

**DATED** 08 February **2023**

- (1) THETIS BIDCO LIMITED**
- (2) BGF INVESTMENTS LP**

**IRREVOCABLE UNDERTAKING - SHAREHOLDERS**

To: **Thetis Bidco Limited**  
**Ropemaker Place, 28 Ropemaker Street, London EC2Y 9HD, United Kingdom**

Dear all

**Proposal by Thetis Bidco Limited (the "Offeror") to acquire Adept Technology Group plc (the "Offeree")**

We understand that the Offeror is considering making an Offer substantially on the terms and subject to the conditions contained in the draft press announcement for the purposes of rule 2.7 of the City Code on Takeovers and Mergers (the "**Takeover Code**") (the "**Press Announcement**") attached to this undertaking (which may be amended as agreed between Cardean Bell Ltd and MarchHarvey Ltd (together, the "**Offeror's Financial Adviser**") and Houlihan Lokey UK Limited ("**Houlihan Lokey**") and as may be required to comply with the Takeover Code together with such additional terms and conditions as may be required to comply with the AIM Rules, the rules and regulations of the London Stock Exchange plc and the Takeover Code.

**1. Acquisition**

**1.1** For the purposes of this undertaking (the "**Undertaking**"), the "**Acquisition**" shall:

**1.1.1** mean the proposed cash offer of 201 pence per share to be made by the Offeror of all of the issued and to be issued ordinary share capital of the Offeree ("**Offeree Shares**") (excluding any Excluded Shares (as defined in the Press Announcement) not already owned by it), to be implemented by way of a court-sanctioned scheme of arrangement (the "**Scheme**") under Part 26 of the Companies Act 2006 between Offeree and the holders of its ordinary shares, or by way of a takeover offer within the meaning of section 974 of the Companies Act 2006 (an "**Offer**"), as the case may be, to be made by or on behalf of the Offeror pursuant to the Press Announcement; and

**1.1.2** include any revised or increased offer proposal to that referred to in paragraph 1.1.1 above which may be made by the Offeror from time to time or any other offer required to be made by the Offeror or any member of the Consortium (as defined in the Press Announcement) pursuant to Rule 9 of the Takeover Code.

**2. Ownership of Shares**

**2.1** In consideration of the Offeror's continued preparation of the Offer, we hereby irrevocably and unconditionally (save as specified below) undertake and represent to the Offeror in the following terms:

**2.1.1** We are the beneficial owner of the Offeree Shares as specified in Schedule 1 (the "**Existing Shares**", such Existing Shares together with any other Offeree Shares in respect of which we become the registered holder and/or beneficial owner (or in relation to which we become able to control the exercise of all

rights attaching to, including voting rights and the ability to procure the transfer of) after the date of this Undertaking and all other securities which may be allotted in respect of, or which are attributable to or derived from such Offeree Shares and/or the Existing Shares, being the "**Shares**");

**2.1.2** in the case of any Shares of which we are or become the beneficial owner (but not the registered holder) and all other securities which may be allotted in respect of, or which are attributable to or derived from such Shares, we undertake to procure that the registered holder(s) will comply with the terms of this Undertaking as if it were also party to it;

**2.1.3** save as disclosed in Schedule 1, we are not interested in any shares or, save for the unsecured fixed rate convertible loan notes issued to us pursuant to a convertible loan note instrument dated 1 August 2017 (the "**Loan Notes**"), other securities of the Offeree and, save for the Loan Notes, we do not have any rights to subscribe, purchase or otherwise acquire any shares or other securities of the Offeree;

**2.1.4** we have the full power and authority and the right (free from any legal or other restrictions), and neither we nor the registered holder of any Shares (where applicable) will take any action which would cause us to cease having all relevant power and authority and the right, to enter into and perform the obligations in this undertaking in accordance with their terms; and

**2.1.5** the Offeror will acquire the Shares from us with full title guarantee and free from any charge, option, lien, equity, restriction or encumbrance whatsoever and with all rights attached or accruing to them, including voting rights and the right to all dividends and distributions (if any) declared, made or paid after the date of the Press Announcement.

### **3. Dealings and Undertakings**

**3.1** We hereby irrevocably undertake to the Offeror that unless and until this Undertaking lapses in accordance with paragraph 7, we shall not (and, if relevant, shall procure that the registered holder shall not):

**3.1.1** other than in connection with the Acquisition, sell, transfer, gift, charge, pledge, encumber, create or grant any option or lien over or otherwise dispose of (or permit any such action to occur in respect of) any interest in any Shares;

**3.1.2** other than in connection with the Acquisition, accept or give any undertaking to accept (whether conditional or unconditional) any offer or approve or otherwise agree to any offer made or proposed to be implemented (whether by way of a takeover offer, scheme of arrangement or otherwise) in respect of any securities of the Offeree (or any interest therein) by any person other than the Offeror (or any member of its group);

**3.1.3** other than in connection with the Acquisition, until the earlier of (i) this Undertaking lapsing in accordance with paragraph 7, or (ii) the Scheme being sanctioned by the court, acquire or otherwise deal or undertake any dealing in any securities of the Offeree (or any interest therein), unless the Panel determines, and confirms to you in writing, that in respect of or as a result of such acquisition or dealing, we are not considered to be acting in concert with you pursuant to Note 9 on the definition of "acting in concert" set out in the Takeover Code;

**3.1.4** enter into any agreement or arrangement, incur any obligation or give any indication of intent (or permit such circumstances to occur):

(a) to do all or any of the acts referred to in paragraphs 3.1.1, 3.1.2 and 3.1.3; or

(b) in relation to, or operating by reference to, the Shares, which, in either case, would or might reasonably be expected to restrict or impede our ability to comply with this Undertaking,

and, for the avoidance of doubt, references in this paragraph 3.1.4 to any agreement, arrangement or obligation shall include any such agreement, arrangement or obligation, whether or not legally binding or subject to any condition or which is to take effect upon or following the Scheme lapsing or being withdrawn or upon or following this Undertaking ceasing to be binding or upon or following any other event; or

**3.1.5** convert, nor take any steps toward or procure the conversion of the unsecured fixed rate convertible loan notes issued to us pursuant to a convertible loan note instrument dated 1 August 2017 (the "**Loan Note Instrument**").

