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If you sell or have sold or otherwise transferred all of your Ordinary Shares, please send this document and the accompanying Form of Proxy as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer is or was effected, for delivery to the purchaser or transferee. If you have sold only part of your holding of Ordinary Shares, you should retain these documents and consult the stockholder, bank or other agent through whom the sale was effected.

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ADEPT4 PLC

(a public limited company incorporated in England and Wales with registered number 05259846)

Proposed acquisition of CloudCoCo Limited

Proposed issue of 218,160,586 new Ordinary Shares

Proposed change of Company name

Accelerated Rule 9 Waiver

Notice of General Meeting

You are recommended to read the whole of this document but your attention is drawn, in particular, to the letter from the Chairman of the Company which is set out on pages 10 to 20 of this document. The Acquisition is conditional on the Allotment Resolutions being approved by Shareholders at the General Meeting. The Directors and the Proposed Director of Adept4 accept individual and collective responsibility for the information contained in this document including individual and collective responsibility for compliance with the AIM Rules. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and this document makes no omission likely to affect the import of such information.

A notice convening a General Meeting of the Company, to be held at 10.00 a.m. on 21 October 2019 at the offices of DAC Beachcroft LLP, The Walbrook Building, 25 Walbrook, London EC4N 8AF, is set out at the end of this document.

The action to be taken by Shareholders in respect of the General Meeting is set out on pages 19 and 20 of this document. If you hold your Ordinary Shares in certificated form, whether or not you plan to attend the General Meeting, you are encouraged to complete the accompanying Form of Proxy and return it in accordance with the instructions printed thereon as soon as possible, but in any event so as to be received by post or, during normal business hours only, by hand, at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZZ by no later than 10.00 a.m. on 19 October 2019 (or, in the case of an adjournment of the General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting).

If you hold your Ordinary Shares in uncertificated form (that is, in CREST) you may vote using the CREST Proxy Voting service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes to the Notice of the General Meeting set out at the end of this document). Proxies submitted via CREST must be received by the Company's agent (Computershare) by no later than 10.00 a.m. on 19 October 2019 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting). The completion and return of the Form of Proxy will not prevent you from attending and voting in person at the General Meeting, or any adjournment thereof, should you wish to do so.

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Copies of this document are available, free of charge, at the office of Adept4 plc at 5 Fleet Place, London, EC4M 7RD and on the Company's website www.adept4.co.uk.

Nplus1 Singer Advisory LLP is authorised and regulated by the Financial Conduct Authority and is acting exclusively for the Company and no-one else in connection with the Acquisition and is not, and will not be, responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Acquisition or the contents of this document or any other matter referred to herein. No representation or warranty, express or implied, is made by N+1 Singer as to any of the contents of this document, and N+1 Singer has not authorised the contents of any part of this document and accepts no liability whatsoever for the accuracy of any information or opinions contained in this document or for the omission of any material information from this document for which the Company and the Directors are solely responsible. Nothing in this paragraph shall serve to exclude or limit any responsibilities which N+1 Singer may have under FSMA or the regulatory regime established thereunder.

No person has been authorised to give any information or make any representation other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been so authorised. The delivery of this document shall not, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in it is correct as of any subsequent time.

Cautionary note regarding forward-looking statements

This document contains statements about Adept4 that are or may be deemed to be "forward-looking statements".

All statements, other than statements of historical facts, included in this document may be forward-looking statements. Without limitation, any statements preceded or followed by, or that include, the words "targets", "plans", "believes", "expects", "aims", "intends", "will", "may", "should", "anticipates", "estimates", "projects", or words or terms of similar substance or the negative thereof, are forward-looking statements. Forward-looking statements include, without limitation, statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; and (ii) business and management strategies and the expansion and growth of the operations of Adept4.

These forward-looking statements are not guarantees of future performance. These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of any such person, or industry results, to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of such persons and the environment in which each will operate in the future. Investors should not place undue reliance on such forward-looking statements and, save as is required by law or regulation (including to meet the requirements of the AIM Rules, the Code, the Prospectus Rules and/or the FSMA), Adept4 does not undertake any obligation to update publicly or revise any forward-looking statements (including to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based). All subsequent oral or written forward-looking statements attributed to Adept4 or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above. All forward-looking statements contained in this document are based on information available to the Directors of Adept4 plc at the date of this document, unless some other time is specified in relation to them, and the posting or receipt of this document shall not give rise to any implication that there has been no change in the facts set forth herein since such date.

Rounding

Certain figures in this document have been subject to rounding adjustments. Accordingly, any apparent discrepancies in tables between the totals and the sums of the relevant amounts are due to rounding.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document and Form of Proxy	2 October 2019
Latest time and date for receipt of Forms of Proxy	10.00 a.m. on 19 October 2019
General Meeting	10.00 a.m. on 21 October 2019
Completion of the Acquisition	21 October 2019
Admission of Acquisition Shares	8.00 a.m. on 22 October 2019

Notes:

1. Each of the times and dates above are indicative only and are subject to change. If any of the above times and/or dates change, the revised times and/or dates will be notified by the Company to Shareholders by announcement through a regulatory information service.
2. All of the above times refer to London time unless otherwise stated.
3. The admission of the Acquisition Shares on AIM is conditional on, *inter alia*, the passing of the Allotment Resolutions at the General Meeting.

KEY STATISTICS

Number of Existing Ordinary Shares in issue	227,065,100
Number of Acquisition Shares to be issued pursuant to the Acquisition	218,160,586
Enlarged Share Capital immediately following completion of the Acquisition*	445,225,686
Acquisition Shares as a percentage of the Enlarged Share Capital	49.0 per cent.

* assuming no options or warrants are exercised between the date of this document and Admission

DIRECTORS AND ADVISERS

Directors	Simon Duckworth, <i>Non-Executive Chairman</i> Jill Collighan, <i>Chief Financial Officer</i> Dr Tom Black, <i>Non-Executive Director</i>
Proposed Director	Andy Mills
Registered Office	5 Fleet Place London EC4M 7RD
Company Secretary	Darron Giddens
Financial Adviser, Nominated Adviser and Broker	Nplus1 Singer Advisory LLP One Bartholomew Lane London EC2N 2AX
Solicitors to the Company	DAC Beachcroft LLP The Walbrook Building 25 Walbrook London EC4N 8AF
Registrars	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol BS99 6ZZ

DEFINITIONS

The following definitions apply throughout this document (including the Notice of General Meeting) and the Form of Proxy unless the context requires otherwise:

Accelerated Panel Waiver	the approval by the Takeover Panel of a waiver from the obligations that would otherwise apply to the Concert Party to make a general offer for the Company pursuant to Rule 9 of the Code as a result of the issue of the Acquisition Shares to the Sellers pursuant to the Acquisition, the Takeover Panel having received written confirmation from Independent Shareholders holding, in aggregate, in excess of 50 per cent. of the existing voting rights in the Company, capable of being voted at a general meeting, consenting to this waiver without the requirement for the waiver to be approved by Independent Shareholders at a general meeting
Acquisition	the proposed acquisition by Holdings of the entire issued share capital of CloudCoCo Limited, in accordance with the terms and conditions of the Acquisition Agreement
Acquisition Agreement	the conditional agreement for the Acquisition dated 1 October 2019, further details of which are set out in paragraph 4 of the Letter from the Chairman incorporated into this document
Acquisition Shares	the 218,160,586 new Ordinary Shares to be issued to the Sellers pursuant to the Acquisition
Admission	the admission of the Acquisition Shares to trading on AIM becoming effective in accordance with the AIM Rules
AIM	AIM, a market operated by the London Stock Exchange
AIM Rules	the AIM Rules for Companies published by the London Stock Exchange from time to time
Allotment Resolutions	resolution 1 and resolution 2 as set out in the Notice, to be voted on by the Shareholders at the General Meeting to authorise the Board, <i>inter alia</i> , to allot the Acquisition Shares on a non pre-emptive basis
Amended and Restated BGF Option	the agreement between the Company and BGF amending the terms of the Option held by BGF in 50,000,000 Ordinary Shares
BGF	BGF Investments L.P.
Board or Directors	the directors of the Company whose names are set out on page 10 in the Letter from the Chairman incorporated into this document
Business Day	any day on which banks are usually open in England and Wales for the transaction of sterling business, other than a Saturday, Sunday or public holiday
certificated or in certificated form	a share or other security not held in uncertificated form (that is, not in CREST)
CloudCoCo Limited or CloudCoCo	Cloudcoco Limited, a company incorporated in England and Wales with registered number 10989039
Code or Takeover Code	the City Code on Takeovers and Mergers

