

Press release

Zurich, 16. February 2021

RUAG Space positions itself for the future

To respond to a changing market environment and to create the basis for the successful implementation of its growth ambition, RUAG Space is repositioning itself along a flatter organization that will take effect as of Q3/2021. This also includes a reduction of up to 100 of today's 1'300 positions by the end of 2021.

RUAG International's Space business is currently being reorganized as part of a project called Ambition 21. The reorganization is a response to a changing market environment and an unsatisfactory performance in 2020. The company is thus laying the foundation to successfully implement its growth ambition. The focus is on strengthening RUAG Space's position in Europe as a leading supplier to the space industry, on selectively expanding its subsystem offering and to further expand RUAG Space's business in the US and globally.

Bringing world-class expertise to the next level

The new organization will replace RUAG Space's existing matrix organization as of Q3/2021. In response to the changing market environment, including new market players and a need for industrialized processes, the existing organization has proven to be too complex and not agile enough. "RUAG Space is a powerhouse that has contributed to countless successful missions. We want to bring our world-class expertise to the next level. Therefore, we are going to simplify our way of working and set the course to boost innovation, agility, and global collaboration across RUAG Space's 12 sites in 6 different countries", says Luis De León Chardel, Executive Vice President ad interim of RUAG Space.

Flatter organization along functional competencies

The new organization of RUAG Space will bundle the company's know-how globally along functional competencies. Specifically, it will be structured around two business units responsible for managing large programs for satellites and launchers as well as transversal global functions enabling RUAG Space to tap its full potential thanks to unified and improved global processes. An enhanced Key Accounts and Sales organization with a worldwide focus will ensure even greater customer proximity and growth in the future. A new unit Business Development & Strategy will give further momentum to the targeted growth especially in the United States in the coming years.

Compared to the existing one, the new organization has a reduced level of complexity and will lead to more efficiency thanks to less organizational interfaces and a better utilization of the company's resources. The new organization puts the company in an optimal position to capture key market opportunities and to secure RUAG Space's position as a competitive global space company in the long term.

Decisive measures necessary

Due to a drop in profitability resulting from delays in various space programs that have been further exacerbated by the impact of the COVID-19 pandemic, RUAG Space must accelerate the development towards a leaner organization and reduce overlapping resources. Therefore, the

company will reduce up to 100 of today's approximately 1300 positions across its sites in Austria, Sweden and Switzerland as part of the reorganization until the end of 2021. It is not yet clear how many people will be affected by the reductions, as a proportion of the cuts will be achieved through natural turnover and retirements. Wherever possible, connection opportunities inside and outside of the RUAG Group will be sought for those affected. In Switzerland, the company's social plan applies for any redundancies. An internal process is currently underway to define the specific impacts per country. As required by local custom and legislation, we will involve works councils, employee representatives and unions in the countries in this process to find appropriate solutions for the affected positions.

This press release can be found here: <https://www.ruag.com/news>

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RUAG Space is the leading supplier to the space industry in Europe and has a growing presence in the United States. In total, RUAG Space has about 1,300 employees across six countries. RUAG Space develops and manufactures products for satellites and launch vehicles—playing a key role both in the institutional and commercial space market.

RUAG International is a Swiss technology group with production sites in 14 countries, the company is divided into the four business units Space, Aerostructures, MRO International and Ammotec. RUAG International employs around 6,500 people, around two thirds of whom work abroad. www.ruag.com