#### **4. Undertaking to Vote**

**4.1** Unless the Offeror expressly requests of us otherwise in writing in advance, we hereby irrevocably undertake to the Offeror:

**4.1.1** to exercise (or, where applicable, procure the exercise of) all voting rights attaching to the Shares to vote in favour of all resolutions to approve the Scheme and any related matters (the "**Resolutions**"), proposed at (i) any general or class meeting to be convened in connection with the Scheme (the "**General Meeting**"); and (ii) any Court-convened meeting of the Offeree's shareholders for the purpose of considering and, if thought fit, approving the Scheme (the "**Court Meeting**"), in each case as set out in the notices of meeting in the circular to be sent to shareholders of the Offeree containing, amongst other things, the terms and conditions of the Scheme (the "**Scheme Document**") or at any adjournment of any General Meeting or Court Meeting;

- 4.1.2** to (without prejudice to our right to attend and vote in person at the Court Meeting and the General Meeting): (i) execute (or, where applicable, procure the execution of) all relevant forms of proxy in respect of all of the Shares validly appointing the Chair of such meetings (or any person nominated by the Offeror) to vote at any General Meeting or Court Meeting (or any adjournment thereof) in respect of the Resolutions; and (ii) lodge (or procure the lodgement of) such executed forms of proxy or, if any of the Shares are held in uncertificated form, CREST Proxy Instructions by 1:00 p.m. on the tenth business day after the Offeree publishes the Scheme Document (or, in respect of Shares acquired by us after posting of the Scheme Document by the earlier of: (a) 1:00 p.m. on the date which is the tenth business day after acquiring an interest in such Shares; or (b) 1:00 p.m. on the date which is one business day prior to the deadline for receipt of executed forms of proxy and/or CREST Proxy Instructions as set out in the Scheme Document);
- 4.1.3** not to revoke, withdraw or amend any proxy submitted in accordance with paragraph 4.1.2, either in writing or by attendance at any General Meeting or Court Meeting (or any adjournment thereof) or otherwise;
- 4.1.4** not to exercise (or procure the exercise of) any of the voting rights attaching to the Shares at the Court Meeting or the General Meeting other than in accordance with this Undertaking; and
- 4.1.5** execute and, or procure to be executed and done, all such documents, acts and things as may be necessary to be executed or done by us (or, where applicable, the registered holder) in order to perform our obligations under this Undertaking.

## **5. Prejudicial Action**

**5.1** Prior to the earliest of: (i) the Scheme becoming effective, lapsing or being withdrawn (or, if the Acquisition is to be implemented by way of an Offer, the Offer becoming or being declared unconditional, lapsing or being withdrawn); and (ii) the termination of this Undertaking in accordance with paragraph 7, we hereby irrevocably undertake to the Offeror:

**5.1.1** that we shall not exercise or procure the exercise of the voting rights attaching to the Shares in favour of any resolution to approve an acquisition or any other transaction or corporate action which is proposed by any person other than the Offeror (or any member of its group) which would (or would reasonably be expected to) frustrate, impede or delay the implementation of the Acquisition (an "**Alternative Transaction**");

**5.1.2** that we shall exercise or procure the exercise of the voting rights attaching to the Shares, either in person or by proxy, to vote against any Alternative Transaction;

- 5.1.3** that we shall not exercise or procure the exercise of, nor fail to exercise, the voting rights attaching to the Shares in any manner which would reasonably be expected to be prejudicial to the success of or frustrate, impede or delay the Acquisition; and
- 5.1.4** that we shall not requisition, or join in the requisitioning of, any general or class meeting of the Offeree for the purposes of voting on any resolution to approve an acquisition or any other transaction or corporate action which is proposed in competition with or which would otherwise be reasonably expected to frustrate, impede or delay the Acquisition.

**5.2** For the purposes of this paragraph 5, we shall execute any form of proxy required by the Offeror appointing any person nominated by the Offeror to attend and vote at the relevant meeting (or any adjournment thereof).

## **6. Consents**

**6.1** We consent to the inclusion of references to us and the registered holder of any of the Shares in which we have (or will have as the case may be) a beneficial and/or registered interest and to particulars of this Undertaking in the Press Announcement, Scheme Document and other documents issued in connection with the Acquisition.

**6.2** We understand and agree that, in accordance with the Takeover Code, particulars of this Undertaking and disclosable holdings of, and dealings in, relevant securities of the Offeree will need to be publicly disclosed and will also be contained in the Scheme Document and that copies of this Undertaking will be available for inspection until the end of the Acquisition in accordance with Rule 26 of the Takeover Code.

**6.3** We will as soon as possible notify the Offeror in writing upon becoming aware of any change in the accuracy or import of any information supplied, or representation or warranty given, to the Offeror under this Undertaking that concerns the Shares.

**6.4** For the purposes of Condition 3.2.1(i) of Schedule 2 to the Loan Note Instrument, we consent to such amendment to the Offeree's articles of association as the Offeror reasonably considers to be necessary or desirable in connection with the Acquisition (provided that such amendment does not prejudice the redemption provisions of the Loan Note Instrument).

## **7. Lapse of Undertaking**

**7.1** All of our obligations pursuant to this Undertaking will lapse and cease to have effect on the earlier of the following occurrences:

- 7.1.1** the Press Announcement not having been released by 6:30 p.m. (London time) on the date falling three business days after the date of this Undertaking (or such later date as the Offeror and the Offeree may agree);

- 7.1.2** the Scheme Document is not sent to shareholders of the Offeree within 28 days (or such longer period as the Offeree and the Offeror agree, and the Panel consent) after the date of the Press Announcement (other than in circumstances where the Offeror has, prior to such date, elected to exercise its right to proceed by way of an Offer and announced the same in accordance with the requirements of Paragraph 8 of Appendix 7 to the Takeover Code, and such Offer has not lapsed or been withdrawn);
- 7.1.3** where the Offeror has elected to proceed with the implementation of the Acquisition by way of an Offer on or before the date referred to in paragraph 7.1.2, the Offer Document is not sent to shareholders of the Offeree within 28 days (or such other date as the Panel may require) after the date of the publication of the announcement made in accordance with the requirements of Paragraph 8 of Appendix 7 to the Takeover Code;
- 7.1.4** the Offeror announces, with the consent of the Panel, that it does not intend to make or proceed with the Acquisition and no new, revised or replacement Offer or Scheme is announced by the Offeror in accordance with Rule 2.7 of the Takeover Code at the same time;
- 7.1.5** the Scheme (or Offer, as applicable) lapses or is withdrawn in accordance with its terms and no new, revised or replacement Offer or Scheme is announced by the Offeror by such time;
- 7.1.6** the Scheme has not become effective by the Long Stop Date (as defined in the Press Announcement) (other than in circumstances where the Offeror has, prior to such date, elected to exercise its right to proceed by way of an Offer and announced the same in accordance with the requirements of Paragraph 8 of Appendix 7 to the Takeover Code, and such Offer has not lapsed or been withdrawn); or
- 7.1.7** the date on which any competing offer for the entire issued and to be issued share capital of the Offeree is declared unconditional (if implemented by way of a takeover offer) or, if proceeding by way of a scheme of arrangement, becomes effective; or
- 7.1.8** all of the conditions set out in clauses 9.1.1 and 9.1.2 have occurred.
- 7.2** If our obligations in this Undertaking lapse, we shall have no claim against the Offeror and the Offeror shall have no claim against us, other than in respect of any prior breach of any of the terms of this Undertaking.