Company or Adept4	Adept4 plc, a company incorporated in England and Wales with registered number 05259846
Completion	completion of the Acquisition
Concert Party	each of Mark Halpin, Caroline Halpin, Andy Mills, Chris Ormandy, Graham Collinson, Alexander Tovey, Lawrence Lewis, Robert Speight, Adam Fossett, Anton Murphy (all shareholders of CloudCoCo), and MXC Capital Limited
Circular	this document
CREST	a relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations)
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001/3755) as amended from time to time
Debt Refinancing	the refinancing by MXCG of £5 million of unsecured loan notes in issue in the Company, which are currently held by BGF, further details of which are set out in paragraph 6 of the Letter from the Chairman incorporated into this document
Debt Refinancing Agreement	the loan note transfer agreement between the Company, BGF and MXCG pursuant to which the Debt Refinancing is effected
Deed of Termination of MXC Warrants	the deed of termination of the Warrants in the Company held by MXCG, taking effect at Completion
Deed of Variation	the deed of variation entered into between the Company and MXCG amending, with effect from Completion, the terms of the unsecured loan notes in issue in the Company
Enlarged Group	the Group as enlarged by the Acquisition
Enlarged Share Capital	the issued share capital of the Company at the date of this document as enlarged by the issue and allotment of the Acquisition Shares
Existing Ordinary Shares	the 227,065,100 Ordinary Shares in issue at the date of this document, prior to the Acquisition
Facility Agreement	the agreement between the Company and MXCG in relation to the £0.5 million working capital facility to be provided to the Company by MXCG at Completion
Financial Conduct Authority	the Financial Conduct Authority in its capacity as the competent authority for the purposes of Part VI of FSMA
Form of Proxy	the enclosed form of proxy for use by Shareholders in connection with the General Meeting
FSMA	the Financial Services and Markets Act 2000 (as amended)
General Meeting	the general meeting of the Company to be held at 10.00 a.m. on 21 October 2019 (or any reconvened meeting following any adjournment of the general meeting) at the offices of DAC Beachcroft LLP, The Walbrook Building, 25 Walbrook, London EC4N 8AF, notice of which is set out at the end of this document

Group	the Company and its subsidiaries
Holdings	Adept4 Holdings Limited, a company incorporated in Scotland with registered number SC102302
Independent Directors	Simon Duckworth and Tom Black
Independent Shareholders	shareholders who are independent of a person who would otherwise be required to make a Rule 9 Offer and any person acting in concert with him or her (as defined by the Code) which, for the purposes of the Accelerated Panel Waiver, excludes all members of the Concert Party
Lock In Agreements	the agreements between (i) N+1 Singer, (ii) the Company and (iii) each of the Sellers, further details of which are set out in paragraph 11 of the Letter from the Chairman incorporated into this document
London Stock Exchange	London Stock Exchange plc
MXC Capital Limited or MXC Capital	MXC Capital Limited, a company incorporated in Guernsey with registered number 58895
MXCG	MXC Guernsey Limited, a company incorporated in Guernsey with registered number 59361 and a wholly owned subsidiary of MXC Capital
N+1 Singer	Nplus1 Singer Advisory LLP, the Company's Nominated Adviser and Broker for the purposes of the AIM Rules, which is incorporated as a limited liability partnership in England and Wales with registered number OC364131
Notice or Notice of General Meeting	the notice of the General Meeting set out at the end of this document
Options	options granted by the Company over new Ordinary Shares
Ordinary Shares	the ordinary shares of 1 penny each in the share capital of the Company
Panel	the Panel on Takeovers and Mergers
Proposed Director	Andy Mills, who it is proposed will be appointed as Chief Executive Officer of the Company on completion of the Acquisition
Registrar	Computershare Investor Services PLC, registrars to the Company
Relationship Agreement	the agreement between (i) the Company, (ii) N+1 Singer and (iii) Mark Halpin and Caroline Halpin, further details of which are set out in paragraph 10 of the Letter from the Chairman incorporated into this document
Resolutions	the resolutions to be proposed at the General Meeting as set out in the Notice of General Meeting
Rule 9 Offer	a general offer under Rule 9 of the Code
Sellers	the sellers of ordinary shares in CloudCoCo, being Mark Halpin, Caroline Halpin, Andy Mills, Chris Ormandy, Graham Collinson, Alexander Tovey, Lawrence Lewis, Robert Speight, Adam Fossett and Anton Murphy

Shareholders	holders of Ordinary Shares
Trading Group EBITDA	represents earnings before interest, tax, depreciation and amortisation, share-based costs, separately identifiable costs and plc costs
uncertificated or in uncertificated form	recorded on the register of members of the Company as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
United Kingdom or UK	the United Kingdom of Great Britain and Northern Ireland
United States or US	the United States of America
Warrants	warrants granted by the Company over new Ordinary Shares
£, pounds sterling, penny or pence	UK pounds sterling, the lawful currency of the United Kingdom

LETTER FROM THE CHAIRMAN

ADEPT4 PLC

(a public limited company incorporated in England and Wales with registered number 05259846)

Directors:

Simon Duckworth, *Non-Executive Chairman*
Jill Collighan, *Chief Financial Officer*
Tom Black, *Non-Executive Director*

Registered Office:

5 Fleet Place
London
EC4M 7RD

2 October 2019

To holders of Ordinary Shares and, for information only, to holders of Options and Warrants

Dear Shareholder,

Proposed acquisition of CloudCoCo Limited
Proposed issue of 218,160,586 new Ordinary Shares
Proposed change of Company name
Accelerated Rule 9 Waiver
Notice of General Meeting

1. INTRODUCTION

On 2 October 2019, the Board announced that the Company had conditionally agreed to acquire, through its wholly owned subsidiary Adept4 Holdings Limited, the entire share capital of CloudCoCo Limited, a cloud, IT hardware, and IT services company. The consideration for the Acquisition, in accordance with the Acquisition Agreement, is to be satisfied through the issue to the Sellers of loan notes in Holdings, such loan notes to be exchangeable immediately upon Completion as detailed in paragraph 4 below for 218,160,586 Ordinary Shares in the Company which will represent, in aggregate, approximately 49.0 per cent. of the Enlarged Share Capital. At the mid-market closing price of 2.8 pence on 1 October 2019, the latest practicable date prior to the publication of this document, the Acquisition Shares represent a total value of £6.1 million.

The Acquisition Shares will rank *pari passu* in all respects with the Ordinary Shares in issue prior to Completion, including the right to receive all dividends and other distributions declared following Admission.

The Code applies to the Company and as such the Shareholders are entitled to the protections afforded by the Code, as described in paragraph 9 below.

