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ATS ACQUIRES CONVEYOR SYSTEMS MANUFACTURER NCC AUTOMATED SYSTEMS

Cambridge, Ontario (September 1, 2021) - ATS Automation Tooling Systems Inc. (*TSX:ATA*) ("ATS" or the "Company"), an industry-leading automation solutions provider, today announced it has acquired NCC Automated Systems, Inc. ("NCC"), a provider of engineered to order sanitary automation solutions and stand-alone precision conveyance equipment for US\$40 million (~C\$50 million), subject to customary post-closing adjustments, representing 11.4x NCC's FY2020 adjusted EBITDA or 6.2x post synergies⁽¹⁾. ATS has funded the acquisition by drawing on its revolving credit facility.

"The acquisition of NCC expands our portfolio of precision conveyor technologies through the addition of adjacent and complementary products to ATS' SuperTrak, addressing an important pillar of ATS' automation products strategy while enhancing our position in the food and beverage end-market," said Andrew Hider, CEO of ATS. "NCC's strong design software toolkit also allows us to play a more holistic role in supporting the needs of our customers from the design phase through to implementation by bridging the connection between the design engineer and manufacturing operator."

Founded in 1986 and based in Souderton, Pennsylvania, NCC, an employee-owned company, provides turnkey automation solutions under the NCC and Nutra-Pack brands and manufactures high precision pallet handling and sanitary conveyance products under the Glide-Line™ and SideDrive brands, serving customers in the food and packaging, ophthalmic, assembly automation and nutraceutical markets. In FY2020, NCC generated revenues of US\$31 million and EBITDA of US\$3.5 million. Over the five-year period ending in FY2020, NCC posted approximately 8% revenue compound annual growth rate (CAGR). The majority of the company's revenues are derived from customers in North America. By end-market, in FY2021⁽²⁾ NCC is expected to generate approximately half of its sales from food and packaging, 25% from optical, 21% from assembly automation, and the balance from other markets. The sale of automation systems is expected to comprise approximately 68% of revenues, with standalone conveyance products generating approximately 23% of revenues and the balance derived from aftermarket services. NCC employs 92 employees at its US manufacturing facility.

NCC will continue to be led by its President, Kevin Mauger. "It was evident from our early conversations with ATS' management team that our two companies share strong alignment when it comes to our culture, business plans, vision and purpose," commented Kevin Mauger, President of NCC. "By being part of the ATS family, we are better able to execute on our plans and drive strong growth across our business units."

Attractive Synergy Opportunity

ATS expects to realize approximately US\$1.2 million in annual cost synergies within three years of acquisition, including supply chain savings and operational efficiencies. ATS also expects revenue synergies to generate approximately US\$1.8 million of additional EBITDA within three years by leveraging the combined ATS and NCC technologies in turnkey customer solutions and joint product development. The transaction is expected to be accretive to ATS' earnings and cash flow per share metrics in the first year following the acquisition. ATS expects double-digit returns on invested capital (ROIC) by year three following completion of the acquisition.

About NCC Automated Systems, Inc.

Founded in 1986, NCC provides turnkey automation solutions, and manufactures high precision pallet handling and sanitary conveyance products and systems. Combining the company's expertise in engineered to order solutions for food and packaging applications, and the ability to develop a portfolio of modular, flexible and configurable products enables NCC to serve a long list of blue-chip customers. Based in Souderton, Pennsylvania, NCC employs 92 people. Visit the company's website at www.nccas.com for more details.

About ATS

ATS is an industry-leading automation solutions provider to many of the world's most successful companies. ATS uses its extensive knowledge base and global capabilities in custom automation, repeat automation, automation products and value-added services, including pre-automation and after-sales services, to address the sophisticated manufacturing automation systems and service needs of multinational customers in markets such as life sciences, food & beverage, transportation, consumer products, and energy. Founded in 1978, ATS employs over 5,000 people at 28 manufacturing facilities and over 50 offices in North America, Europe, Southeast Asia and China. The Company's shares are traded on the Toronto Stock Exchange under the symbol ATA. Visit the Company's website at www.atsautomation.com.

