

## Adept4 plc

### ("Adept4", the "Group" or the "Company")

#### Trading Update

Adept4 (AIM: AD4), the AIM quoted provider of IT as a Service, today announces an update on trading in respect of the year ended 30 September 2018.

Revenue is anticipated to be broadly in line with that recognised in the preceding financial year, with a reduced gross profit margin of 56% (FY17: 61%) due to a change in sales mix. As a result of this reduction in margin, Trading Group EBITDA<sup>1</sup> is expected to be below that achieved for FY17, at approximately £0.6 million, with cash at bank of £1.4 million and net debt<sup>2</sup> of £2.7 million at the year end (based on unaudited management accounts).

During the second half of the year a programme of cost rationalisation was undertaken to ensure the business has an appropriate cost base. This programme was commenced and successfully concluded towards the end of the year and therefore had only minimal impact on reducing costs for the full year.

Towards the end of the financial year a new Sales Director was appointed. His initial focus has been on strengthening the sales team and building the sales pipeline, which had been impacted by the lack of a predecessor in this area. The Group is now seeing a marked improvement in the quality of tenders and opportunities it is participating in and expects this to have a positive impact on the current year's financial performance.

Our focus remains on developing and converting the sales pipeline and building on the stable platform we have now put in place in order to grow profitability. Full preliminary results for the year to 30 September 2018 are expected to be released during January 2019.

*<sup>1</sup>Trading Group EBITDA is measured as earnings from continuing operations before plc costs, interest, taxation, depreciation, amortisation of intangibles, separately identifiable costs and income and share based payments*

*<sup>2</sup>Net debt represents cash and cash equivalents less short-term and long-term borrowings stated on a fair value basis*

#### For further information please contact:

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This announcement contains inside information.

#### 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, Aberdeen, and Brighton.