Subject to Completion, the Concert Party will hold 64.3 per cent. of the voting rights of the Company which, without a waiver of the obligations under Rule 9 of the Takeover Code, would require the Concert Party to make a general offer for the Company. The Panel has agreed to approve an Accelerated Rule 9 Waiver, having received written confirmation from Independent Shareholders holding, in aggregate, in excess of 50 per cent. of the existing voting rights in the Company, capable of being voted at a general meeting, consenting to this waiver without the requirement for the waiver to be approved by Independent Shareholders at a general meeting. Further details in relation to the Accelerated Rule 9 Waiver are set out in paragraph 9.2 below.

Notice of the General Meeting, at which the resolutions to approve the issue of the Acquisition Shares and a change of the name of the Company, conditional on Completion, is set out at the end of this document.

Should the approval of Independent Shareholders not be obtained at the General Meeting for the Allotment Resolutions, the Acquisition will not proceed.

The purpose of this letter is to explain the reasons for the Acquisition and why the Directors consider the Acquisition to be in the best interests of the Company and Shareholders as a whole and recommend that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting.

2. BACKGROUND TO AND REASONS FOR THE ACQUISITION

Adept4 delivers IT as a service (“ITaaS”) to small and medium-sized businesses across the UK, providing customers with the technology and support needed in accordance with their business requirements, billed on a monthly basis, based on what is consumed. The Company has pursued a Microsoft-focused, asset light, ITaaS-led strategy and has developed and expanded its solutions portfolio to continue to be relevant to its customers.

The Company has been challenged by the general level of economic uncertainty in the market coupled with the investments made in a new sales team during the previous financial year not delivering the results the Board had expected. Continued delays in new sales in the current financial year led to the Group experiencing monthly Trading Group EBITDA and cash losses. As a result, and in order to protect the cash reserves of the Group whilst the Board considered the strategic options available to the Company, the decision was taken to focus on the Group’s existing customer base with less emphasis on new business acquisition. Whilst this has led to reduced revenue and gross profit, it requires a significantly lower operating cost base and therefore a cost reduction programme was implemented which completed in March 2019. The performance of the Group was further affected by the loss, in April 2019, of a customer contract which generated £0.7 million of revenue in the year ended 30 September 2018. The combined effect of these changes mean that the Group has returned to modest levels of monthly Trading Group EBITDA profit generation and the monthly net cash outflows (after plc costs and debt service costs) have reduced. The Company has, over recent months, explored several strategic options including the proposed Acquisition which, the Board has concluded, represents the best opportunity to return to growth and generate long-term value for all stakeholders.

CloudCoCo was established in September 2017 by the former sales directors of Redcentric plc (a UK managed service provider) and offers a variety of cloud computing services, IT hardware, managed IT services, voice and connectivity solutions via its partner ecosystem, working with a number of entities to provide services such as Microsoft Citrix, Fortinet, Alibaba Cloud services and Amazon Web Services. CloudCoCo aims to offer its customers a simplified approach to IT services. Though only recently established, CloudCoCo is currently trading profitably and has a strong and growing pipeline of new business opportunities.

CloudCoCo brings with it a very strong and experienced sales and business development team. Adept4’s top 20 customers represent c.50 per cent. of its revenue and profitability and they will be a focus for the team at CloudCoCo. The CloudCoCo management team has already shown its ability to win new business using its agile sales methodology and believes that the customer base of Adept4 will respond positively to this modern way of working. It is proposed that Andy Mills, current chairman of CloudCoCo, will join the board of Adept4 as Chief Executive Officer and will focus on driving the growth of the Enlarged Group. Mark Halpin (founder and current Chief Executive Officer of CloudCoCo) will lead the business development activities, with Robert Speight and Graham Collinson (respectively CloudCoCo’s Chief Sales Officer and Chief Operating Officer) concentrating on existing customers of the Enlarged Group.

3. INFORMATION ON CLOUDCOCO

CloudCoCo has established itself as an asset light, talent rich cloud solutions business. Its management believes that with its simplified approach and by remaining independent and acting as a broker across several providers and partners, it can deliver solutions in a highly responsive and agnostic manner when compared with traditional IT services companies.

Though the company only began trading in April 2018, CloudCoCo was included in the Digital Enterprise Top 100 campaign to profile and celebrate the Leeds City Region’s most innovative, digitally mature, and transformational businesses. It has established itself on the YPO framework and the recent G-Cloud 11 framework which comprises a series of framework agreements with suppliers for which UK public sector organisations can buy cloud-based services covering hosting, software and cloud support, with 18 listings.

MXCG supported CloudCoCo by an initial investment of £100,000 for a 10.6 per cent. shareholding. Shortly before the Company entered into the Acquisition Agreement, MXCG sold this shareholding to Andy Mills, who it is proposed will become Chief Executive Officer of the Enlarged Group on Completion.

For the period 12 April 2018 (the date on which CloudCoCo commenced trading) to 30 September 2018, CloudCoCo generated revenue of £252,000 and a loss after tax of £112,000. As at 30 September 2018, the gross assets of CloudCoCo totalled £400,000. For the 11 months to 31 August 2019, CloudCoCo generated revenue of £1,021,000 and a profit before tax of £45,000. All figures in respect of CloudCoCo are unaudited.

CloudCoCo's strategy is to focus on winning multi-year recurring revenue contracts with the intention that the profitability of the business improves across future years. It has already signed multi-year contracts with respected customers.

4. DETAILS OF THE ACQUISITION AGREEMENT

The Company and Holdings have entered into an agreement to acquire CloudCoCo for loan notes in Holdings, such loan notes being exchangeable for 218,160,586 new Ordinary Shares at any time within 10 Business Days from Completion. Adept4 will serve notice such that the Acquisition Shares will be issued to the Sellers immediately upon Completion.

At the mid-market closing price of 2.8 pence on 1 October 2019, the latest practicable date prior to the publication of this document, the Acquisition Shares represent a total value of £6.1 million. The Sellers have provided warranties and indemnities appropriate to a transaction of this nature. The Directors expect that the Acquisition will complete on 21 October 2019.

Additional information regarding the Acquisition Agreement is set out in the Appendix to this document.

The Acquisition Shares will be subject to a 12 month lock in followed by a 12 month orderly market agreement as detailed in paragraph 11 below.

5. INFORMATION ON CURRENT TRADING

The recent financial performance of Adept4 was set out in the Company's unaudited interim results announcement released on 28 June 2019. For the six months ended 31 March 2019 revenues totalled £4.2 million with Trading Group EBITDA of £15,000 and a loss after tax of £1.1 million. Net debt as at 31 March 2019 totalled £3.4 million. For the year ended 30 September 2018 revenues totalled £10.3 million, with Trading Group EBITDA of £0.6 million and a loss after tax of £3.8 million.

