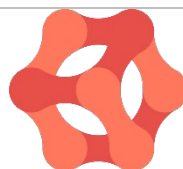


AdEPT is a UK business listed on the London Stock Exchange's Growth market, AIM. It provides managed services for IT, cloud services, unified communications, connectivity, and voice to both public sector and corporate clients.

The demand for unified, secure cloud-based network and communication solutions has been accelerated by the changes to working lifestyles, driven by the pandemic, and this demand continues to grow in both the public and private sectors. AdEPT is currently well placed to take advantage of the accelerated growth.



# AdEPT

**AdEPT Technology plc**  
Corporate profile and fact sheet

**AdEPT's mission**

**Uniting technology, inspiring people**



**AdEPT's Market**

The UK market in which AdEPT operates is valued at c£33bn.

- The worldwide public cloud market is growing at c.18% CAGR
- 71% of enterprises will grow public cloud spending more than 20%<sup>i</sup>
- By 2025 80% of organisations will have migrated from on premise data centres towards co-location, hosting and to the cloud<sup>ii</sup>
- Unified Communications market is growing substantially, from £520m in 2017 to £975m in 2021<sup>iii</sup>
- 72% of CIO's anticipate greater spend in Cybersecurity<sup>iv</sup>

**Strategy**

The Board's stated strategy is to:

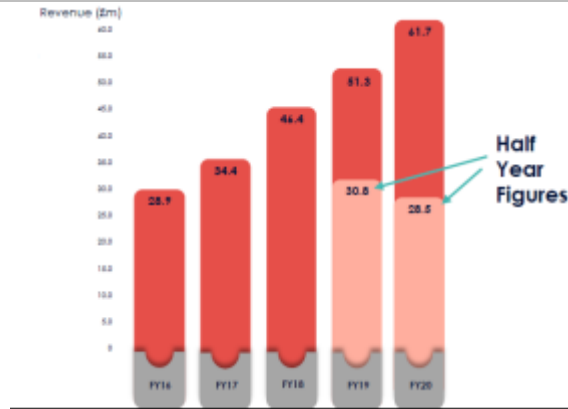
- Grow both organically and by acquisition, leveraging the Group's banking facilities which are supported by a strong balance sheet and high cash generation;
- Consolidate a fragmented market, through complementary acquisitions delivering strong levels of recurring revenue and margin;
- Continually bring enhanced capability to customers; and
- Strengthen the Group's presence in key vertical markets.

**Scalable platform**

One AdEPT is a truly integrated operating system across the whole business, enabling excellent customer services and cross selling. It is central to quickly onboarding and driving benefit from the Group's acquisitions, as it seeks to consolidate its fragmented marketplace.