## **8. Scheme or Offer**

- 8.1** We note that the Offeror reserves the right to implement the Acquisition by way of an Offer. In the event that it is so implemented, we confirm and agree that this Undertaking shall continue to be binding *mutatis mutandis* in respect of the Shares and all references to the Scheme shall, where the context permits, be read as references to the Offer (or to

both the Scheme and the Offer, as appropriate). Notwithstanding the generality of the foregoing, references in this Undertaking:

**8.1.1** to voting in favour of the Scheme and voting in favour of the resolutions to be proposed at the Court Meeting and/or the General Meeting shall be read and construed as references to accepting the Offer, which acceptances in such circumstances shall be tendered within three business days of publication of the formal document containing the Offer (the "**Offer Document**") to the Offeree shareholders and even if the terms of the Offer give accepting shareholders the right to withdraw acceptances, we irrevocably undertake not to withdraw (nor procure the withdrawal of) our acceptances in respect of the Shares. We further irrevocably undertake, if so required by the Offeror, to execute (or procure the execution of) all such other documents or do (or procure the doing of) such other acts as may be necessary or desirable for the purpose of giving the Offeror the full benefit of our undertakings;

**8.1.2** to the Scheme becoming effective shall be read as references to the Offer becoming or being declared unconditional; and references to the Scheme lapsing or being withdrawn shall be read as references to the closing or lapsing of the Offer; and

**8.1.3** to the Scheme Document shall be read as references to the Offer Document.

## **9. Proposal by Third Party**

**9.1** Nothing in this Undertaking shall prevent us from accepting or voting in favour of a proposal made by any third party for all of the issued and to be issued ordinary share capital of the Offeree (other than any such share capital acquired or agreed to be acquired by such third party at the time of making such proposal) provided that:

**9.1.1** the value of that proposal (in the reasonable opinion of the Offeror's Financial Adviser) exceeds the value of the consideration under the Acquisition by more than 10 percent; and

**9.1.2** a period of ten business days has elapsed from the announcement of such third party offer without the Offeror having revised the terms of the Acquisition so that (in the reasonable opinion of the Offeror's Financial Adviser) the value of the revised consideration for the Acquisition exceeds the value of the offer by such third party.

## **10. Miscellaneous**

**10.1** We acknowledge that the release of the Press Announcement is at the Offeror's absolute discretion. For the avoidance of doubt, nothing in this Undertaking shall oblige the Offeror to announce or proceed with the Scheme or the Acquisition.



- 10.2** Without prejudice to clause 7 we agree to promptly notify you and the Takeover Panel if we become aware that we are no longer able to comply with the terms of this Deed or no longer intend to do so in accordance with Rule 2.10(c) of the Takeover Code.
- 10.3** Any time, date or period referred to in this Undertaking may be extended by mutual agreement but as regards any time, date and period originally fixed or as extended, time shall be of the essence.
- 10.4** We agree that damages may not be an adequate remedy for breach of this Undertaking and, accordingly, we hereby agree that the Offeror shall be entitled to seek the remedies of specific performance, injunction or other equitable remedies.
- 10.5** Any phrase introduced by the terms "other", "including", "include" and "in particular" or any similar expression shall be construed as illustrative and shall not in any way limit the sense of the words following or preceding those terms.
- 10.6** No term of this Undertaking is enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not a party to this Undertaking.
- 10.7** This Undertaking contains the whole agreement between the Offeror and us relating to the subject matter of this Undertaking at the date hereof to the exclusion of any term implied by law which may be excluded by contract.
- 10.8** If any provision of this Undertaking is held to be invalid or unenforceable, then such provision shall (so far as it is invalid or unenforceable) be given no effect and shall be deemed not to be included in this Undertaking, but without invalidating any of the remaining provisions. We shall promptly advise you of any action taken by us which (but for illegality or unenforceability) would have been prohibited by any provision of this Undertaking that is held to be invalid or unenforceable.
- 10.9** No amendment or variation will be made to this Undertaking unless signed in writing by the Offeror and us.
- 10.10** In this Undertaking, references to:
- 10.10.1** "**dealing**" shall be interpreted in accordance with the Takeover Code as from time to time amended and interpreted by the Panel;
- 10.10.2** being "**interested in**" or having "**interests in**" shares or securities shall be construed in accordance with the Takeover Code as from time to time amended and interpreted by the Panel and Part 22 of the Companies Act 2006; and
- 10.10.3** "**relevant securities**" shall be construed in accordance with the Takeover Code as from time to time amended and interpreted by the Panel.
- 10.11** This Undertaking shall be governed by and construed in accordance with English law. Any matter, claim or dispute, whether contractual or non-contractual, arising out of or in

connection with this Undertaking is to be governed by and determined in accordance with English law and shall be subject to the exclusive jurisdiction of the English courts.

Yours sincerely,

**Signed by BGF Investments LP acting )**  
**by its manager BGF Investment )**  
**Management Limited )**



Authorised signatory  
For and on behalf of  
**BGF Investment Management Limited**  
as manager of **BGF Investments LP**

## SCHEDULE 1

### OFFEREE SHARES TO WHICH THIS UNDERTAKING RELATES

The following represent our current holdings and interests in shares in the Offeree:

<b>Registered Holder</b>	<b>Beneficial Owner</b>	<b>Number of ordinary shares of 10p each in the Offeree</b>
Pershing Nominees Limited	BGF Investments LP	1,645,612

**SCHEDULE 2**

**PRESS ANNOUNCEMENT**

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF THAT JURISDICTION**

**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION**

**FOR IMMEDIATE RELEASE**

**8 February 2023**

**RECOMMENDED CASH ACQUISITION  
OF  
ADEPT TECHNOLOGY GROUP PLC  
BY  
THETIS BIDCO LIMITED  
a member of the Wavenet Group**

**to be implemented by means of a Scheme of Arrangement  
under Part 26 of the Companies Act 2006**

**Summary**

- The boards of Thetis Bidco Limited ("**Bidco**"), a member of the Wavenet Group and also a subsidiary of Macquarie Group Limited, and AdEPT Technology Group plc ("**AdEPT**") are pleased to announce that they have reached agreement on the terms and conditions of a recommended all cash offer by Bidco for the entire issued and to be issued ordinary share capital of AdEPT (the "**Acquisition**"). The Acquisition is intended to be implemented by means of a scheme of arrangement under Part 26 of the Companies Act.
- Under the terms of the Acquisition, each AdEPT Shareholder will be entitled to receive:

<b>for each AdEPT Share:</b>	<b>201 pence in cash</b>
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- The Acquisition values the entire issued, and to be issued, ordinary share capital of AdEPT at approximately £50.3 million.
- The price per AdEPT Share represents a premium of approximately:
  - 74.8 per cent. to the Closing Price of 115 pence per AdEPT Share on 7 February 2023 (being the last Business Day before the date of the commencement of the Offer Period); and
  - 77.4 per cent. to the volume-weighted average price of 113 pence per AdEPT Share for the three-month period ended 7 February 2023.
- As part of the Acquisition, the AdEPT Board has resolved to cancel the interim dividend of 2.50 pence per AdEPT Share in respect of the six months ended 30 September 2022, which was announced on 15 November 2022 with a record date of 10 March 2023 and a payment

date of 7 April 2023. If for any reason the Acquisition does not become Effective the AdEPT Board intends to reinstate the interim dividend of 2.50 pence per AdEPT Share with the record date and payment date to be confirmed at the time of reinstatement.

- If any dividend, other distribution and/or other return of value is proposed, authorised, declared, made or paid or becomes payable in respect of AdEPT Shares on or after the date of this Announcement and before the Effective Date, Bidco reserves the right to reduce the Consideration by the amount of any such dividend, other distribution and/or other return of value.