6. PROPOSED DEBT REFINANCING AND WARRANT AND OPTION AMENDMENTS

Adept4 currently has £5 million of unsecured loan notes in issue which are held by BGF. Conditional upon Completion:

- Pursuant to the Debt Refinancing Agreement, £1.5 million of the loan notes will be cancelled, thereby reducing the liability of the Company, and BGF will waive its rights to any redemption of the cancelled loan notes and any interest accrued thereon in respect of the period 30 June 2019 to 30 September 2019 (inclusive). BGF will also, at that time, release the subsidiaries of the Company from a guarantee and indemnity pursuant to which the subsidiaries provided credit support to the Company by guaranteeing its obligations under the loan notes;
- Also pursuant to the Debt Refinancing Agreement, MXCG (a wholly owned subsidiary of MXC Capital Limited) will purchase the remaining £3.5 million loan notes currently held by BGF at a price of £3.5 million. These loan notes will then be amended pursuant to the Deed of Variation. The amended loan notes will have a term of 5 years, and a coupon of 12 per cent. per annum, which is to be rolled up, compounded annually and payable at the end of the term;
- Furthermore, MXCG has agreed to provide an additional unsecured working capital facility to the Enlarged Group of up to £0.5 million pursuant to the Facility Agreement, with a term of 24 months and interest charged at a rate of 12 per cent. per annum on amounts drawn down;

- In respect of the Options held by BGF to subscribe for 50,000,000 Ordinary Shares of the Company at a price of 6 pence per Ordinary Share, conditional upon Completion and pursuant to the Amended and Restated BGF Options, the exercise price of BGF's current Options over 50 million shares will be rebased to 0.35 pence per share. The terms of these Options will also be amended so that, save for certain customary exceptions (for example, a consolidation of the Ordinary Shares in issue), the exercise price will not be adjusted for any future event; and
- MXCG will cancel the Warrants it currently holds over 5 per cent. of the share capital of the Company as well as rights over new Warrants over 5 per cent. of any future issue of new Ordinary Shares pursuant to the Deed of Termination of MXC Warrants. On completion of the Acquisition, MXCG will not therefore hold Warrants over the share capital of the Company.

7. STRATEGY OF THE ENLARGED GROUP

Following completion of the Acquisition, the focus of the Enlarged Group will be on driving sales growth by leveraging the sales expertise of the CloudCoCo team alongside the existing infrastructure within Adept4 in order to build value for all stakeholders. This sales growth is expected to come from both harvesting the strong relationships with existing customers of the Enlarged Group as well as from new customers.

The focus of the Enlarged Group will be on winning multi-year recurring revenue contracts with the intention that the visibility and profitability of the business improves across future years.

In addition, the Enlarged Group intends to expand its ecosystem of partners and supplier relationships in order to provide a range of flexible IT solutions to its customers via a simplified and agile approach.

8. PROPOSED BOARD, MANAGEMENT AND COMPANY NAME CHANGES

Following Completion, it is proposed that Andy Mills, current Chairman of CloudCoCo will join the board of Adept4 as Chief Executive Officer. Over the past 25 years, Andy has managed and helped to grow numerous technology companies. Andy co-founded Intrinsic Networks, which he sold to a buy and build IT services company and has held a number of senior leadership positions. He has worked successfully in the technology industry for many years as a sales director and managing director and was most recently the sales director of Tax Systems plc which was a successful public company until it was recently taken private by a private equity company.

Upon his proposed appointment as Chief Executive Officer, Andy Mills will enter into a new service contract with the Company on a salary of £140,000 per annum, with the possibility of a discretionary bonus to be determined on criteria to be agreed with the Remuneration Committee in addition. Further details of Mr Mills' service contract are provided in the Appendix to this document. Mr Mills' appointment to the Board is conditional upon, *inter alia*, satisfactory completion of regulatory checks in accordance with Rule 17 and Schedule 2(g) of the AIM Rules.

It is also proposed that Tom Black, Non-Executive Director, will step down from the Board once a suitable replacement independent Non-Executive Director has been found. The Company proposes to undertake a search for a suitable successor following Completion.

In addition, Mark Halpin, Chief Executive Officer and founder of CloudCoCo, will lead the Enlarged Group's business development activities following Completion. Mark was previously New Business Sales Director of Redcentric and has over 20 years' experience of new business acquisition.

Subject to Shareholder approval, it is proposed, in due course, to change the name of the Enlarged Group to CloudCoCo Group plc. Should Shareholder approval be granted for the change of name the Company also intends, following completion of the Acquisition, to change its ticker to CLCO.L and its website address will be changed, as part of the rebranding programme to be undertaken after Completion, to www.cloudcoco.co.uk. A separate timetable for each of these matters will be announced in due course following Completion.

9. CITY CODE ON TAKEOVERS AND MERGERS

9.1 **Summary**

The purpose of the Panel is to supervise and regulate takeovers and other matters to which the Takeover Code applies. The Takeover Code is issued and administered by the Panel. The Company is a company to which the Takeover Code applies and as such its shareholders are therefore entitled to the protections afforded by the Takeover Code.

The Acquisition gives rise to certain considerations under the Code. Brief details of the Code and the protections this affords Shareholders are described below.

The Code is issued and administered by the Panel. The Code and the Panel operate to ensure fair and equal treatment of shareholders in relation to takeovers, and also provide an orderly framework within which takeovers are conducted. The Code applies to all takeovers and merger transactions, where the company is, among others, a listed or unlisted public company with its registered office in the United Kingdom, the Channel Islands or the Isle of Man or falls within certain categories of private limited companies. Adept4 is such a company and accordingly its Shareholders are entitled to protections afforded by the Code.

Under Rule 9 of the Code, when (a) any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of a company; or (b) any person, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of a company but does not hold shares carrying more than 50 per cent. of such voting rights and such person, or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested, such person shall extend offers, on the basis set out in Rules 9.3, 9.4 and 9.5, to the holders of any class of equity share capital whether voting or non-voting and also to the holders of any other class of transferable securities carrying voting rights. Under the Code, a 'concert party' arises, *inter alia*, when persons who, pursuant to an agreement or understanding (whether formal or informal), co-operate, to obtain or consolidate control of that company. Under the Code, control means an interest, or interests, in shares carrying in aggregate 30 per cent. or more of the voting rights of a company, irrespective of whether such interest or interests give de facto control. In this context, voting rights means all the voting rights attributable to the capital of the company which are currently exercisable at a general meeting. Rule 9 further provides, *inter alia*, that where any person who, together with persons acting in concert with him, holds over 50 per cent. of the voting rights of a company and acquires an interest in shares which carry additional voting rights, then they will not normally be required to make a mandatory general offer to the other shareholders to acquire their shares.

An offer under Rule 9 of the Takeover Code must be made in cash and at the highest price paid by the person required to make the offer, or any person acting in concert with him, for any interest in shares in the company acquired during the 12 months prior to the announcement of the offer.

9.2 **Accelerated Rule 9 Waiver**

The Sellers are not currently interested in any Ordinary Shares, but if the Resolutions are passed at the General Meeting and following Completion and on Admission, the Sellers would hold an aggregate interest in 218,160,586 Ordinary Shares, representing in aggregate 49.0 per cent. of the Enlarged Share Capital.

The Sellers' aggregate interest would be more than 30 per cent. of the Enlarged Share Capital, and as such would prompt a mandatory offer under Rule 9 of the Takeover Code. Under Note 1 of the Notes on Dispensations from Rule 9 of the Takeover Code, the Panel may waive the requirement for a general offer to be made in accordance with Rule 9 of the Takeover Code if, *inter alia*, those shareholders of the company who are independent of the person who would otherwise be required to make an offer, and any person acting in concert with him ("**Independent Shareholders**"), pass an ordinary resolution on a poll at a general meeting or by way of a written resolution ("**Whitewash Resolution**") approving such a waiver. Under Note 5c of the Notes on Dispensations from Rule 9 of the Takeover Code, the Panel may waive the requirement for a Whitewash Resolution to be considered at a general meeting (and for a circular to be prepared in accordance with Section 4 of Appendix 1 to the Takeover Code)

if Independent Shareholders holding more than 50 per cent. of the Company's shares capable of being voted on such a resolution confirm in writing that they would vote in favour of the Whitewash Resolution were one to be put to Shareholders at a general meeting.