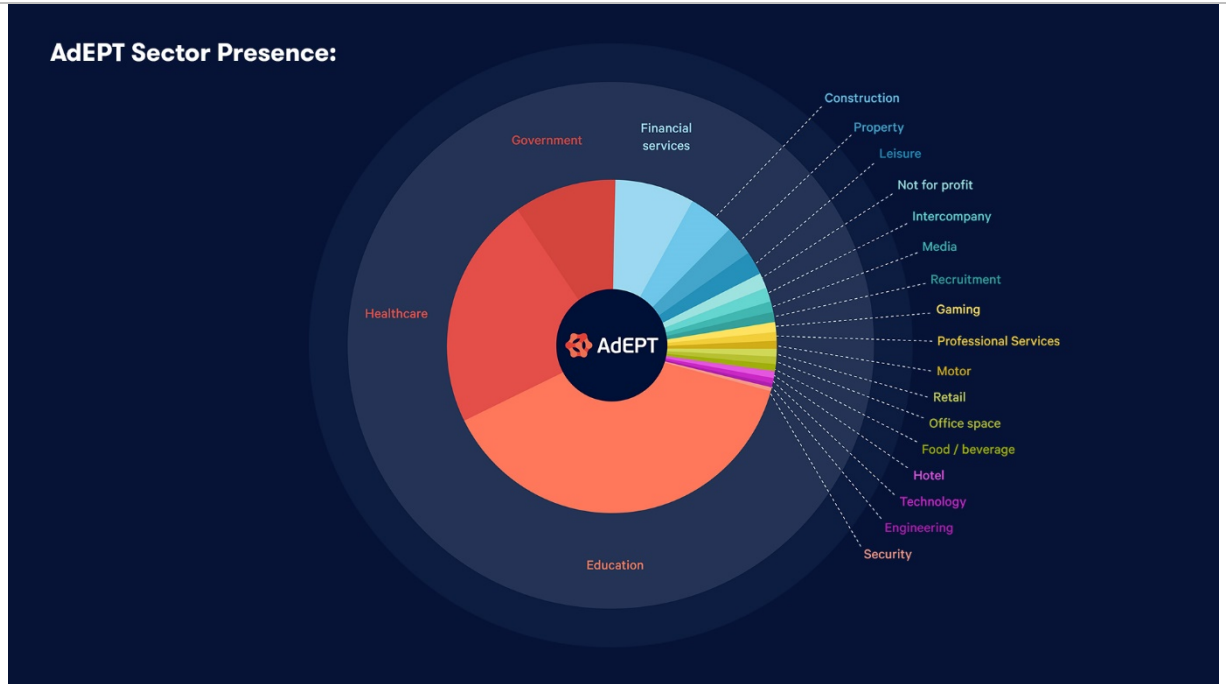
|   |  |
|---|--|
| <p><b>Successful acquisitions since 2014</b></p>                        | <p><b>AdEPT acquisitions</b></p>   |
| <p><b>Cash generative business model</b></p>                            | <p>AdEPT operates a highly efficient, cash generative business model, which enables it to fund growth through investment and acquisition. The model produces high levels of revenue visibility and is low capital-intensive.</p> <ul style="list-style-type: none"> <li>• c75% of revenue is recurring</li> <li>• 48% of revenue is public sector and health care</li> <li>• EBITDA margin c18-20%</li> <li>• Cash conversion over 85%</li> </ul>  |
| <p><b>Investment is targeted at AdEPT Nebula and Project Fusion</b></p> | <p><b>About AdEPT Nebula:</b> There is an increasing demand for ‘hybrid cloud’ services, where customers purchase public cloud solutions alongside private cloud owned and hosted applications. AdEPT is meeting this demand through its investment in AdEPT Nebula.</p> <p>Through a single secure connection, a business can get access to services such as; hosted applications, cloud telephony, Microsoft solutions, public or private cloud services (or a mix called hybrid cloud), carrier class connectivity and much more, all within a secure and managed service.</p> <p><b>About Project Fusion:</b> Focused on a) providing the best service, b) having an efficient operation and c) having real time operational insight across the business, Project Fusion is a drive to achieve ‘<b>ONE AdEPT</b>’. ONE AdEPT uses a suite of commercial off-the-shelf solutions that is now utilised by every Division within the business and provides the AdEPT leadership and staff with real-time information on performance, trends and operational bottlenecks.</p> <p><b>ONE AdEPT</b> is at the core of plans to build a business of scale through acquisition and market consolidation. It enables newly acquired businesses to be quickly and efficiently integrated and to benefit from the Group, as well as allowing the rapid delivery of synergies and operational insight.</p> |
| <p><b>Strong Track record</b></p>                                       | <p>The company has a history of delivering consistent growth in a dynamic market through its agility. AdEPT has proved that it is capable of capitalising on new market developments, new products, and changing trends in a timely manner, adapting swiftly to fulfil its customers’ needs.</p> <p>AdEPT is currently well placed to take advantage of the acceleration of growth in advanced cloud-based solutions, which has been driven by the COVID-19 pandemic as businesses switch to more flexible working patterns and increased homeworking.</p> <p>Whilst the Group continues to generate revenues from helping customers move away from the BT copper technology infrastructure, this revenue stream is reducing as AdEPT focuses on the provision of new technologies.</p>  |
| <p><b>Five-year</b></p>   |  |

**revenue performance**



Revenue performance is expected to be slightly lower in 2021 due to the short-term disruption from COVID-19 lockdowns, but the pandemic has increased the focus on IT and security and cloud services, which is likely to have a positive effect on the demand for AdEPT’s services in the medium term.