1) *6.2x post synergies multiple includes revenue and cost synergies of approximately US\$3.0 million; FY2020 represents fiscal year ending Dec. 31; 2) Based on ATS' projections for FY2021*

Note to Readers: Non-IFRS measures:

This news release uses the non-IFRS measures EBITDA, and return on invested capital associated with this investment. These terms do not have any standardized meanings prescribed within IFRS and therefore may not be comparable to similar measures presented by other companies. These measures should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. EBITDA is defined as earnings from operations excluding depreciation and amortization (which includes amortization of intangible assets). EBITDA is used by the Company to evaluate the performance of operations. Management believes that EBITDA is an important indicator of ability to generate operating cash flows to fund continued investment in operations. Management believes that ATS shareholders and potential investors in ATS use these non-IFRS financial measures in making investment decisions and measuring operational results. Return on invested capital associated with this investment, as used herein, means in respect of any fiscal year, the net income of NCC in such fiscal year, divided by the purchase price for the acquisition. Return on invested capital, as used herein, is used by ATS to evaluate the efficiency of the allocation of ATS' capital.

Forward-Looking Statements:

This news release contains certain statements that constitute forward-looking information within the meaning of applicable securities laws ("forward-looking statements"). Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of ATS or NCC, or developments in either ATS' or NCC's business or in their industry, to differ materially from the anticipated results, performance, achievements or developments expressed or implied by such forward-looking statements. Forward-looking statements include all disclosure regarding possible events, conditions or results of operations that is based on assumptions about future economic conditions and courses of action. Forward-looking statements may also include, without limitation, any statement relating to future events, conditions or circumstances. ATS cautions you not to place undue reliance upon any such forward-looking statements, which speak only as of the date they are made.

Forward-looking statements in this press release relate to, among other things: funding of the transaction, expectations relating to NCC revenue breakdown by end market and business composition, expectations related to quantum and timing of cost and revenue synergies, expectations relating to impact on ATS' earnings and cash flow per share metrics and return on invested capital. The risks and uncertainties that may affect forward-looking statements include, among others: performance of the market sectors that NCC and ATS serve; the progression of COVID-19 and its impacts on the Company's and NCC's ability to operate their respective assets, including the possible shut-down of facilities due to COVID-19 outbreaks; the severity and duration of the COVID-19 pandemic in all jurisdictions where the Company and NCC conduct business; the nature and extent of government imposed restrictions on travel and business activities and the nature, extent, and applicability of government assistance programs, in both cases related to the COVID-19 pandemic, as applicable in all jurisdictions where the Company and NCC conduct business; the impact of the COVID-19 pandemic on the Company's and NCC's employees, customers, and suppliers; the impact of COVID-19 on the global economy; general market performance including capital market conditions and availability and cost of credit; foreign currency and exchange risk; the relative strength of the Canadian dollar; impact of factors such as increased pricing pressure and possible margin compression; the regulatory and tax environment; failure or delays associated with new customer programs; that NCC's business does not perform as expected, impacting the expected revenue breakdowns and/or that expected cost and revenue synergies are not realized within the expected timeframe or at all; that earnings and cash flow per share metrics are not accretive in the first year for any number of reasons, including those stated above; that return on invested capital

targets are not reached within the expected timeframe or at all; that one or more customers, or other persons with which NCC has contracted, experience insolvency or bankruptcy with resulting delays, costs or losses; political, labour or supplier disruptions; imposition of new duties, tariffs or other legal barriers that impact NCC's markets; that growth in markets NCC serves is less than expected; risks relating to legal proceedings to which NCC and/or ATS is or may become a party; exposure to product liability claims; risks associated with greater than anticipated tax liabilities or expenses; and other risks detailed from time to time in ATS' filings with Canadian provincial securities regulators. Forward-looking statements are based on management's current plans, estimates, projections, beliefs and opinions, and other than as required by applicable securities laws, ATS does not undertake any obligation to update forward-looking statements should assumptions related to these plans, estimates, projections, beliefs and opinions change.

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