



# W5 Solutions enters into an agreement to acquire Kongsberg Target Systems

**W5 Solutions AB (publ) ("W5 Solutions" or the "Company") has today, in accordance with the letter of intent announced by press release on 15 March 2023, entered into an agreement to acquire the Norwegian company Kongsberg Target Systems AS ("KTS"), one of the world's leading suppliers that develops, manufactures, and sells electronic target systems with an international customer base. The initial purchase price amounts to a total of approximately MSEK 45.2, of which MNOK 20 (MSEK 20.2) will be paid in cash, and MSEK 25 will be settled in the form of consideration shares in W5 Solutions.**

## **The acquisition in brief**

The purchase price of an initial amount of approximately MSEK 45.2 for 100 percent of the shares in KTS shall be paid partly in a cash payment of MNOK 20 (MSEK 20.2) and partly in the form of 357,984 newly issued consideration shares in W5 Solutions (the "**Consideration Shares**") equal to about MSEK 25.0. The Consideration Shares shall be issued at a subscription price of SEK 69.94 per share, corresponding to the volume-weighted average price of the Company's share during the last ten trading days up to and including 13 March 2023. The Consideration Shares shall be subject to lock-up commitments with effect from the seventh month after the completion of the acquisition until the twelfth month after the completion.

In addition, two additional cash earn-outs may be paid based on the price development of W5 Solutions' shares. The first earn-out shall correspond to 50 percent of the difference between SEK 100 per Consideration Share and the volume-weighted average price of the Company's share during the trading days occurring during the twelfth month after the completion of the acquisition, but not more than MSEK 16. The second earn-out shall correspond to 50 percent of the difference between SEK 150 per Consideration Share and the volume-weighted average price of the Company's share during the trading days occurring during the thirtieth month after the completion of the acquisition, but not more than MSEK 24. The right to earn-out payment is subject to the respective sellers not divesting any Consideration Shares to a greater extent than agreed by the parties during the thirty months following the completion of the acquisition, including that no Consideration Shares are divested during the first twelve months (in respect to the first earn-out). Furthermore, the sellers shall be entitled to an earn-out corresponding to the difference of SEK 150 per Consideration Share and the price of the Company's share in the event that, during the thirty months following the completion of the acquisition, (i) the Company is delisted or (ii) the sellers divest the Consideration Shares in the context of a procedure whereby 67 percent or more of the shares in W5 Solutions come into the hands of the same owner.

The acquisition is planned to be completed at the beginning of April after fulfilling certain conditions, including approval of the transaction by certain lenders to KTS.

## **About KTS**

KTS is one of the leading global suppliers of electronic target systems and has offered quality



solutions to customers worldwide since its inception in 1995. The latest unique product from KTS, Kongsberg eScore, was launched in 2021 and is the world's first-ever professional software platform for electronic target shooting. KTS has around 25 employees and is headquartered in Heistadmoen, Norway. After the acquisition is completed, KTS will continue to operate as an independent company with the current management. KTS will continue to act under the Kongsberg Target Systems brand and supply existing customers. In 2022, KTS had sales of MNOK 43.4 with an EBIT margin of MNOK 1.2 and a strong equity ratio and liquidity.

"I am pleased that we have reached an agreement, and it is with great pleasure that we welcome KTS employees to the W5 Solutions Group. This acquisition constitutes a significant strategic step within our acquisition strategy and secures our position in the Nordic market. Through the acquisition, we strengthen our international expansion and gain access to several important geographic markets, including the US, which is vital for W5 Solutions' continued growth and export strategy," says Daniel Hopstadius, W5 Solutions' CEO.

"I am convinced that this acquisition will bring many synergies and opportunities and also strengthen our business going forward. We have worked closely with W5 Solutions for many years and have a well-established relationship. Therefore, I feel confident in continuing our development within the W5 Solutions Group," says Toralf Johannessen, KTS' CEO.

"We welcome KTS to the W5 family and look forward to more opportunities in the Norwegian market," says Siebren de Boer, W5 Solutions Director of Corporate Development and M&A.

**For more information, please contact:**

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**About Kongsberg Target Systems**

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Kongsberg Target Systems is one of the leading global suppliers of electronic target systems and has offered quality solutions to customers worldwide since its inception in 1995. The latest unique product from Kongsberg Target Systems, Kongsberg eScore, was launched in 2021 and is the world's first-ever professional software platform for electronic target shooting. KTS has around 25 employees and is headquartered in Heistadmoen, Norway.

For more information, please visit: [www.kongsbergtargets.com](http://www.kongsbergtargets.com)



## About W5 Solutions

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W5 Solutions supplies high-technology systems and solutions to government agencies and defence integrators.

We are experts in training and simulation, mission systems, communication, power supply, and integration. W5 Solutions' service and support team ensures high reliability through the longevity of the system.

Learn more at [www.w5solutions.com](http://www.w5solutions.com).

The company is listed on the Nasdaq First North Growth Market Stockholm. Redeye AB is the company's Certified Advisor.

## Image Attachments

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[W5 Solutions Daniel Hopstadius](#)

[W5 Solutions Siebren de Boer](#)

[KTS Toralf Johannessen](#)

[W5 Logo](#)

[KTS Logo](#)

[KTS & W5](#)

## Attachments

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