The Company has obtained confirmation in writing (in the form set out in paragraph 9.4 of this letter below) from Gresham House, Darren Weston, Andrew Barnes, Michelle Weston, Simon Duckworth and Dr Tom Black, who in aggregate hold 86,311,089 shares, representing 54.3 per cent. of the independent share capital, that they would vote in favour of the Whitewash Resolution were such a resolution to be put to Shareholders at a general meeting. The Company has subsequently approached the Panel and, in accordance with Note 5c of the Dispensations from Rule 9 of the Takeover Code, successfully obtained its permission to waive the requirement for a Whitewash Resolution to be considered at a general meeting and has also now received the Panel's confirmation that the Panel has granted a waiver of the obligation on the Concert Party to make a general offer under Rule 9 of the Takeover Code to the extent that such obligation would otherwise arise as a result of the issue of the Acquisition Shares.

9.3 *Concert Party interests in the Enlarged Share Capital following completion of the Acquisition*

Together with MXC Capital's interests in 15.3 per cent. of the Enlarged Share Capital, you should note that if the Acquisition completes, the Concert Party will hold 64.3 per cent. of the voting rights of the Company, as set out in table in paragraph 9.4 of this letter. For so long as the Concert Party holds more than 50 per cent. of the voting rights, the Concert Party may accordingly increase its interest in shares without incurring any obligation under Rule 9 to make a mandatory general offer, although other individual members of the Concert Party (i.e. Mark and Caroline Halpin who together will hold 31.6 per cent. of the total voting rights if the Acquisition completes) will not be able to increase their percentage interests in shares through or between a Rule 9 threshold without Takeover Panel consent. In the event that the Whitewash Resolution is approved at the General Meeting, the Concert Party will not be restricted from making an offer for the Company.

You should also note that, if the Acquisition proceeds, the Concert Party's interest in the voting rights of the Company combined will result in an increase in the percentage of the Ordinary Shares that are not in public hands (as defined in the AIM Rules). This may in turn have the effect of reducing the liquidity of trading in the Ordinary Shares on AIM. The Concert Party's stake in the voting rights of the Company will also mean that the Concert Party will be able, if it so wishes, to exert significant influence over resolutions proposed at future general meetings of the Company.

9.4 *Letter in relation to the Accelerated Rule 9 Waiver*

Shareholders who, in aggregate, represented more than 50 per cent. of the independent voting rights in the Company have signed the following declaration with respect to approving the Accelerated Rule 9 Waiver:

Introduction

I confirm that I have been made aware of the proposed transaction whereby the Company has conditionally agreed to acquire, through its wholly owned subsidiary Adept4 Holdings Limited ("Holdings"), the entire share capital of CloudCoCo Limited ("the Acquisition"). The consideration for the Acquisition is to be satisfied through the issue to the Sellers of loan notes in Holdings, which will be exchanged immediately upon completion of the Acquisition for 218,160,586 ordinary shares of one penny each ("Ordinary Shares") in the Company ("the Proposed Transaction").

Rule 9 of the Takeover Code

I understand that, under Rule 9 of the Takeover Code ("the Code"), if any person acquires an interest in shares which, when taken together with shares in which he and persons acting in concert with him are already interested, carry 30 per cent. or more of the voting rights of a company which is subject to the Code, that person is normally required to make a general offer in cash to all shareholders in the company at the highest price paid by him or any person acting in concert with him for an interest in such shares within the preceding 12 months.

I also understand that Rule 9 also provides that if any person, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of a company which is subject to the Code but does not hold shares carrying more than 50 per cent. of such voting rights, and such person, or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in such company in which he is interested, that person is normally required to make a general offer in cash to all shareholders in the company at the highest price paid by him or any person acting in concert with him for an interest in such shares within the preceding 12 months.

Proposed transaction

I understand that, in connection with the Proposed Transaction:

- (i) each of the vendors of ordinary shares in CloudCoCo Limited, being Mark Halpin, Caroline Halpin, Andy Mills, Graham Collinson, Robert Speight, Chris Ormandy, Anton Murphy, Alexander Tovey, Laurence Lewis and Adam Fossett (together “the Vendors”), will be issued with loan notes in Holdings, to be exchanged immediately upon completion of the Proposed Transaction for a total of 218,160,586 Ordinary Shares, representing 49.0 per cent. of the Company’s issued share capital and voting rights, as enlarged by the Proposed Transaction;
- (ii) as the Vendors do not currently hold Ordinary Shares, this would represent their maximum aggregate interest in the Company’s issued share capital and voting rights, as enlarged by the Proposed Transaction. The Takeover Panel has also determined that the Vendors and MXC Capital Limited (“MXC Capital”, together with the Vendors, “the Concert Party”) are acting ‘in concert’ with each other. MXC Guernsey Limited, a wholly owned subsidiary of MXC Capital, was, until recently, a shareholder in CloudCoCo Limited before selling its shareholding to Andy Mills (one of the Vendors).

MXC Capital currently holds 68,066,275 Ordinary Shares, representing 29.98 per cent. of the Company’s current issued share capital and voting rights. The Concert Party will therefore hold 286,226,861 Ordinary Shares, representing 64.3 per cent. of the Company’s issued share capital and voting rights, as enlarged by the Proposed Transaction.

A table, which sets out the interests of each member of the Concert Party in the Company’s issued share capital and voting rights, as enlarged by the Proposed Transaction, is set out below:

<i>Concert Party member</i>	<i>Number of Ordinary Shares</i>	<i>% of issued share capital and voting rights</i>
Mark and Caroline Halpin	140,713,578	31.6%
Andy Mills	32,724,088	7.4%
Graham Collinson	17,452,847	3.9%
Robert Speight	10,908,029	2.5%
Chris Ormandy	6,544,818	1.5%
Anton Murphy	3,272,409	0.7%
Alexander Tovey	2,727,007	0.6%
Laurence Lewis	2,727,007	0.6%
Adam Fossett	1,090,803	0.3%
Sub-total: the Vendors	218,160,586	49.0%
MXC Capital	68,066,275	15.3%
Total: Concert Party interests	286,226,861	64.3%

; and

- (iii) the Proposed Transaction is subject to, *inter alia*, the passing of resolutions at a general meeting of shareholders to provide the directors of the Company with authorities under the Companies Act 2006 to allot securities.

Therefore, following the Proposed Transaction, the Vendors and persons acting in concert with them will together hold more than 50 per cent. of the Company’s voting share capital and as a result would then be able, subject to Note 4 on Rule 9.1, to acquire further shares in the Company without incurring any obligation under Rule 9 to make a general offer, although Mark and Caroline Halpin, who together

will hold 31.6 per cent. of the total voting right if the Acquisition completes), will not be able to increase their percentage interests in shares without Takeover Panel consent.

Waiver of Rule 9 obligation

I understand that, under Note 1 on the Notes on the Dispensations from Rule 9, the Takeover Panel (“the Panel”) will normally waive the requirement for a general offer to be made in accordance with Rule 9 (a “Rule 9 offer”) if, *inter alia*, those shareholders of the company who are independent of the person who would otherwise be required to make an offer and any person acting in concert with him and do not have any interest in the proposed transaction which may compromise their independence (“the Independent Shareholders”) pass an ordinary resolution on a poll at a general meeting (“a Whitewash Resolution”) approving such a waiver. I also understand that the Panel may waive the requirement for a Whitewash Resolution to be considered at a general meeting (and for a circular to be prepared in accordance with Section 4 of Appendix 1 to the Code) if Independent Shareholders holding more than 50 per cent. of the company’s shares capable of being voted on such a resolution confirm in writing that they would vote in favour of the Whitewash Resolution were one to be put to the shareholders of the company at a general meeting.