#### **Information on Bidco**

- Bidco is a private company limited by shares, incorporated on 22 January 2021. It is a wholly-owned indirect subsidiary of Thetis Topco Limited, which itself is a subsidiary of the Macquarie Group. The other shareholders of Thetis Topco Limited include Wavenet management. Bidco is also a non-trading holding company of the Wavenet Group, including Wavenet Limited and OGL Computer Support Holdings Limited. The directors of Bidco are William (Bill) Dawson, Venetia Cooper, Philip Grannum and Stewart Motler.

#### **Information on Wavenet**

- Formed in 2000 and acquired by the Macquarie Group in 2021 through its European private equity division, MPRC Europe Limited, Wavenet is a multi-award-winning provider of telecoms and technology solutions to over 15,000 business and enterprise customers across the UK. Wavenet is a Registered Certified Cisco Partner, Microsoft Gold Partner, has Platinum Partner status with Mitel and Silver Peak and holds authorised partner status with Five9. Wavenet has offices in Solihull, Chester, Norwich, Cardiff, Nottingham, London, Twickenham, Cambridge, Worcestershire and St Albans and employs c.550 people, including over 250 trained support staff and engineers.

#### **Information on Macquarie**

- Macquarie Group is a diversified international provider of investment banking and financial services, with over 19,000 employees in more than 30 countries globally. Macquarie Principal Finance Pty Limited is the Macquarie Group's principal balance sheet investment platform and wholly owns MPRC Europe Limited. Since inception in 2009, Macquarie Principal Finance Pty Limited has deployed over A\$38 billion globally across a variety of sectors. MPRC Europe Limited is the European private equity division of Macquarie Principal Finance Pty Limited.
- Macquarie Group Limited, the ultimate parent undertaking of the Macquarie Group, has been listed on the Australian Securities Exchange since 1996 and has a current market capitalisation in excess of A\$70 billion.

#### **Information on AdEPT**

- The AdEPT Group is one of the UK's leading independent providers of managed services for IT, unified communication, connectivity, voice and cloud services. It deploys products

from a number of communications and IT partners to provide solutions tailored to meet the specific requirements of its customers in both the public and private sectors.

- The AdEPT Group employs c.340 people across nine UK offices in London, Tunbridge Wells, Fleet, Northampton, Chingford, St Neots, Dorking, Orpington and Doncaster. The AdEPT Shares were admitted to trading on AIM in February 2006.

#### **The AdEPT Group's current trading**

- Since 30 September 2022 (being the date to which the AdEPT Group's interim results were drawn up), the AdEPT Group has continued to demonstrate its resilience and has maintained the trend of organic growth in recurring Managed Services experienced in the first half of its financial year. Strong engagement with key partners and management of the supply chain has enabled increased project delivery and an increase in one-off revenues. Traditional Fixed Line services continued their expected structural decline in line with prior periods.
- In the three-month period ended 31 December 2022 the AdEPT Group traded in line with the AdEPT Board's expectations.

#### **Background to and reasons for the Acquisition**

- The UK technology managed services industry remains diverse and unconsolidated. Wavenet sees a significant opportunity to build a broad suite of technology managed services products, and continue to diversify its customer base into attractive customer sectors, via the acquisition of complementary businesses like AdEPT. The board and management of Wavenet believe that scaled operators, with broad product capabilities, will benefit from outsized market growth.
- Wavenet has a track record of successfully acquiring and integrating businesses; AdEPT would represent the fifth acquisition made in less than two years since MPRC Europe Limited's initial investment into Wavenet.
- Wavenet believes that there will be an opportunity to take best practice from both groups across all operational functions to enhance the way services are delivered to an expanded client base.

#### **Recommendation**

- The AdEPT Directors, who have been so advised by Houlihan Lokey and Singer Capital Markets as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing their advice to the AdEPT Directors, Houlihan Lokey and Singer Capital Markets have taken into account the commercial assessments of the AdEPT Directors. Houlihan Lokey and Singer Capital Markets are providing independent financial advice to the AdEPT Directors for the purposes of Rule 3 of the Takeover Code.
- **Accordingly, the AdEPT Directors confirm that they intend to recommend unanimously that AdEPT Shareholders vote to approve the Scheme at the Court Meeting and to vote**



**in favour of the Resolutions to be proposed at the General Meeting, as those AdEPT Directors who hold AdEPT Shares and certain of the AdEPT Directors' connected persons have irrevocably undertaken to do (or procure to be done) in respect of their own holdings over which they have control, being, in aggregate, 846,221 AdEPT Shares representing approximately 3.4 per cent. of the ordinary share capital of AdEPT in issue as at the Latest Practicable Date.**

#### **Background to and reasons for the recommendation**

- The AdEPT Board believes that the AdEPT operating platform will continue to strengthen AdEPT's relationships with key partners, customers, and major UK network operators, deploy a greater range of capabilities to both new and existing customers and leverage its strong supplier relationships, driving organic growth. However, whilst the AdEPT Board believes its strategy is capable of delivering long-term growth and profitability, it recognises that uncertainties and risks exist in the short-term, most of which are beyond AdEPT's control. Supply chain constraints, whilst being mitigated to a large extent, continue to provide challenges and these, combined with cost inflation headwinds and a deteriorating macro environment, are impacting AdEPT's near-term growth.
- The AdEPT Board believes that the weak macroeconomic outlook in the UK is placing significant pressure on many smaller quoted companies. The AdEPT Board believes that the current market capitalisation of AdEPT is affecting its ability to raise new capital at sensible valuations and, therefore, its ability to optimise AdEPT's growth over the medium term.
- In considering its recommendation of the Acquisition, the AdEPT Board has taken into account the risks inherent in the continued execution of its strategy on a standalone basis, AdEPT's current trading environment, and the potential for future growth in equity value for shareholders against the certainty of a cash offer. The AdEPT Board believes that the terms of the Acquisition fairly recognise the medium-term prospects and growth potential of AdEPT as a standalone business.
- The AdEPT Board also notes that, prior to agreeing the terms of the Acquisition it, along with AdEPT's financial advisers, sought and evaluated a number of other expressions of interest in AdEPT in order to ensure that the position of AdEPT Shareholders was optimised. The AdEPT Board highlights that, as at the date of this Announcement, AdEPT is no longer in discussions with any other party.
- The AdEPT Board believes that the Acquisition provides an opportunity for AdEPT Shareholders to realise their entire investment at an attractive valuation in cash.

#### **Irrevocable undertakings and letter of intent**

- In addition to the irrevocable undertakings given by those AdEPT Directors who hold AdEPT Shares and certain of the AdEPT Directors' connected persons, Bidco has also received irrevocable undertakings from certain AdEPT Shareholders to vote or procure

votes to approve the Scheme at the Court Meeting and to vote or procure votes in favour of the Resolutions to be proposed at the General Meeting.

