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John Cockerill Defense's development supported by a Memorandum of Understanding signed by France and Belgium

On January 15, in a landmark move for the European defense industry, John Cockerill, a major supplier of light tank turrets, firing, and simulation systems, announced that it had signed an exclusive agreement* with the Volvo Group to acquire Arquus, France's leading supplier of military vehicles. This prospective acquisition would contribute to strengthening the cooperation between France and Belgium in a strategic sector and aims to reinforce the Group's footprint in the worldwide land defense market by expanding its portfolio of solutions to include an extensive range of advanced, high-mobility wheeled military vehicles. The acquisition process has been ongoing ever since, and is progressing through the stages necessary to its conclusion.

To support and frame this alliance, France and Belgium today signed a Memorandum of Understanding aimed at bringing together the Belgian and French land-based defense industries in a harmonious and mutually beneficial manner. The two countries have agreed to adopt a joint strategy involving a capital investment in John Cockerill Defense. Belgium, through the Federal Holding and Investment Company (SFPIM), will acquire a 10.0% stake in John Cockerill Defense. France will directly acquire a 10.0% stake in the same capital.

This equity investment will shortly be formalized and secured by the conclusion of an Investment Agreement and a Shareholders' Pact, defining the legal and financial framework of the operation.

John Cockerill is delighted with this investment which, used as leverage, will consolidate the Belgian and French land-based defense industries, facilitating their integration and coordinated development. This initiative will enable this future Franco-Belgian alliance to better serve land forces worldwide, by offering the highest level of protection to research and development activities as well as intellectual and industrial property on Belgian and French territory.

Alexander De Croo, Belgian Prime Minister, declares: *"Russia's aggression against Ukraine has reminded us that, as Europeans, we must deploy a genuine defense strategy. This means, in particular, supporting our defense industry to consolidate its activity and expertise in Europe. Belgium's investment in John Cockerill Defense, to enable it to acquire Arquus, is in line with this vision: to create a solid, key European player in land-based defense."*

Ludivine Dedonder, Belgian Minister of Defense, adds: *"From the outset of my mandate, strengthening our defense industry has been one of the spearheads of my policy. After all, there can be no strong defense without a solid industrial base. The war in Ukraine shows just how important our industrial base and strategic autonomy are in an unstable geopolitical world. Thanks to this investment by Belgium and the acquisition of French firm Arquus by John Cockerill Defense, we are taking a major step towards strengthening and anchoring our Belgian and European defense industry. We are anchoring our technological know-how and leading a strong industrial*

arm, ready to guarantee the future of our land forces. It's also a further example of cooperation and interoperability between Belgium and France, with the creation of an industrial champion in the field of equipment for our armed forces".

François Michel, CEO of the John Cockerill Group, said: "The expected acquisition of Arquus by John Cockerill is an important step in strengthening cooperation between Belgium and France in the field of defense, and in consolidating the European defense industry. The combination of the two industrial assets will enable us to innovate faster and better serve our customers and partners with more efficient, robust and competitive light armored vehicles and weapons systems. We are delighted that, through this Memorandum, the Belgian and French governments are supporting this strategic move, which fully serves their sovereign interests".

* This transaction remains subject to the fulfilment of customary conditions for this type of transaction, including the information and consultation of works councils and other regulatory approvals.

John Cockerill, enabler of opportunities

Driven since 1817 by the entrepreneurial spirit and thirst for innovation of its founder, the John Cockerill Group develops large-scale technological solutions to meet the needs of its time: facilitating access to low carbon energies, enabling sustainable industrial production, preserving natural resources, contributing to greener mobility, enhancing security and installing critical infrastructures.

Its offer to companies, States and communities consists of services and associated equipment for the sectors of energy, defence, industry, the environment, transports, and infrastructures.

With over 6,000 employees, John Cockerill achieved a turnover of € 1,046 billion in 2022 in 24 countries, on 5 continents.

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