

**Adept4 plc**  
**("Adept4", the "Group" or the "Company")**

**Share Price Movement and Proposed  
Acquisition**

Adept4 (AIM: AD4), the AIM quoted provider of IT as a Service, today announces that, further to the announcement on 2 August 2019 and the recent movement in the Company's share price, it has entered into non-binding heads of terms to acquire the share capital of Cloudcoco Limited ("CloudCoCo") (the "Proposed Acquisition").

CloudCoCo was established in September 2017 by former sales directors of Redcentric plc and offers cloud and related technology solutions. CloudCoCo's team of cloud and connectivity experts leverage the capacity of its large supplier ecosystem to provide unique technology solutions to customers in order to optimise and transform their businesses. Though only recently established, CloudCoCo is already trading profitably and has a strong and growing pipeline. Following completion of the Proposed Acquisition, it is intended that a member of the management team of CloudCoCo will join the board of Adept4 (the "Board Change").

The anticipated consideration for the Proposed Acquisition is 218,160,586 ordinary shares of 1 penny each in the capital of Adept4 (the "Consideration"), which would represent 49% of the enlarged issued share capital following completion. The Proposed Acquisition, if completed, would not constitute a reverse takeover under rule 14 of the AIM Rules for Companies ("AIM Rules"), however, would be subject, inter alia, to shareholder approval and the entering into and completion of a share purchase agreement. It is also likely that the Proposed Acquisition and certain other matters will constitute related party transactions subject to the requirements of rule 13 of the AIM Rules.

Furthermore, the Board anticipates that, subject to formal confirmation from the Panel on Takeovers and Mergers ("Panel"), the Proposed Acquisition will need to be made conditional on the Panel granting a waiver of the obligation that would otherwise arise under Rule 9 of the City Code on Takeovers and Mergers (the "Code") on the shareholders of CloudCoCo to make a general offer to Adept4's shareholders (the "Waiver"). The granting of the Waiver by the Panel will be conditional, inter alia, on Adept4's Independent Shareholders passing an ordinary resolution voting on a poll at a general meeting to approve such a Waiver.

Adept4 currently has £5 million of unsecured loan notes in issue which are held by the Business Growth Fund Plc (the "BGF"). Conditional upon completion of the Proposed Acquisition, the BGF has agreed to sell the loan notes to MXC Capital Limited ("MXC", which holds 29.9% of Adept4's issued share capital), for £3.5 million, thereby reducing the liability of the Company.

Should the Proposed Acquisition proceed, a circular containing details of, inter alia, the Proposed Acquisition, the Waiver, the Board Change and the conditional sale of the loan notes by the BGF to MXC, together with a notice of General Meeting containing resolutions to approve the Proposed Acquisition and associated Waiver, will be sent to shareholders in due course.

There can be no guarantee that the Proposed Acquisition will proceed.

**Simon Duckworth, Chairman of Adept4, commented:**

"We are delighted to have agreed heads of terms to acquire CloudCoCo which has a proven salesforce with an enviable growth track record. Subject to completion of the Proposed Acquisition, we plan to drive growth from both Adept4's existing customer base and CloudCoCo's own customers and pipeline. Furthermore, the associated proposed reduction in the Company's debt would strengthen the Group's balance sheet and demonstrate the strong support of our largest shareholder. We see this as a very positive step to return value to shareholders".

*The information communicated in this announcement is inside information for the purposes of Article 7 of Regulation 596/2014.*

**For further information please contact:**

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**About Adept4**

Adept4 delivers IT as a service to small and medium sized businesses across the UK. IT as a Service (ITaaS) provides you with exactly the amount of technology and support you need in accordance with business requirements, billed on a monthly basis, based on what is consumed.

Critically we underpin this delivery method with a 24 x 7 UK response team, strategic consulting, professional services and software development to provide exactly what organisations need from IT at any given time. Whether an infrastructure is based on legacy or emerging technologies we will ensure organisations have the flexibility, agility and cost efficiencies required to run their business effectively, all through a single trusted provider.

Adept4 is a public company quoted on the AIM market of the London Stock Exchange. The Company is headquartered in Warrington, with offices in Leeds and Aberdeen.