Confirmations and Acknowledgements

I hereby confirm the following:

1. that I am the beneficial owner of [X] ordinary shares in the issued share capital of the Company, representing [X] per cent. of the Company’s issued share capital carrying voting rights, and I have absolute discretion over the manner in which these shares are voted. These shares are held free of all liens, pledges, charges and encumbrances;
2. that (a) save for the fact that we are both shareholders in the Company, there is no connection between me, the Vendors and/or MXC Capital, (b) I do not have any interest or potential interest, whether commercial, financial or personal, in the outcome of the Proposed Transaction, and (c) I am an Independent Shareholder of the Company as defined above; and
3. that, in connection with the Proposed Transaction:
 - (a) I consent to the Panel granting a waiver from the obligation for the Vendors to make a Rule 9 offer to the shareholders of the Company;
 - (b) subject to Independent Shareholders of the Company holding more than 50 per cent. of the shares capable of being voted on a Whitewash Resolution to approve the waiver from the obligation for the Vendors to make a Rule 9 offer giving confirmations in writing in a similar form to this letter, I consent to the Panel dispensing with the requirement that the waiver from such obligation be conditional on a Whitewash Resolution being approved by Independent Shareholders of the Company at a general meeting; and
 - (c) I would vote in favour of a Whitewash Resolution to waive the obligation for the Vendors to make a Rule 9 offer were one to be put to the Independent Shareholders of the Company at a general meeting.

In giving the confirmations referred to above, I acknowledge:

1. that, if the Panel receives such confirmations from Independent Shareholders of the Company holding more than 50 per cent. of the shares capable of being voted on a Whitewash Resolution, the Panel will approve the waiver from the obligation for the Vendors to make a Rule 9 offer without the requirement for the waiver having to be approved by Independent Shareholders of the Company at a general meeting;
2. that if no general meeting is held to approve the Whitewash Resolution to waive the obligation for the Vendors to make a Rule 9 offer:
 - (a) there will not be an opportunity for any other person to make any alternative proposal to the Company conditional on such Whitewash Resolution not being approved by Independent Shareholders of the Company;
 - (b) there will not be an opportunity for other shareholders in the Company to make known their views on the Proposed Transaction; and

- (c) there will be no requirement for the Company either (i) to obtain and make known to its shareholders competent independent advice under Rule 3 of the Code on the Proposed Transaction and the waiver of the obligation for the Vendors to make a Rule 9 offer or (ii) to publish a circular to shareholders of the Company in compliance with Appendix 1 of the Code in connection with this matter.

I consider myself to be a sophisticated investor in relation to equity investments. I confirm that I have had the opportunity to take independent financial advice before signing this letter.

I confirm that I will not sell, transfer, pledge, charge, or grant any option or other right over, or create any encumbrance over, or otherwise dispose of my shares in the Company until after the conclusion of the proposed general meeting to approve the Proposed Transaction.

I, the signee, have full power and authority to sign this letter on behalf of myself which is a binding obligation upon me.

10. RELATIONSHIP AGREEMENT

With a view to preserving the independence of the Company from certain Sellers who, on Completion, will hold 31.6 per cent. of the voting rights of the Company, the Company and Mark and Caroline Halpin, have agreed (conditional on Completion) to enter into the Relationship Agreement with N+1 Singer pursuant to which they will ensure that the Company is capable of carrying on its business independently of them and their associates.

Under the terms of the Relationship Agreement, Mark and Caroline Halpin undertake, *inter alia*, that they shall use all their rights and powers (including, without limitation, voting rights) (“Voting Rights”) attaching to the Acquisition Shares in which they are interested from time to time, and shall procure that their associates shall use their Voting Rights, to procure that the Enlarged Group and its business shall be managed for the benefit of the Shareholders as a whole.

The Relationship Agreement shall be immediately terminated if Mark and Caroline Halpin and/or any of their associates cease to be Shareholders together holding directly or indirectly 25 per cent. or more of the issued ordinary voting capital of the Company.

Further details of the Relationship Agreement are set out in the Appendix to this document.

11. LOCK IN AND ORDERLY MARKET AGREEMENT

The Sellers have agreed to enter into lock-in deeds on Completion whereby they undertake not, for a period of 12 months from Completion, to sell, charge or grant any interest over any Acquisition Shares held by them; and to not, for a further period of 12 months thereafter, make any disposal of any Acquisition Shares otherwise than through N+1 Singer subject in each instance to customary carve-outs.

Further details of the Lock In Agreement are set out in the Appendix to this document.

12. PROPOSED MANAGEMENT INCENTIVISATION ARRANGEMENT

The Directors and the Proposed Director believe that the success of the Enlarged Group will depend, to a high degree, on management and other members of staff being appropriately motivated and rewarded. It is therefore currently proposed that, shortly following Completion, a new incentive scheme will be put in place over new Ordinary Shares, in an amount equal to up to 15 per cent. of the Enlarged Share Capital. The new incentive scheme will be designed to assist in the recruitment, motivation and retention of staff and will carry performance conditions which align the interests of the management team with those of Shareholders.

13. RELATED PARTY TRANSACTIONS

The Debt Refinancing Agreement, the Deed of Variation, the Facility Agreement and the Deed of Termination of MXC Warrants (as described more fully in paragraph 6 of this letter) are being entered into by MXCG and

the Company. MXCG is a wholly owned subsidiary of MXC Capital, which in turn is classified as a substantial shareholder in the Company under the AIM Rules as it currently holds 29.98 per cent. of the current issued share capital in Adept4. As such, the Debt Refinancing Agreement, the Deed of Variation, the Facility Agreement and the Deed of Termination of MXC Warrants constitute related party transactions pursuant to Rule 13 of the AIM Rules. The Company's Independent Directors (Simon Duckworth and Tom Black, Non-Executive Chairman and Non-Executive Director respectively) consider, having consulted with N+1 Singer, the Group's Nominated Adviser, that the terms of the Debt Refinancing Agreement, the Deed of Variation, the Facility Agreement and the Deed of Termination of MXC Warrants are fair and reasonable insofar as the Company's Shareholders are concerned. Jill Collighan, Executive Director of Adept4, is also group Finance Director of MXC Capital. Ms Collighan did not take part in the Independent Directors' consideration of these matters.

14. GENERAL MEETING

For the reasons set out above, Completion is conditional upon, *inter alia*, the approval of Shareholders at the General Meeting.

Set out at the end of this document is a notice convening the General Meeting which is to be held at 10.00 a.m. at the offices of DAC Beachcroft LLP, The Walbrook Building, 25 Walbrook, London EC4N 8AF on 21 October 2019, for the purpose of considering, and if thought fit, passing the following Resolutions set out in the Notice of General Meeting.

Resolution 1

Resolution 1 is an ordinary resolution to allow the Directors to allot shares in the Company, and grant rights to subscribe for or to convert any security into shares of the Company (such shares, and rights to subscribe for or to convert any security into shares of the Company being "relevant securities") up to an aggregate nominal amount of £2,181,605.86, in connection with the Acquisition; and otherwise up to an aggregate nominal amount of £1,484,085.62, representing approximately one third of the Company's Enlarged Share Capital.

Resolution 2

Resolution 2 is a special resolution which is subject to the passing of Resolution 1 above, to authorise the Directors to allot equity securities (as defined by Section 560 of the Act) for cash, pursuant to the authority conferred by Resolution 1, on a non pre-emptive basis (and subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any applicable regulatory body or stock exchange), up to an aggregate nominal amount of £2,181,605.86, in connection with the Acquisition; and otherwise up to an aggregate nominal amount of £445,225.68, representing approximately 10 per cent. of the Company's Enlarged Share Capital.

The authority granted by the Allotment Resolutions is required to facilitate the Acquisition.

Resolution 3

This Resolution is a special resolution to, subject to and conditional upon the passing of the Allotment Resolutions and Completion, change the registered name of the Company to CloudCoCo Group plc.

Shareholders should read the full text of the Notice of General Meeting before returning their Forms of Proxy.