- As at 8 February 2023 (being the date of this Announcement) all irrevocable undertakings received together represented, in aggregate, 13,374,077 AdEPT Shares representing approximately 53.4 per cent. of the ordinary share capital of AdEPT in issue as at the Latest Practicable Date.
- Bidco has also received a non-binding letter of intent from an AdEPT Shareholder to vote to approve the Scheme at the Court Meeting and to vote in favour of the Resolutions to be proposed at the General Meeting. As at the date of this Announcement, this letter of intent represented 786,912 AdEPT Shares representing approximately 3.1 per cent. of the ordinary share capital of AdEPT in issue as at the Latest Practicable Date.
- Bidco has therefore received irrevocable undertakings or a letter of intent in respect of a total of 14,160,989 AdEPT Shares, representing, in aggregate, approximately 56.6 per cent. of the ordinary share capital of AdEPT in issue as at the Latest Practicable Date. Shareholders holding AdEPT Shares representing 24.6 per cent. of the ordinary share capital of AdEPT in issue as at the Latest Practicable Date have provided hard irrevocable undertakings.
- Full details of the irrevocable undertakings and letter of intent are set out in Appendix 3 to this Announcement.

#### **Timetable and Conditions**

- It is intended that the Acquisition will be implemented by means of a court-sanctioned scheme of arrangement under Part 26 of the Companies Act (although Bidco reserves the right to effect the Acquisition by way of a Takeover Offer, subject to the consent of the Panel).
- The terms of the Acquisition will be put to AdEPT Shareholders at the Court Meeting and the General Meeting. The Court Meeting and the General Meeting are required to enable AdEPT Shareholders to consider, and if thought fit, vote in favour of the Scheme and the Resolutions to implement the Scheme. In order to become Effective, the Scheme must be approved by a majority in number of Scheme Shareholders, present and voting at the Court Meeting (and entitled to vote), whether in person or by proxy, representing at least 75 per cent. in value of the Scheme Shares held by those Scheme Shareholders who have voted. In addition, at the General Meeting the Resolutions must each be passed by AdEPT Shareholders representing at least 75 per cent. of the votes validly cast on such Resolutions, whether in person or by proxy. The General Meeting is expected to be held immediately after the Court Meeting.
- The Scheme will also need to be sanctioned by the Court. Finally, a copy of the Court Order must be delivered to the Registrar of Companies for registration, upon which the Scheme will become Effective.

- The Acquisition will be made in accordance with the Takeover Code and on the terms and subject to the Conditions set out in Appendix 1 to this Announcement, including the NS&I Act Condition set out in paragraph 3 of Appendix 1. Full details of the Acquisition will be set out in the Scheme Document.
- It is expected that the Scheme Document, containing further information about the Acquisition and notices of the Court Meeting and the General Meeting, together with the associated forms of proxy, will be posted to AdEPT Shareholders within 28 days of this Announcement (or such later time as AdEPT, Bidco and the Panel agree) and the Meetings are expected to be held shortly thereafter.
- The Acquisition is currently expected to become Effective in Spring 2023, subject to the satisfaction (or, where applicable, waiver) of the Conditions and further terms set out in Appendix 1 to this Announcement. An expected timetable of key events relating to the Acquisition will be provided in the Scheme Document.

### Comments on the Acquisition

- Commenting on the Acquisition, Ian Fishwick, Chairman of AdEPT, said:

*"Since its formation on 1 January 2003, AdEPT has been on a strategic journey that has latterly focussed on building scale and broadening its service offering in a fragmented industry and a mission to create a highly respected managed service provider to empower its customers to take advantage of the benefits of a wealth of technology from class-leading partners in a unified way.*

*As a result of this strategy, AdEPT has been transformed into one of the UK's leading independent providers of IT managed services, connectivity, unified communications solutions, and cloud services. AdEPT is now an award-winning company that delivers services for a broad range of public and private sector clients with a resilient, highly recurring, cash generative financial profile underpinned by its 'One AdEPT' philosophy and operating platform.*

*Whilst we believe that the AdEPT platform can deliver long-term growth and profitability, we also recognise that uncertainties and risks exist in the short to medium term which impact AdEPT's ability to optimise growth as a stand-alone quoted entity. We acknowledge the additional commercial benefits which could be obtained as part of a larger, well-funded group, and believe the combination of AdEPT with Wavenet will enable the next phase of AdEPT's growth to be strongly supported.*

*Given the balance of future opportunities and risks, we are comfortable that the Acquisition fairly recognises the medium-term prospects and growth potential of AdEPT as a standalone business and provides AdEPT Shareholders with an immediate, certain and attractive value in cash."*

- Commenting on the Acquisition, Bill Dawson, Chief Executive Officer of Wavenet, said:

*"I am delighted to announce the proposed combination of the AdEPT business with the Wavenet Group. I have huge respect for the leadership of Ian Fishwick and the significant achievements of the AdEPT team. They have created a leading AIM-quoted Managed Service Provider delivering to a variety of top tier clients. We look forward to working with the AdEPT team as part of the Wavenet Group and driving growth by focusing on the best of both Wavenet and AdEPT's skills and services. I am also grateful for the support of AdEPT's largest shareholder, Christopher Kingsman, who has been very supportive of this proposed transaction since the beginning."*

- Commenting on the Acquisition, Adam Joseph, Senior Managing Director, Head of Private Equity, Europe for the Macquarie Group, said:

*"We invested into Wavenet Limited in early 2021 and are delighted to back Bill Dawson and his team again in this strategic acquisition. The combined Wavenet and AdEPT business will have an excellent product offering and AdEPT's education presence in particular will add scale in an attractive end sector. On completion the enlarged Wavenet Group will have pro forma annual revenues of over £200 million<sup>(1)</sup> – triple the level at the time of our initial investment."*

*(1) Based on historical figures.*

***This summary should be read in conjunction with, and is subject to, the full text of the following announcement (including its Appendices). The Acquisition will be subject to the Conditions and certain further terms set out in Appendix 1 to this Announcement and to the full terms and conditions which will be set out in the Scheme Document. Appendix 2 to this Announcement contains the sources of information and bases of calculations of certain information contained in this Announcement. Appendix 3 to this Announcement contains a summary of the irrevocable undertakings and letter of intent received by Bidco in relation to this Acquisition. Appendix 4 to this Announcement contains definitions of certain terms and expressions used in this summary and in the following announcement (including its Appendices).***

**Enquiries:**

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Travers Smith LLP is acting as legal adviser to Bidco.

Cripps LLP is acting as legal adviser to AdEPT.

**Disclaimers**

*Cardean Bell Ltd ("**Cardean Bell**"), which is an Appointed Representative of Sturgeon Ventures LLP, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority ("**FCA**"), is acting as financial adviser to Bidco and for no one else in connection with the Acquisition and will not be responsible to anyone other than Bidco for providing the protections afforded to clients of Cardean Bell in relation to the Acquisition, the contents of this Announcement or any other matters referred to in this Announcement. Neither Cardean Bell nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Cardean Bell in connection with this Announcement, any statement contained herein or otherwise.*

*MarchHarvey Ltd ("**March Harvey**"), which is an Appointed Representative of Kroll Securities Ltd, which is authorised and regulated in the United Kingdom by the FCA, is acting as financial adviser to Bidco and for no one else in connection with the Acquisition and will not be responsible to anyone other than Bidco for providing the protections afforded to clients of March Harvey in relation to the Acquisition, the contents of this Announcement or any other matters referred to in this Announcement. Neither March Harvey nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of March Harvey in connection with this Announcement, any statement contained herein or otherwise.*

