

PRESS RELEASE

Kjell A Østnes AS and Termad Invest AS join forces in Aviation Service and Support

Both companies have fully owned subsidiaries providing complementary after sales services and support to helicopter operators. Both parties share the experience that helicopter operators increasingly demand more complete and integrated solutions to help streamline their own operations. In our view this will ultimately lead to a more efficient value chain where operators become less integrated and more profitable, a similar development seen for value chains for e.g. capital goods and heavy machinery.

Our response to this exciting challenge is to build a strong player relying on decades of experience, competent employees, global networks, local presence, and long-lasting relationships with helicopter operators. Kjell A Østnes AS and Termad Invest AS have therefore agreed to establish a commonly owned holding company ("NewCo") which will acquire all the shares in Østnes Aero AS, XO Maintenance AS and Norwegian Camo Support AS as well as the operations in AeroService AS. The businesses will be continued in the respective legal entities. Newco will realize synergies across the companies and will eventually be combined with further acquisitions that can make the new group even more cost efficient and competitive.

The new group will consist of two certified maintenance centers; be authorized representative for Safran Helicopter Engines in Northern Europe allowing us to perform level 1 & 2 maintenance on most Safran Helicopter Engine Variants; and be Airbus Nordic distributor for new parts and components. Newco will in addition be able to offer CAMO services to private and commercial operators. We will be staffed with industry professionals with long international experience in helicopter component sales, maintenance, and logistics support. As such Newco will not only provide a competitive and efficient service in the Nordics covering parts supply on an outright sale or exchange basis as well as overhaul and repair management but continue to serve markets outside Europe as AeroService AS is doing currently.

The parties will put significant resources into planning and preparations for the launch of the new Group, which will take place 1. January 2021. Leif Chr. Salomonsen will act as the project leader in this phase and report to the principals.

Oslo/Biri, 14. September 2020

Kjell A. Østnes AS

Kjell A Østnes AS is the Airbus Helicopters Distributor for the models H125/H130/H135/H145, and our subsidiary Østnes AERO AS is the Distributor of spare parts, both covering all Nordic markets. In addition to sales of helicopters and distribution of parts, the Group provides aftersales support, including logistic support; repair/overhaul services; documentation; and training. The Group provides a 24/7 service for around 100 customers operating more than 250 Airbus helicopters.

Read more about Kjell A Østnes AS: <https://ostnes.no/>

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Termad Invest AS

Termad Invest AS consists of Aeroservice AS, XO Maintenance AS, Norwegian Camo Support AS and HeliSupport AS, all active in the aviation segment. Aeroservice supplies 1. Generation Airbus Helicopter operators worldwide from our large warehouse in Norway. XO Maintenance is an MRO with EASA Part 145 approval for the Nordic market. We are also Safran Helicopter Engine distributor for North Europe and Russia (CDC & CMC). XO Trading supports customers worldwide with spare parts, exchange and repair/overhaul service. Norwegian Camo Support are approved by Norwegian CAA to provides CAMO support to European customers.

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