15. ACTIONS TO BE TAKEN

Please check that you have received the following with this document:

- a Form of Proxy for use in respect of the General Meeting; and
- a reply-paid envelope for use in connection with the return of the Form of Proxy (in the UK only).

Whether or not you propose to attend the General Meeting in person, you are strongly encouraged to complete, sign and return your Form of Proxy in accordance with the instructions printed thereon as soon as possible, but in any event so as to be received, by post or, during normal

business hours only, by hand, at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZZ, by no later than 10.00 a.m. on 19 October 2019 (or, in the case of an adjournment of the General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting).

If you hold your shares in the Company in uncertificated form (that is, in CREST) you may vote using the CREST Proxy Voting service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes to the Notice of the General Meeting set out at the end of this document). Proxies submitted via CREST must be received by the Company's agent (ID 3RA50) by no later than 10.00 a.m. on 19 October 2019 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting).

Appointing a proxy in accordance with the instructions set out above will enable your vote to be counted at the General Meeting in the event of your absence. The completion and return of the Form of Proxy or the use of the CREST Proxy Voting service will not prevent you from attending and voting at the General Meeting, or any adjournment thereof, in person should you wish to do so.

16. APPLICATION FOR ADMISSION OF THE ACQUISITION SHARES

Application will be made to the London Stock Exchange for the Acquisition Shares to be admitted to trading on AIM and it is expected that trading in the Acquisition Shares will commence on AIM at 8.00 a.m. on or around 22 October 2019. Admission of the Acquisition Shares is subject to, *inter alia*, approval of the Allotment Resolutions at the General Meeting.

17. RECOMMENDATION

Shareholders should be aware that if the Allotment Resolutions are not passed, the Acquisition will not proceed.

The Directors consider the Acquisition to be in the best interests of the Company and the Shareholders as a whole. Accordingly the Directors recommend that the Shareholders vote in favour of the Resolutions to be proposed at the General Meeting.

Each of the Independent Directors has undertaken to vote in favour of the Resolutions in respect of their holdings of Ordinary Shares comprising, in aggregate, 14,542,199 Ordinary Shares, representing approximately 6.4 per cent. of the Company's issued share capital.

Yours sincerely

Simon Duckworth

Non-Executive Chairman

APPENDIX

ADEPT4 MATERIAL CONTRACTS

The following contracts are material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by the Company in connection with the Acquisition.

Acquisition Agreement

The Acquisition Agreement was entered into on 1 October 2019 between the Company, Holdings and the Sellers. Pursuant to the terms of the Acquisition Agreement, Holdings has conditionally agreed to purchase and the Sellers have conditionally agreed to sell the entire issued share capital of CloudCoCo. The Acquisition Agreement provides that the consideration payable for the shares in CloudCoCo will be the issue to the Sellers of consideration loan notes in Holdings (the "Loan Notes"). On the same date, the Company and the Sellers entered into a put and call option agreement (the "Option Agreement") pursuant to which the Sellers and the Company granted to each other, with effect from Completion, an option in respect of the Loan Notes. On the exercise of either option, the Sellers will transfer the Loan Notes to the Company in exchange for the issue to them by the Company of the Acquisition Shares.

The Acquisition has been structured in this way at the request of the Sellers with a view to deferring, as provided for by the relevant legislation, their liability to pay capital gains tax on the gain arising on the disposal of their shares in CloudCoCo by making the transaction in respect of the sale of their shares in CloudCoCo one which, for these purposes, qualifies for hold-over relief. As the consideration received by them is not cash, the Sellers may not have sufficient funds available immediately after Completion to meet that liability and they are not permitted, under the terms of the Lock In Agreements, to dispose of Acquisition Shares to meet that liability.

This situation is catered for and relieved in the Taxation of Chargeable Gains Act 1992, which permits the tax charge to be deferred, in certain circumstances, until the newly held securities are disposed of. In this instance, the Acquisition Shares are the relevant "newly held securities". The legislation requires the exchange to be for "buyer" securities. The terms of the Acquisition provide for relevant shares *in the capital of the Company*, not Holdings, to be allotted to the CloudCoCo shareholders. To address this, the Acquisition has been structured in such a way as to provide for the shares in CloudCoCo to be exchanged for a "marketable security" (the Loan Notes) issued by Holdings, which are exchanged in turn for the Acquisition Shares, creating a chain of exchanges which qualifies for hold-over relief.

The Loan Notes qualify as marketable securities as, *inter alia*, they bear commercial interest and are transferrable.

At Completion, the Company will exercise its call option under the Option Agreement, and will thereby acquire all the Loan Notes held by the Sellers, and will then forthwith issue the Acquisition Shares to the Sellers. The Acquisition Agreement states that the Company shall not be obliged to complete the purchase of any of the Sellers' shares in CloudCoCo unless the purchase of all of the Sellers' shares is completed simultaneously, so the call option will be exercised immediately upon Completion in respect of all of the Loan Notes, thereby ensuring that all are acquired simultaneously.

Completion of the Acquisition Agreement is conditional upon the passing of the Resolutions at the General Meeting. If this condition is not satisfied by 30 November 2019 (or such other date as the parties may agree), either the Sellers or Holdings may terminate the Acquisition Agreement by notice.

At all times during the period from (and including) the date of the Acquisition Agreement up to (and including) the date of Completion or, if earlier, the termination of the Acquisition Agreement in accordance with its terms, the Sellers have agreed (amongst other things): to procure that CloudCoCo carries on its business in the normal course of business and in the manner provided in the Acquisition Agreement and that except with the prior written consent of the Company, CloudCoCo shall not (nor shall it agree to) undertake certain actions including, for example, disposing of any material assets used or required for the operation of CloudCoCo, appointing any person as a director, incurring any capital expenditure on any item in excess of £10,000 (or £50,000 in aggregate), making any loan, declaring or paying any dividend or other distribution or granting any security over its assets.

The Acquisition Agreement may be terminated prior to Completion: (i) by Holdings on the occurrence of any matter or circumstance which has a material adverse impact on the business, operations, assets, trading or financial position or prospects of CloudCoCo or its business following the date of the Acquisition Agreement; and (ii) by the Sellers on the occurrence of any matter or circumstance which has a material adverse impact on the business, operations, assets, trading or financial position or prospects of the Group following the date of the Acquisition Agreement.

The Acquisition Agreement contains restrictive covenants given by the Sellers to CloudCoCo and Holdings.

The Acquisition Agreement contains warranties in the usual form given by the Sellers jointly and severally to Holdings on the date of the Acquisition Agreement and repeated on Completion (subject to any disclosures made). In the absence of fraud or wilful concealment, the Sellers' aggregate liability for any breach of the Acquisition Agreement (including any breach of warranty and for breach of the tax covenant of which the Company is the beneficiary) is limited to £1,000,000 (exclusive of costs and interest).

The Acquisition Agreement also contains limited-scope warranties given by the Company to the Sellers on the date of the Acquisition Agreement and repeated on Completion (subject to any disclosures made). In the absence of fraud or wilful concealment, the Company's liability for a breach of the terms of the Acquisition Agreement including, for example, any breach of warranty is limited to £1,000,000 (exclusive of costs and interest).

Lock In Agreements

On Completion, the Company will enter into the Lock In Agreements. Under the terms of the Lock In Agreements each Seller undertakes, not, for a period of 12 months from Completion, to sell, charge or grant any interest over any Acquisition Shares held by them and not, for a further period of 12 months thereafter, to make any disposal of any Acquisition Shares otherwise than through N+1 Singer (subject to execution of the same on a best price and execution basis), subject in each instance to customary carve-outs including to the effect that a sale to satisfy a warranty or tax covenant claim under the Acquisition Agreement shall be permitted, subject to compliance by the Seller in question with the AIM Rules and relevant insider dealing legislation.