*Houlihan Lokey UK Limited ("**Houlihan Lokey**"), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively as financial adviser to AdEPT and for no one else in connection with the Acquisition and will not be responsible to anyone other than AdEPT for providing the protections afforded to clients of Houlihan Lokey for providing advice in relation to the Acquisition, the contents of this Announcement or any other matters referred to in this Announcement. Neither Houlihan Lokey nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Houlihan Lokey in connection with this Announcement, any statement contained herein or otherwise.*

*Singer Capital Markets Advisory LLP ("Singer Capital Markets"), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively as financial adviser to AdEPT and for no one else in connection with the Acquisition and will not be responsible to anyone other than AdEPT for providing the protections afforded to clients of Singer Capital Markets for providing advice in relation to the Acquisition, the contents of this Announcement or any other matters referred to in this Announcement. Neither Singer Capital Markets nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Singer Capital Markets in connection with this Announcement, any statement contained herein or otherwise.*

### **Further information**

*This Announcement is for information purposes only and is not intended to, and does not, constitute or form part of any offer or inducement to sell or an invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or a solicitation of an offer to buy any securities, any vote or approval in any jurisdiction pursuant to the Acquisition or otherwise, nor shall there be any purchase, sale, issuance or exchange of securities or such solicitation in any jurisdiction in which such offer, solicitation, sale issuance or exchange is unlawful. The Acquisition will be made solely by means of the Scheme Document (or, if the Acquisition is implemented by way of a Takeover Offer, the Offer Document), which will contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the Acquisition. Any decision in respect of, or other response to, the Acquisition should be made only on the basis of the information in the Scheme Document (or, if the Acquisition is implemented by way of a Takeover Offer, the Offer Document).*

*This Announcement has been prepared in connection with proposals in relation to a scheme of arrangement pursuant to and for the purpose of complying with English law, the AIM Rules and the Takeover Code and information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions outside England. Nothing in this Announcement should be relied on for any other purpose.*

*AdEPT and Bidco will prepare the Scheme Document (or, if the Acquisition is implemented by way of a Takeover Offer, the Offer Document) to be distributed to AdEPT Shareholders at no cost to them. AdEPT and Bidco urge AdEPT Shareholders to read the Scheme Document when it becomes available because it will contain important information relating to the Acquisition.*

*This Announcement does not constitute a prospectus, prospectus equivalent document or an exempted document.*

### **Overseas jurisdictions**

*This Announcement has been prepared in accordance with and for the purpose of complying with the laws of England and Wales, the Takeover Code, the AIM Rules, and the Market Abuse Regulation (EU 596/2014) (which is part of UK law by virtue of the European Union (Withdrawal) Act 2018) and information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions outside England and Wales.*

*The release, publication or distribution of this Announcement in or into certain jurisdictions other than the United Kingdom may be restricted by law and therefore any persons into whose possession this Announcement comes should inform themselves of, and observe, such restrictions. Further details in relation to the Overseas Shareholders will be contained in the Scheme Document. Any failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person.*



*Unless otherwise determined by Bidco or required by the Takeover Code, and permitted by applicable law and regulation, the Acquisition shall not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Scheme by any such means from within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this Announcement and all documents relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this Announcement and all documents relating to the Acquisition (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions where to do so would violate the laws in that jurisdiction.*

*The availability of the Acquisition to AdEPT Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are resident. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable requirements. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person.*

*The Acquisition shall be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange, the FCA, the AIM Rules and the Registrar of Companies.*

#### ***Additional information for US investors in AdEPT***

*AdEPT Shareholders in the United States should note that the Acquisition relates to the shares of an English company with a listing on AIM and is proposed to be effected by means of a scheme of arrangement under English law. This Announcement, the Scheme Document and certain other documents relating to the Acquisition have been or will be prepared in accordance with English law, the Takeover Code and UK disclosure requirements, format and style, all of which differ from those in the United States. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules under the US Exchange Act. Accordingly, the Acquisition is subject to the disclosure requirements of and practices applicable in the United Kingdom to schemes of arrangement, which differ from the disclosure requirements of the United States tender offer and proxy solicitation rules. If, in the future, Bidco exercises the right to implement the Acquisition by way of a Takeover Offer and determines to extend the offer into the United States, the Acquisition will be made in compliance with applicable United States laws and regulations, including any applicable exemptions under the US Exchange Act.*

*AdEPT's financial statements, and all financial information that is included in this Announcement, the Scheme Document or any other documents relating to the Acquisition, have been or will be prepared in accordance with IFRS and may not be comparable to financial statements of companies in the United States or other companies whose financial statements are prepared in accordance with US generally accepted accounting principles.*

*The receipt of cash pursuant to the Acquisition by a US holder as consideration for the transfer of its AdEPT Shares pursuant to the Scheme will likely be a taxable transaction for United States federal income tax purposes and under applicable United States state and local, as well as foreign and other, tax laws. Each AdEPT Shareholder is urged to consult their independent professional adviser immediately regarding the tax consequences of the Acquisition applicable to them.*

*It may be difficult for US holders to enforce their rights and claims arising out of the US federal securities laws, since Bidco and AdEPT are located in countries other than the US, and some or all of their officers and directors may be residents of countries other than the US. US holders may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US*

securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

*In accordance with normal UK practice and consistent with Rule 14e-5(b) of the US Exchange Act, (to the extent applicable) Bidco, certain affiliated companies and their nominees or brokers (acting as agents) may make certain purchases of, or arrangements to purchase, shares in AdEPT outside of the US, other than pursuant to the Acquisition, until the date on which the Acquisition and/or Scheme becomes Effective, lapses or is otherwise withdrawn. If such purchases or arrangements to purchase were to be made they would occur either in the open market at prevailing prices or in private transactions at negotiated prices and comply with applicable law, including the US Exchange Act. Any information about such purchases or arrangements to purchase will be disclosed as required in the United Kingdom, will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com).*

*Neither the United States Securities and Exchange Commission nor any US state securities commission has approved or disapproved the Acquisition, passed upon the merits or fairness of the Acquisition or passed any opinion upon the accuracy, adequacy or completeness of this Announcement (nor will it do so in respect of the Scheme Document). Any representation to the contrary is a criminal offence in the United States.*

### **Forward looking statements**

*This Announcement (including information incorporated by reference in this Announcement), oral statements made regarding the Acquisition, and other information published by Bidco, AdEPT, any member of the Wider Wavenet Group or any member of the Wider AdEPT Group may contain statements which are, or may be deemed to be, "forward looking statements". Forward looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward looking statements.*

*The forward looking statements contained in this Announcement include statements relating to the expected effects of the Acquisition on Bidco, AdEPT, any member of the Wider Wavenet Group or any member of the Wider AdEPT Group (including their future prospects, developments and strategies), the expected timing and scope of the Acquisition and other statements other than historical facts. Often, but not always, forward looking statements can be identified by the use of forward looking words such as "prepares", "plans", "expects" or "does not expect", "is expected", "is subject to", "budget", "projects", "synergy", "strategy", "scheduled", "goal", "estimates", "forecasts", "intends", "cost-saving", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Forward looking statements may include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of Bidco's, AdEPT's, any member of the Wider Wavenet Group's or any member of the Wider AdEPT Group's operations and potential synergies resulting from the Acquisition; and (iii) the effects of global economic conditions and governmental regulation on Bidco's, AdEPT's, any member of the Wider Wavenet Group's or any member of the Wider AdEPT Group's business.*

*Although Bidco and AdEPT believe that the expectations reflected in such forward looking statements are reasonable, Bidco, AdEPT, the Wider Wavenet Group and the Wider AdEPT Group can give no assurance that such expectations will prove to be correct. By their nature, forward looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual*



results and developments to differ materially from those expressed or implied by such forward looking statements.

