tool-building and material compounding businesses, which we believe allows us to stay on the leading edge of technical plastics and lightweighting product innovation. In addition, our manufacturing footprint provides us with 250-mile coverage for the majority of our OEM customers' North American light vehicle manufacturing facilities, which we also believe provides us with logistical and competitive advantages. The Company offers three product groups: Interior Systems, Exterior Systems and HVAC, Fluids & Other.

Forward Looking Statements

This news release contains certain "forward-looking statements" concerning anticipated future events, results, circumstances, performance or expectations with respect to the Company and its operations, including its strategy and financial performance and condition. Forward-looking statements include statements that are predictive in nature, depend upon future events or conditions, or include words such as "expects", "anticipates", "plans", "believes", "estimates", "intends", "targets", "projects", "forecasts", "schedule", or negative versions thereof and other similar expressions, or future or conditional verbs such as "may", "will", "should", "would" and "could". The forward-looking statements contained in this news release include, but are not limited to: the closing of the WMGT Acquisition and receipt of required regulatory approvals; the WMGT Acquisition; and the expected benefits of the WMGT Acquisition, including potential synergies. Forward-looking statements are based on underlying assumptions and management's beliefs, estimates and opinions, and are subject to inherent risks and uncertainties surrounding future expectations generally that may cause actual results to vary from plans, targets and estimates. Forward-looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond the Company's control. Such risks and uncertainties include, but are not limited to, the factors discussed under the heading "Risk Factors" in the Company's Annual Information Form dated June 30, 2022 which is available under the Company's issuer profile on SEDAR at www.sedar.com. The Company cautions readers that actual results may vary significantly from those expected should certain risks or uncertainties materialize or should underlying assumptions prove incorrect. Forward-looking statements are provided for the purpose of providing information about management's current expectations and plans relating to the future. Readers are cautioned that such information may not be appropriate for other purposes. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Caution Regarding WMGT's Financial Information

This press release contains certain selected audited annual financial information regarding WMGT for WMGT's financial year ended April 30, 2022 (the "**WMGT Financial Information**"). Such WMGT Financial Information has been prepared using WMGT's audited consolidated financial statements. In providing such WMGT Financial Information, the Company has not independently verified the audited financial information that was provided to the Company by WMGT and that was used to prepare the WMGT Financial Information. This WMGT Financial Information may not reflect what WMGT's financial positions, results of operations or cash flows would have been had the Company owned all of the outstanding shares of WMGT's during the period presented or what the Company's financial position, results of operations or cash flows from or including WMGT will be in the future. The WMGT Financial Information does not contain any adjustments to reflect changes that may occur in the Company's cost structure, financing and operations as a result of the WMGT Acquisition. Undue reliance should not be placed on the WMGT Financial Information.

Contact Information

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