Relationship Agreement

On Completion, the Company will enter into the Relationship Agreement. Under the terms of the Relationship Agreement, Mark and Caroline Halpin will undertake, *inter alia*, that they shall use all their Voting Rights attaching to the Acquisition Shares in which they are interested from time to time, and shall procure that their associates shall use their Voting Rights, to procure that the Enlarged Group and its business shall be managed for the benefit of the Shareholders as a whole.

It further requires them, *inter alia*, to use their Voting Rights to procure that all transactions, agreements and arrangements between them or any of their associates and any member of the Enlarged Group shall be on an arm's length basis and on normal commercial terms.

The Relationship Agreement shall be immediately terminated if Mark and Caroline Halpin and/or any of their associates cease to be Shareholders together holding directly or indirectly 25 per cent. or more of the issued ordinary voting capital of the Company.

Debt Refinancing Agreement

On 1 October 2019, the Company entered into the following material contracts (each taking effect conditional on Completion) in relation to the Debt Refinancing and amendment of the Options and Warrants:

- (1) Debt Refinancing Agreement;
- (2) Deed of Variation;
- (3) Deed of Termination of MXC Warrants;
- (4) Amended and Restated BGF Options; and
- (5) Facility Agreement.

Further details are set out in Paragraph 6 of the Letter from the Chairman incorporated into this document.

Andy Mills (Proposed Director and Chief Executive Officer): service contract

It is proposed that Andy Mills will, at Completion, enter into a service agreement with the Company, pursuant to which he will be appointed as Chief Executive Officer of the Enlarged Group upon Completion. The service agreement provides for the payment to Mr Mills of a salary of £140,000 per annum with the possibility of a discretionary bonus determined by the Remuneration Committee in addition. The agreement places upon Mr Mills certain standard form restrictive covenants which have effect for a period of between 6 and 12 months after termination. The agreement is terminable by either party on not less than six months' prior notice and immediately by the Company, *inter alia*, if Mr Mills commits any serious or repeated breach or non-observance of any material provision of the agreement. The agreement further provides for Mr Mills to benefit from the Company's life and health insurance schemes.

ADEPT4 PLC

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a general meeting of Adept4 plc (the “**Company**”) will be held at the offices of DAC Beachcroft LLP, The Walbrook Building, 25 Walbrook, London EC4N 8AF on 21 October 2019 at 10.00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions.

ORDINARY RESOLUTION

1. **THAT** in substitution for any equivalent authorities and powers granted to the directors prior to the passing of this resolution, the directors be and are generally and unconditionally authorised pursuant to section 551 of the Act to exercise all powers of the Company to allot shares in the Company, and grant rights to subscribe for or to convert any security into shares of the Company (such shares, and rights to subscribe for or to convert any security into shares of the Company being “relevant securities”):
 - 1.1 up to an aggregate nominal amount of £2,181,605.86 in respect of certain shares to be allotted by the Company in accordance with the terms of a conditional share sale and purchase agreement and a put and call option agreement, both dated 1 October 2019 as described in the circular which accompanies this notice of general meeting (the “Circular”) but for no other purpose; and
 - 1.2 up to an aggregate nominal amount of £1,484,085.62 (otherwise than pursuant to sub-paragraph 1.1 above) representing approximately one third of the Company’s Enlarged Share Capital (as defined in the Circular),

provided that these authorities, unless duly renewed, revoked, varied or extended, will expire on the date falling fifteen months from the date of the passing of this resolution or, if earlier, the conclusion of the next annual general meeting of the Company to be held after the passing of this resolution, save that the Company may, at any time before such expiry, make an offer or agreement which would or might require relevant securities to be allotted after such expiry and, the directors may allot relevant securities in pursuance of such an offer or agreement as if the authorities conferred by the resolution had not expired.

SPECIAL RESOLUTIONS

2. **THAT**, subject to the passing of Resolution 1 above, the directors be given the general power to allot equity securities (as defined by section 560 of the Act) for cash, pursuant to the authority conferred by Resolution 1, as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:
 - 2.1 the allotment of equity securities in connection with an offer by way of a rights issue:
 - 2.1.1 to the holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings; and
 - 2.1.2 to holders of other equity securities as required by the rights of those securities or as the directors otherwise consider necessary,but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any applicable regulatory body or stock exchange;
 - 2.2 the allotment (otherwise than pursuant to sub-paragraph 2.1 above) of equity securities in connection with the Acquisition (as defined in the Circular); and
 - 2.3 the allotment (otherwise than pursuant to sub-paragraphs 2.1 and 2.2 above) of equity securities up to an aggregate nominal amount of £445,225.68 representing approximately 10 per cent. of the Company’s Enlarged Share Capital,

provided that the power granted by this resolution will expire on the date being fifteen months from the date of the passing of this resolution or, if earlier, the conclusion of the next annual general meeting of the Company to be held after the passing of this resolution (unless renewed, varied or revoked by the Company prior to or on such date), save that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted after such expiry and, the directors may allot equity securities in pursuance of such an offer or agreement notwithstanding that the authority conferred by this resolution has expired.

3. **THAT**, subject to and conditional upon the passing of resolutions 1 and 2 and completion of the Acquisition, the registered name of the Company be changed to CloudCoCo Group plc.

By order of the Board

Company Secretary

Registered Office:

5 Fleet Place
London
EC4M 7RD

Registered in England and Wales No. 05259846

Dated: 2 October 2019

Notes:

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting and at any adjournment of it. A member may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. If a proxy appointment is submitted without indicating how the proxy should vote on any resolution, the proxy will exercise his discretion as to whether and, if so, how he votes.
2. A proxy need not be a member of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol BS99 6ZZ. Members may also appoint a proxy through the CREST electronic proxy appointment service as described in note 9 below.
3. To be valid any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand by Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol BS99 6ZZ no later than 10.00 a.m. on 19 October 2019 (or, in the event of any adjournment, no later than 48 hours before the time of the adjourned meeting), together with, if appropriate, the power of attorney or other authority (if any) under which it is signed or a duly certified copy of that power or authority.
4. The return of a completed proxy form will not prevent a member attending the meeting and voting in person if he/she wishes to do so.
5. A vote withheld option is provided on the form of proxy to enable you to instruct your proxy not to vote on any particular resolution, however, it should be noted that a vote withheld in this way is not a 'vote' in law and will not be counted in the calculation of the proportion of the votes 'for' and 'against' a resolution.
6. Pursuant to Regulation 41 of The Uncertificated Securities Regulations 2001 and paragraph 18(c) of The Companies Act 2006 (Consequential Amendments) (Uncertificated Securities) Order 2009, the Company specifies that only those members registered on the Company's register of members 48 hours before the time of the meeting shall be entitled to attend and vote at the meeting. In calculating the period of 48 hours mentioned above no account shall be taken of any part of a day that is not a working day. Subsequent changes to entries on the register after this time shall be disregarded in determining the rights of any persons to attend or vote at the meeting.
7. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders' appear in the company's register of members in respect of the joint holding (the first-named being the most senior).
8. If a member submits more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
9. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for this meeting by using the procedures described in the CREST manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. Please note the following:
 - (a) in order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST proxy instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST manual. The

message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent by the latest time(s) for receipt of proxy appointments specified in this notice. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST application host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

- (b) CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST proxy instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred in particular to those sections of the CREST manual concerning practical limitations of the CREST system and timings.
 - (c) the Company may treat as invalid a CREST proxy instruction in the circumstances set out in regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
10. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