These factors include, but are not limited to: the ability to complete the Acquisition; the ability to obtain requisite regulatory and shareholder approvals and the satisfaction of other Conditions; changes in the global political, economic, business and competitive environments and in market and regulatory forces; changes in future exchange and interest rates; changes in tax rates; future business combinations or disposals; changes in general economic and business conditions; changes in the behaviour of other market participants; the anticipated benefits from the Acquisition not being realised as a result of changes in general economic and market conditions in the countries in which Bidco, AdEPT, the Wider Wavenet Group and/or the Wider AdEPT Group operate; weak, volatile or illiquid capital and/or credit markets; changes in the degree of competition in the geographic and business areas in which Bidco, AdEPT, the Wider Wavenet Group and/or the Wider AdEPT Group operate; and changes in laws or in supervisory expectations or requirements. Other unknown or unpredictable factors could cause actual results to differ materially from those expected, estimated or projected in the forward looking statements. If any one or more of these risks or uncertainties materialises or if any one or more of the assumptions proves incorrect, actual results may differ materially from those expected, estimated or projected. Such forward looking statements should therefore be construed in the light of such factors.

Neither Bidco, AdEPT, the Wider Wavenet Group nor the Wider AdEPT Group, nor any of their respective associates or directors, officers or advisers, provide any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements in this Announcement will actually occur. Given these risks and uncertainties, potential investors are cautioned not to place any reliance on these forward looking statements.

Specifically, statements of estimated cost savings and synergies related to future actions and circumstances which, by their nature, involve risks, uncertainties and contingencies. As a result, the cost savings and synergies referred to may not be achieved, may be achieved later or sooner than estimated, or those achieved could be materially different from those estimated.

Other than in accordance with their legal or regulatory obligations, neither Bidco, AdEPT, the Wider Wavenet Group nor the Wider AdEPT Group is under any obligation, and each such person expressly disclaims any intention or obligation to update or revise any forward looking statements, whether as a result of new information, future events or otherwise.

#### **No profit forecasts, estimates or qualified benefits statements**

No statement in this Announcement, or incorporated by reference in this Announcement, is intended as a profit forecast, profit estimate or quantified benefits statement for any period and no statement in this Announcement should be interpreted to mean that earnings or earnings per share for AdEPT for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for AdEPT.

#### **Rounding**

Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

#### **Publication on website**

A copy of this Announcement and the documents required to be published pursuant to Rule 26.1 of the Takeover Code will be available, free of charge, subject to certain restrictions relating to persons

resident in Restricted Jurisdictions, on AdEPT's website at <https://documents.adept.co.uk/wavenet-acquisition> and Wavenet Limited's website at <https://uk.wavenetuk.com/offer-for-adept> by no later than 12.00 p.m. on the Business Day following this Announcement. For the avoidance of doubt, none of the content of AdEPT's or Wavenet Limited's websites is incorporated into, or forms part of, this Announcement.

### **Information relating to AdEPT Shareholders**

Please be aware that addresses, electronic addresses and certain information provided by AdEPT Shareholders, persons with information rights and other relevant persons for the receipt of communications from AdEPT may be provided to Wavenet during the Offer Period as required under Section 4 of Appendix 4 of the Takeover Code to comply with Rule 2.11(c) of the Takeover Code.

### **Right to receive documents in hard copy form**

Any person entitled to receive a copy of documents, announcements and information relating to the Acquisition is entitled to receive such documents in hard copy form free of charge. For persons who receive a copy of this Announcement in electronic form or via a website notification, a hard copy of this Announcement will not be sent unless so requested. A person may request that all future documents, announcements and information in relation to the Acquisition are sent to them in hard copy form.

In accordance with Rule 30.3 of the Takeover Code, AdEPT Shareholders, persons with information rights and holders of AdEPT Share Options may request a hard copy of this announcement by contacting AdEPT's Registrars on 0370 889 3192 (or +44 370 889 3192) if calling from outside the UK). Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The Shareholder Helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday (excluding public holidays in England and Wales). Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes.

Please note the Shareholder Helpline cannot provide advice on the merits of the Acquisition or the Scheme nor give any financial, investment, legal or tax advice.

### **Disclosure requirements of the Takeover Code**

Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

*Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.*

*If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3 of the Takeover Code.*

*Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4 of the Takeover Code).*

*Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.*

## **General**

*Bidco reserves the right to elect, with the consent of the Panel to implement the Acquisition by way of a Takeover Offer as an alternative to the Scheme. In such an event, the Takeover Offer will be implemented on the same terms or, if Bidco so decides, on such other terms being no less favourable (subject to appropriate amendments), so far as applicable, as those which would apply to the Scheme and subject to the amendment referred to in Appendix 1 to this Announcement. Upon sufficient acceptances being received in respect of such Takeover Offer, Bidco intends to exercise its rights to apply the provisions of Chapter 3 of Part 28 of the Companies Act so as to acquire compulsorily the remaining AdEPT Shares in respect of which the Takeover Offer has not been accepted.*

*Investors should be aware that Bidco may purchase AdEPT Shares otherwise than under any Takeover Offer or the Scheme, including pursuant to privately negotiated purchases.*

*If you are in any doubt about the contents of this Announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor or independent financial adviser duly authorised under FSMA if you are resident in the United Kingdom or, if not, from another appropriate authorised independent financial adviser.*

## **Rule 2.9**

*For the purposes of Rule 2.9 of the Takeover Code, AdEPT confirms that, as at the date of this Announcement, it had in issue 25,029,957 ordinary shares of £0.10 each. The International Securities Identification Number of the ordinary shares is GB00B0WY3Y47.*

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OF THAT JURISDICTION**

**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION**

**FOR IMMEDIATE RELEASE**

**8 February 2023**

**RECOMMENDED CASH ACQUISITION  
OF  
ADEPT TECHNOLOGY GROUP PLC  
BY  
THETIS BIDCO LIMITED  
a member of the Wavenet Group**

**to be implemented by means of a Scheme of Arrangement  
under Part 26 of the Companies Act 2006**

**1. Introduction**

The boards of Thetis Bidco Limited ("**Bidco**"), a member of the Wavenet Group and also a subsidiary of Macquarie Group Limited, and AdEPT Technology Group plc ("**AdEPT**") are pleased to announce that they have reached agreement on the terms and conditions of a recommended all cash offer by Bidco for the entire issued and to be issued ordinary share capital of AdEPT (the "**Acquisition**"). The Acquisition is intended to be implemented by means of a scheme of arrangement under Part 26 of the Companies Act.

