

Allied Motion Enhances Market and Technology Capabilities with Acquisition of TCI, LLC
AMHERST, N.Y.--(BUSINESS WIRE)--Dec. 6, 2018-- Allied Motion Technologies Inc. (Nasdaq: AMOT) (“Company”), a designer and manufacturer that sells precision controlled motion products and solutions to the global market, announced that it has acquired TCI, LLC (“TCI”), a leading developer and manufacturer of active (electronic) and passive (magnetic) products to resolve power quality and harmonic issues associated with industrial power conversion for \$64.1 million. The purchase price was funded with existing cash plus borrowings under the Company’s revolving credit facility.

“TCI broadens and strengthens our position as a leading global diversified solutions provider in the controlled motion market,” commented Dick Warzala, Chairman and CEO. “Their adjacent technologies and capabilities enable more efficient and longer life solutions for motion devices in a wide variety of demanding applications. We believe TCI’s technology and products will be a valuable addition to our expanding suite of solution offerings to further enhance the value creation opportunity that Allied brings to its customers. Additionally, TCI is expected to improve Allied’s overall margin profile and to be immediately accretive.”

Founded in 1961 and headquartered in Germantown, Wisconsin, TCI designs and manufactures products that monitor and improve power quality and extend motor life by reducing harmonic distortion associated with variable frequency drives (VFDs) and other power conversion equipment. With approximately 165 employees, TCI’s manufacturing capabilities include magnetic and electronic product assembly expertise to support a broad suite of power quality solutions that are used in oil and gas, HVAC, water and wastewater, and general industrial end markets primarily in the U.S. TCI expects 2018 revenue of approximately \$45 million and has achieved above-market growth with a compound annual growth rate in the high single digits over the last three years.

Mr. Warzala added, “There is tremendous opportunity for growth potential with this acquisition as TCI has built longstanding relationships with blue-chip machinery OEMs, system integrators, consulting engineers and distributors. We believe their well-established North America distributor network can aid in our ongoing expansion of that channel and,

equally important, we expect to leverage the Allied international footprint to further TCI's global market penetration.”

Cleary Gull Inc. served as the exclusive financial advisor to TCI, LLC.

About Allied Motion Technologies Inc.

Allied Motion (Nasdaq: AMOT) designs, manufactures and sells precision and specialty controlled motion components and systems used in a broad range of industries within our major served markets, which include Vehicle, Medical, Aerospace & Defense, and Industrial. The Company is headquartered in Amherst, NY, has global operations and sells into markets across the United States, Canada, South America, Europe and Asia.

Allied Motion is focused on controlled motion applications and is known worldwide for its expertise in electro-magnetic, mechanical and electronic motion technology. Its products include brush and brushless DC motors, brushless servo and torque motors, coreless DC motors, integrated brushless motor-drives, gear motors, gearing, modular digital servo drives, motion controllers, incremental and absolute optical encoders, and other associated motion control-related products.

The Company's growth strategy is focused on being the controlled motion solutions leader in its selected target markets by leveraging its “technology/know how” to develop integrated precision solutions that utilize multiple Allied Motion technologies to “change the game” and create higher value solutions for its customers. The Company routinely posts news and other important information on its website at <http://www.alliedmotion.com/>.

Safe Harbor Statement

The statements in this news release that relate to future plans, events or performance are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include, without limitation, any statement that may predict, forecast, indicate, or imply future results, performance, or achievements, and may contain the word “believe,” “anticipate,” “expect,” “project,” “intend,” “will continue,” “will likely result,” “should” or words or phrases of similar meaning. Forward-looking statements involve known and unknown risks and uncertainties that may cause actual results to differ materially from the expected results described in the forward-looking statements. The risks and uncertainties include those associated with: the domestic and foreign general business and economic conditions in the markets we serve, including political and currency risks and adverse changes in local legal and regulatory environments; variation in demand from

customers; continued market acceptance of the Company's new product introductions; operating margin risk due to competitive pricing and operating efficiencies; supply chain risk; material and labor cost increases; our ability to successfully integrate TCI into our business model without substantial costs, delays, or problems; our ability to leverage our sales channels to grow the market penetration of TCI; risks associated with the oil and gas industry including changes in prices, demand, exploration and production; and other risks and uncertainties detailed from time to time in the Company's SEC filings. Actual results, events and performance may differ materially. Readers are cautioned not to place undue reliance on these forward-looking statements as a prediction of future performance, results or events. Any forward-looking statement speaks only as of the date on which it is made. New risks and uncertainties arise over time, and it is not possible for us to predict the occurrence of those matters or the manner in which they may affect us. The Company has no obligation or intent to release publicly any revisions to any forward-looking statements, whether as a result of new information, future events, or otherwise.

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