

Airopack Technology Group – Update

Baar, 11 February 2019 – Airopack Technology Group AG (“**Airopack**”) announced today:

- **No comprehensive refinancing and recapitalisation for the Airopack Group as a whole**
- **Agreement on new loans for operating subsidiaries of Airopack**
- **Notice of acceleration and possible share pledge enforcement with respect to shares in the subsidiaries by major lenders**
- **Filing for composition moratorium by Airopack Technology Group AG**
- **Board of Directors preparing procedural steps against former management**

Airopack has been in intensive discussions with its major lenders to find a solution regarding Airopack Group's indebtedness. In the discussions held over the past few days, during a temporary standstill period agreed with the major lenders, it came out that no comprehensive refinancing and recapitalisation of Airopack Group as a whole was achievable. In turn, an agreement has been reached with major lenders late on 8 February 2019, which provides the necessary basis for an immediately available additional loan into the operating subsidiaries of Airopack in the amount of EUR 15 million, with a further possibility of an additional loan of EUR 10 million in the near future. This additional liquidity is expected to cover the short- and mid-term liquidity needs of the operating subsidiaries of Airopack.

However, it has not been possible to have the major lenders waive the events of default under the Facilities Agreement which were continuing since 31 January 2019 (see press release dated 1 February 2019). On this basis, on Saturday, 9 February 2019, the major lenders have accelerated the loans outstanding under the Facilities Agreement. The acceleration notice includes a demand for repayment of the loans from Airopack under the guarantee given by it. The lenders are also in a position to start the proceedings to enforce the security package, including the pledges over the shares of the subsidiaries. Against this background, the Board of Directors of Airopack has decided to request the opening of a provisional composition moratorium (*provisorische Nachlassstundung*) to protect the company and its rights. The moratorium period is to allow Airopack, under the supervision of a court appointed administrator, to continue its efforts in view of reaching a solution in the best interest of the company and its stakeholders. A unilateral commitment from the Apollo funds as the major lenders has been received to make funds up to an amount of EUR 2 million available to Airopack. This unilateral commitment, which is conditional upon the occurrence of certain events, is an important element in Airopack's current planning on how to settle its liabilities to creditors (other than Apollo funds) and to eventually exit the provisional composition moratorium.

This situation is the result of the findings and events which occurred in the very recent past as previously reported by Airopack:

- Following the announcement of the comprehensive recapitalisation plan (see press release of 30 November 2018, the "**Recapitalisation Plan**"), the new management team under the lead of the Chairman of the Board of Directors and interim CEO has taken over on 1 December 2018.
- Because of certain findings made by the new management team, Airopack had mandated PricewaterhouseCoopers Ltd. ("**PwC**") to make an accounting investigation.

- PwC has found that revenues in 2018 had been overestimated by former management, including in the first half-year period. Also, former management had entered into previously undisclosed liabilities, such as buy-back commitments towards customers.
- The new management team also discovered that the sales forecasts in the budgets and the business plan underlying the Recapitalisation Plan had been excessively overstated by former management. Further, investigations have shown certain inadequate sales and accounting practices that will lead to corrections in the accounting and caused a severe lack of cost-control in the months prior to the announced Recapitalisation Plan. As a result, the Airopack Group stands with lower income and higher payables and costs as foreseen in the Recapitalisation Plan. This led to a shortage in the forecasted liquidity and it became apparent that the additional bridge loan agreed as part of the Recapitalisation Plan was too low to bring the Airopack Group to the planned capital increase of April 2019.
- Also, the deficiencies in the accounting of former management made it impossible to obtain in time a clean audit opinion from the statutory auditors of Airopack, which would have been a requirement for the capital reduction planned for early February 2019. Accordingly, Airopack had to announce a postponement of this step. As mentioned above, the Recapitalisation Plan has become completely unachievable in the meantime.

The Board of Directors is preparing the adequate procedural steps against former management and will coordinate such steps with the court appointed administrator.

The Board of Directors will further communicate as soon as the Court will have ruled on the moratorium application.

Contacts:

Airopack Technology Group AG
Antoine Kohler, Chairman

Blegistrasse 5/1 OG
CH-6340 Baar
TF: +41 41 768 50 50
www.airopackgroup.com

For investors:
Airopack Technology Group AG

Martin Eberhard
martin.eberhard@rimesa.ch
TF: +41 79 209 77 50

For media:
Tolxdorff Eicher Kollektivgesellschaft

Daniel Eicher / Theresia Tolxdorff
partners@tolxdorffeicher.ch
TF: +41 44 718 25 25

The Company

Airopack Technology Group AG is a leading developer and supplier of mechanical and pressure-controlled dispensing packaging technologies and systems for manufacturers and suppliers of cosmetics, body care, pharmaceutical and food products. The revolutionary and worldwide and solely by ATG patented Airopack® technology offers a safe, all-plastic pressurized dispenser that is environmentally and planet friendly

Airopack Technology Group operates a Airopack Ready to Fill manufacturing facility in Waalwijk, The Netherlands and a Full-Service Filling operation in Heist-op-den-Berg Belgium (Airosolutions) as well as a manufacturing plant for filling equipment in Houten, The Netherlands (Airofiller Equipment Solutions), The Global Research and Development Team, the Airopack Global Management and Customer Service Organisation are located in Waalwijk, The Netherlands.

The shares of the company are listed on the Swiss Reporting Standard of the SIX Swiss Exchange since 2010. (Ticker: AIRN / ISIN: CH0242606942).

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