

Space Business Review

A monthly round-up of space industry developments for the information of our clients and friends.

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AVANTI CONVERTS DEBT FOR EQUITY

On April 26, **Avanti Communications Group PLC** (Avanti) placed nearly 2b shares on London's junior stock exchange in furtherance of the company's plan to convert into equity roughly \$557m of its debt due 2023. The restructuring is expected to result in noteholders owning 92.5% of Avanti's enlarged share capital, with the ownership interest of funds controlled by **Solus Alternative Asset Management LP** increasing from 15.9% to 42%. As part of the restructuring, existing shareholders exercised rights to acquire approximately 1.5m additional shares, producing £0.17m in gross proceeds for Avanti, under an open offer made available to mitigate dilution of their respective stakes.

GLOBALSTAR, THERMO AGREE TO MERGE

On April 25, **Globalstar, Inc.** (Globalstar) announced a merger agreement with **Thermo Acquisitions, Inc.** whereby Globalstar will be combined with metro fiber provider **FiberLight, LLC**, 15.5m shares of common stock of **CenturyLink, Inc.** and \$100m of cash, among other assets, in exchange for shares of common stock of Globalstar worth approximately \$1.65b. Expected to close in Q3 2018, the merger will produce a combined business, organized as 4 operating subsidiaries, with a diversified communications infrastructure featuring satellite, spectrum and fiber assets.

YAHSAT TO ACQUIRE THURAYA

On April 26, **Al Yah Satellite Communication Company PJSC** (Yahsat) announced that it entered into an agreement to acquire a majority stake in mobile satellite services company **Thuraya Telecommunications Company**, the United Arab Emirates' first homegrown satellite operator. The transaction will afford Yahsat a broader satellite solutions portfolio and an expanded global footprint for fixed and mobile services in commercial and government verticals.

EUTELSAT SELECTS THALES FOR VHTS

On April 5, **Eutelsat Communications S.A.** (Eutelsat) announced that it selected **Thales Alenia Space** (Thales) to manufacture **KONNECT VHTS**, a very high throughput satellite system that will provide fixed broadband and inflight connectivity services to customers across Europe beginning in 2021. As a result of this contract award to Thales, Eutelsat no longer plans to make a joint investment with **ViaSat Inc.** in a **ViaSat-3** satellite covering Europe, the Middle East and Africa.

WORLD VIEW CLOSES SERIES C ROUND

On March 29, stratospheric exploration start-up **World View Enterprises, Inc.** (World View) announced that it closed a \$26.5m Series C round led by **Accel** with major investment by Series B participants **Canaan** and **Northwest Venture Partners**. World View plans to use the additional funding to accelerate development and commercialization of its **Stratollite** vehicle, which will offer high-altitude long-duration flights over customer-specified areas of interest.

TWO RECENT M&A TRANSACTIONS CLOSE

April 17 – **Sea Launch AG** (Sea Launch) announced the closing of the sale of its assets by **OA O S. P. Korolev Rocket and Space Corporation Energia** to **CJSC S7 Group (S7)**, Russia's largest private aviation holding company, for \$109m. As part of the transaction, originally announced in September 2016, S7 receives the **Odyssey**, a mobile sea-faring launch platform, the **Commander** support vessel and certain additional equipment and intellectual property. S7 plans to revive the Sea Launch business under the new name **SL Aerospace**.

April 18 – **Eutelsat Communications S.A.** (Eutelsat) announced that it closed the sale of its 33.69% ownership interest in **Hispasat, S.A.** (Hispasat). Originally announced in May 2017, the transaction results in the transfer of Eutelsat's shares in Hispasat to **Abertis Group** in exchange for €302m.

APRIL LAUNCH SERVICES

April 5 – **Arianespace S.A.** successfully launched the **DSN-1/Superbird-8** and **HYLAS 4** satellites for **DSN Corporation**, a subsidiary of **SKY Perfect JSAT Corporation**, and **Avanti Communications Group PLC**, respectively, on an **Ariane 5** launch vehicle. **DSN-1/Superbird-8** was manufactured by **Mitsubishi Electric Corporation**; its DSN-1 defense payload will serve to upgrade Japan's X-band satellite network while its commercial payload will provide communications services to Japan. **HYLAS 4** was manufactured by **Orbital ATK Inc.**; it will serve Internet service providers, mobile network operators, government customers and satellite operators primarily in Europe, the Middle East and Sub-Saharan Africa. **April 26** – Five **Zhuhai-1** commercial remote sensing satellites were successfully launched for **Zhuhai Orbita Aerospace Science & Technology Co Ltd** on a Chinese **Long March 11** launch vehicle.