

1 November 2024

Solid State plc

(“Solid State”, the “Group” or the “Company”)

Acquisition of Q-Par Antennas USA

Solid State plc (AIM: SOLI), the specialist value-added component supplier and design-in manufacturer of computing, power, and communications products, announces the acquisition of Q-Par Antennas USA LLC (“**Q-Par**”) for a maximum consideration of up to \$2.0m (the “**Acquisition**”). Q-Par will join the Systems division of the Group.

Established in 2014, Q-Par is a recognised and highly regarded distribution name in the provision of antenna systems and related technologies primarily for defence and security applications. The business has an existing loyal client base underpinned by valuable approved supplier status agreements.

Financial Performance:

For the twelve month period to 30 September 2024, Q-Par generated total revenues of \$2.0m, albeit, when adjusted for intercompany (Solid State) sales, third party revenues were \$0.4m and profit before tax was \$0.2m.

Acquisition consideration:

The Acquisition will be funded from the Group’s existing cash resources. An initial consideration of \$0.5m is payable on completion, in cash, with an additional \$0.5m paid in the first week of January 2025. A further deferred payment of \$0.5m will be paid out in cash over a two-year period. Earn-out consideration of a further \$0.5 million may be payable subject to exceeding certain growth and performance targets.

Benefits of the Acquisition:

- Q-Par is a long-standing distribution partner of Steatite Antennas in the UK and is a respected and trusted brand in the market.
- The Acquisition gives the Group security of distribution in the US market and approved supplier status for key US defence and security Prime contractors.
- Builds a platform in the US Antenna market & expands Solid State’s US footprint – providing better access to the world’s largest antenna market.
- Aids the potential to establish an “on shore” antenna production capability at our facility in Fountain Valley, California, in the medium term, driving further opportunity growth in products assembled in the USA and providing tariff benefits.
- Strengthens credit status of Q-Par by being part of Solid State Group.
- Route to establish Steatite Antenna brand in US as an OEM manufacturer, sitting behind Q-Par as the distributor.
- Leverage administration synergies as part of Solid State’s US activities.
- Important building block for the Group’s medium term US growth strategy.

Commenting on the Acquisition, Gary Marsh, CEO of Solid State Plc, said: “The acquisition of Q-Par Antennas secures a valuable distribution channel and gives the Group an opportunity to further invest in the medium term growth opportunity in the US markets. As Solid State broadens its footprint and product offering in the US market, locally recognised and accredited sales channels enable scale, particularly into niche markets.”

For further information please contact:

Solid State plc

Via Walbrook

Gary Marsh - Chief Executive

Peter James - Group Finance Director

Cavendish Capital Markets Limited

020 7220 0500

(Nominated Adviser & Broker)

Adrian Hadden / Callum Davidson (Corporate Finance)

Jasper Berry / Tim Redfern (Sales / ECM)

Walbrook PR (Financial PR)

020 7933 8780

Tom Cooper / Nick Rome / Joe Walker

0797 122 1972

solidstate@walbrookpr.com

Analyst Research Reports: For further analyst information and research see the Solid State plc website: <https://solidstateplc.com/research/>

Notes to Editors:

Solid State plc (AIM: SOLI) is a leading value-added electronics group supplying industrial and defence markets with durable components, assemblies and manufactured systems for use in critical applications, with a particular emphasis on harsh operational environments. Solid State’s products are found around the world, from the ocean floor and into space, ensuring the smooth operation of systems that augment our everyday lives.

The Company has a core focus on industrial and ruggedised computing, battery power solutions, antennas, secure radio systems, imaging technologies, and electronic components & displays.

Operating through two divisions (Systems and Components) the Group thrives on complex engineering challenges, often requiring design-in support and component sourcing. Serving a wide range of industries, with a particular focus on defence, energy production, aerospace, environmental, oceanographic, industrial, robotics, medical, life sciences, and transportation, the Solid State trading brands have become synonymous with quality and reliability. The Group operates under the brands of Steatite, Solsta, Custom Power, Pacer, Active Silicon, Gateway and Durakool.

Solid State plc is headquartered in Redditch, UK, and employs over 400 people around the world. The business has seven production facilities in the UK and two in the USA. In total, including all office locations, the Group operates from 15 national and international sites.

Solid State was established in 1971 and admitted to AIM in June 1996. The Group has grown organically and by acquisition - having made four acquisitions in the last four years.

Take a look at the videos below for more insight into the Solid State Group.

Introduction to Solid State - https://youtu.be/1M_Q_B1mYic

Why invest in Solid State? - <https://youtu.be/ShmTz6005ws>