

For immediate release

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**28<sup>th</sup> June 2019**

### **AB Dynamics plc**

(“AB Dynamics”, the “Company” or the “Group”)

### **Acquisition of Kangaloosh Limited (the “Acquisition”)**

AB Dynamics (AIM: ABDP), the designer, manufacturer and supplier of advanced testing systems and measurement products to the global automotive market, is pleased to announce that it has completed the acquisition of Kangaloosh Limited (trading as “rFpro”).

rFpro is a leading developer and provider of engineering grade simulation software and Digital Twins. Digital Twins are highly accurate virtual representations of public roads, test tracks and racing circuits. rFpro products are widely used in the development of Advanced Driver Assistance Systems (“ADAS”), autonomous vehicles, vehicle dynamics, as well as motorsport applications.

#### **Rationale for the Acquisition**

- The Acquisition supports the Group’s strategic priority of delivering new products and enhancing the Group’s capability to support the current and anticipated future needs of ADAS and autonomous vehicle verification, which will be achieved through a combination of simulation, track testing and on-road assessment.
- As rFpro is a current supplier to the Group, providing a key element of our advanced Vehicle Driving Simulator (“aVDS”) product line, the Board believes the Acquisition will provide security of that supply chain and secure our competitive advantage.

#### **Financial Considerations**

The Acquisition has been completed on a debt free basis for an initial cash consideration of £18.1 million (inclusive of £0.6 million surplus cash) with a conditional cash payment of up to £3.5 million subject to certain performance criteria being achieved for the year ending January 2021. The initial cash consideration will be provided from the Company’s existing resources. The Sellers have provided warranties and indemnities appropriate to a transaction of this nature.

#### **About rFpro**

rFpro was founded in 2007 and is headquartered in Romsey, Hampshire, with a subsidiary (rFpro Inc) based in Ann Arbor, USA and has 23 employees. rFpro has an established global customer base including automotive OEMs, tier 1 suppliers and high-end motorsport. Following the Acquisition, rFpro will continue to operate from Romsey and Ann Arbor.

Prior to acquisition, rFpro was privately owned by Christopher Hoyle, Elaine Grimwood and Image Space Investments LLC (the “Sellers”). Mr Hoyle will remain with the business in a marketing role and to support the transition period.

Based on unaudited accounts, in the year ended 31 January 2019 rFpro generated sales of approximately £4.2 million (2018: £3.6 million) and normalised operating profit of £1.3 million (2018: £1.1 million) and they are currently trading in line with management's expectations.

**Dr James Routh, CEO, said:**

*"The Acquisition fits squarely in our stated strategy to develop the Group through organic and acquisitive growth. Importantly, it provides the Group with direct access to the potentially high growth simulation-based verification market for ADAS and autonomous vehicles, which complements our existing track testing business. It also enables the Group to more rapidly develop and grow our existing aVDS simulator product line.*

*We expect the Acquisition will be earnings enhancing in the first year following acquisition and we are delighted to welcome the rFpro team to the Group."*

**Enquires:**

**AB Dynamics plc**

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Tony Best, Non-Executive Chairman  
Dr James Routh, Chief Executive Officer  
Mat Hubbard, Chief Technology Officer  
Rob Hart, Chief Financial Officer

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The person responsible for arranging the release of this information is Dr James Routh, CEO of the Company.

**Overview of AB Dynamics plc**

AB Dynamics is a leading designer, manufacturer and provider of advanced products for testing and verification of Advanced Driver Assistance Systems ("ADAS") technology, autonomous vehicle development and vehicle dynamics to the global automotive research and development sector.

The Group is headquartered in Bradford-on-Avon, UK, employing approximately 215 staff. AB Dynamics currently supplies all the top automotive manufacturers, Tier 1 suppliers and service providers, who routinely use the Group's products to test vehicle safety systems and dynamics.