**Vertical expansion**



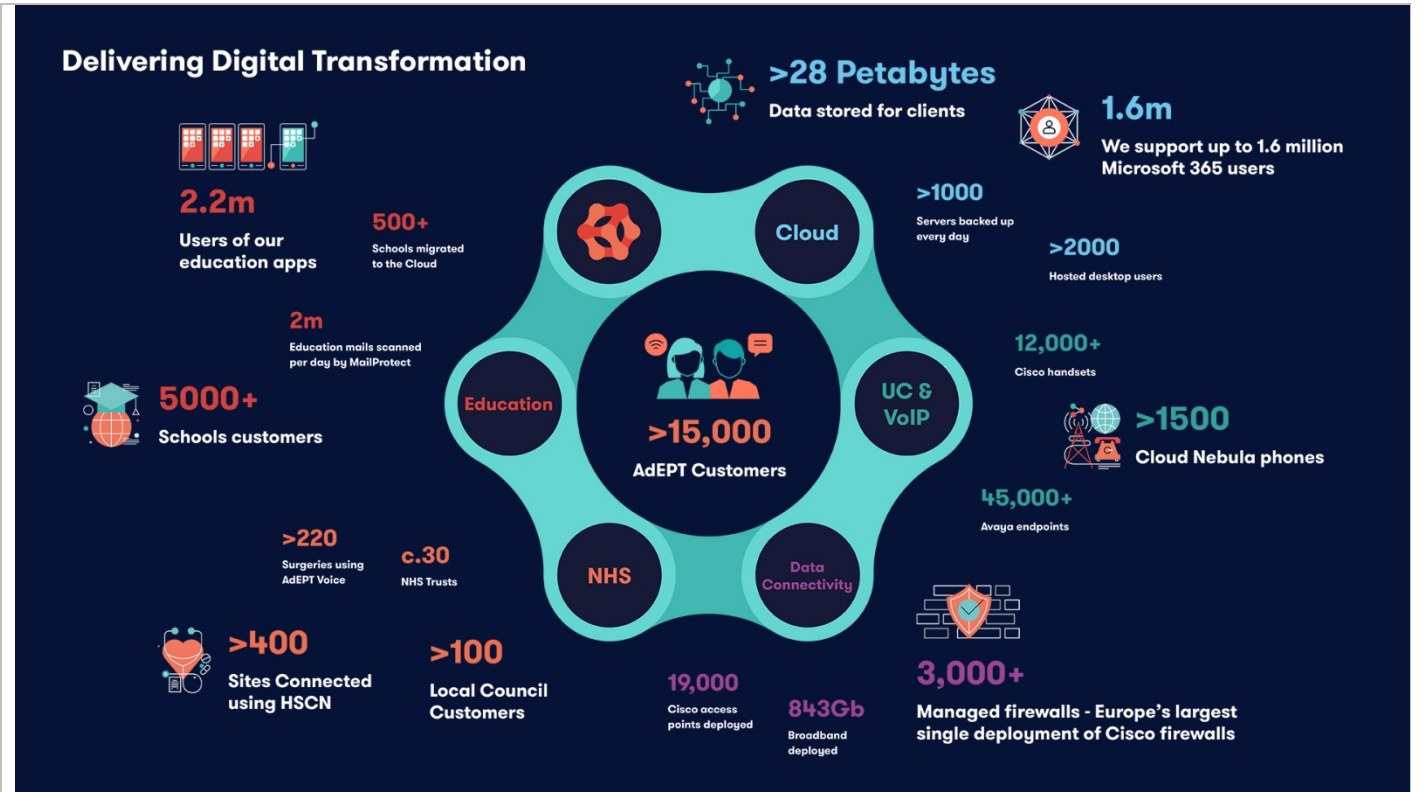
- Education – presence in c.5,000 schools out of 24,000 available
- Healthcare sector – multiple critical care NHS customers including over 30 NHS Trusts, over 400 Doctor’s surgeries, the entire Kent NHS network, 70% of private hospitals in London, and a number of care homes
- Construction – with a presence in commercial construction (Volker), domestic construction (Redrow) and the construction services market (Construction Testing) this is an area of increasing focus for AdEPT.
- Financial services
- Government
- Select commercial markets

**Global blue-chip partners**

AdEPT's top-level accreditations with key global blue-chip partners, give the Group competitive advantage and enable it to generate the best possible margins. Key partnerships include, amongst others:

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>• Microsoft</li> <li>• Gamma</li> <li>• Avaya</li> <li>• Dell</li> <li>• BT (Openreach &amp; Wholesale)</li> <li>• Virtual 1</li> </ul> | <ul style="list-style-type: none"> <li>• Virgin Media Business</li> <li>• Fortinet</li> <li>• Google</li> <li>• Extreme</li> <li>• Cato</li> </ul> |
|--|--|

# Delivering Digital Transformation



<sup>i</sup> Rightscale State of the Cloud Research 2018

<sup>ii</sup> Gartner research

<sup>iii</sup> BT research

<sup>iv</sup> IDG research – CIO Tech Poll 2019