**2. The Acquisition**

Under the terms of the Acquisition, which will be subject to the Conditions and further terms set out in Appendix 1 to this Announcement and the full terms and conditions to be set out in the Scheme Document, each AdEPT Shareholder will be entitled to receive:

**for each AdEPT Share:                      201 pence in cash**

The Acquisition values the entire issued, and to be issued, ordinary share capital of AdEPT at approximately £50.3 million.

The price per AdEPT Share represents a premium of approximately:

- 74.8 per cent. to the Closing Price of 115 pence per AdEPT Share on 7 February 2023 (being the last Business Day before the date of the commencement of the Offer Period); and
- 77.4 per cent. to the volume-weighted average price of 113 pence per AdEPT Share for the three-month period ended 7 February 2023.

As part of the Acquisition, the AdEPT Board has resolved to cancel the interim dividend of 2.50 pence per AdEPT Share in respect of the six months ended 30 September 2022, which was announced on

15 November 2022 with a record date of 10 March 2023 and a payment date of 7 April 2023. If for any reason the Acquisition does not become Effective the AdEPT Board intends to reinstate the interim dividend of 2.50 pence per AdEPT Share with the record date and payment date to be confirmed at the time of reinstatement.

If any dividend, other distribution and/or other return of value is proposed, authorised, declared, made or paid or becomes payable in respect of AdEPT Shares on or after the date of this Announcement and before the Effective Date, Bidco reserves the right to reduce the Consideration by the amount of any such dividend, other distribution and/or other return of value.

If Bidco exercises its right to reduce the Consideration by all or part of the amount of any dividend, other distribution and/or other return of value, the relevant eligible AdEPT Shareholders will be entitled to receive and retain such dividend, other distribution and/or other return of value, and any reference in this announcement to the Consideration will be deemed to be a reference to the Consideration as so reduced.

Any exercise by Bidco of its rights referred to in the above paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the terms of the Scheme. If and to the extent that any such dividend, other distribution and/or other return of value has been declared or announced but not paid or made or is not payable in respect of the AdEPT Shares prior to the Effective Date or by reference to a record date prior to the Effective Date or such dividend, other distribution and/or other return of value is: (i) transferred pursuant to the Acquisition on a basis which entitles Bidco to receive the dividend, other distribution and/or other return of value and to retain it; or (ii) cancelled before payment, the Consideration shall not be subject to change in accordance with the above paragraph.

It is intended that the Acquisition will be implemented by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act (although Bidco reserves the right to effect the Acquisition by way of a Takeover Offer, subject to the consent of the Panel).

It is expected that the Scheme Document, containing further information about the Acquisition and notices of the Court Meeting and the General Meeting, together with the associated forms of proxy, will be posted to AdEPT Shareholders within 28 days of this Announcement (or such later time as AdEPT, Bidco and the Panel agree) and the Meetings are expected to be held shortly thereafter.

The Scheme will also need to be sanctioned by the Court. Finally, a copy of the Court Order must be delivered to the Registrar of Companies for registration, upon which the Scheme will become Effective.

The Acquisition is currently expected to become Effective in Spring 2023, subject to the satisfaction (or, where applicable, waiver) of the Conditions and further terms set out in Appendix 1 to this Announcement, including the NS&I Act Condition set out in paragraph 3 of Appendix 1. An expected timetable of key events relating to the Acquisition will be provided in the Scheme Document.

The AdEPT Shares will be acquired fully paid and free from all liens, charges, equitable interests, encumbrances and rights of pre-emption and any other interests of any nature whatsoever and together with all rights attaching thereto.

### **3. Information on Bidco**

Bidco is a private company limited by shares, incorporated on 22 January 2021. It is a wholly-owned indirect subsidiary of Thetis Topco Limited, which itself is a subsidiary of the Macquarie Group. The other shareholders of Thetis Topco Limited include Wavenet management. Bidco is also the non-trading holding company of Wavenet, including Wavenet Limited and OGL Computer Support Holdings Limited. The directors of Bidco are William (Bill) Dawson, Venetia Cooper, Philip Grannum and Stewart Motler.

### **4. Information on Wavenet**

Formed in 2000 and acquired by the Macquarie Group in 2021 through its European private equity division, MPRC Europe Limited, Wavenet is a multi-award-winning provider of telecoms and technology solutions to over 15,000 business and enterprise customers across the UK. Wavenet is a Registered Certified Cisco Partner, Microsoft Gold Partner, has Platinum Partner status with Mitel and Silver Peak and holds authorised partner status with Five9. Wavenet has offices in Solihull, Chester, Norwich, Cardiff, Nottingham, London, Twickenham, Cambridge, Worcestershire and St Albans and employs c.550 people, including over 250 trained support staff and engineers.

### **5. Information on Macquarie**

Macquarie Group is a diversified international provider of investment banking and financial services, with over 19,000 employees in more than 30 countries globally. Macquarie Principal Finance Pty Limited is the Macquarie Group's principal balance sheet investment platform and wholly owns MPRC Europe Limited. Since inception in 2009, Macquarie Principal Finance Pty Limited has deployed over A\$38 billion globally across a variety of sectors. MPRC Europe Limited is the European private equity division of Macquarie Principal Finance Pty Limited.

Macquarie Group Limited, the ultimate parent undertaking of the Macquarie Group, has been listed on the Australian Securities Exchange since 1996 and has a current market capitalisation in excess of A\$70 billion.

### **6. Information on AdEPT**

The AdEPT Group is one of the UK's leading independent providers of managed services for IT, unified communication, connectivity, voice and cloud services. AdEPT was established in January 2003 and the AdEPT Shares were admitted to trading on AIM in February 2006.

AdEPT deploys products from a number of communications and IT partners to provide solutions tailored to meet the specific requirements of its customers. AdEPT offers comprehensive communications and IT solutions to over 12,000 customer sites across the UK in both the public and private sectors. It has a number of long-standing strategic relationships with leading vendors such as Openreach, Convergence Group, Extreme Networks, Cato Networks, Virgin Media Business, Avaya and Microsoft. AdEPT also has a history of successfully acquiring and integrating businesses with complementary and additional product ranges to enhance the AdEPT Group's capabilities.

The AdEPT Group employs c.340 people across nine UK offices in London, Tunbridge Wells, Fleet, Northampton, Chingford, St Neots, Dorking, Orpington and Doncaster.



For its financial year ended 31 March 2022, AdEPT reported revenues of £68.1 million (2021: £57.9 million) and underlying EBITDA of £11.9 million (2021: £9.8 million).

## **7. The AdEPT Group's current trading**

On 15 November 2022, AdEPT announced its unaudited results for the six months ended 30 September 2022, reporting revenues of £34.2 million (H1 22: £34.3 million), underlying EBITDA of £5.4 million (H1 22: £5.7 million) and adjusted profit before tax of £3.0 million (H1 22: £3.1 million).

Since 30 September 2022 (being the date to which the AdEPT Group's interim results were drawn up), the AdEPT Group has continued to demonstrate its resilience and has maintained the trend of organic growth in recurring Managed Services experienced in the first half of its financial year. Strong engagement with key partners and management of the supply chain has enabled increased project delivery and an increase in one-off revenues. Traditional Fixed Line services continued their expected structural decline in line with prior periods.

In the three-month period ended 31 December 2022 the AdEPT Group traded in line with the AdEPT Board's expectations.

Whilst the AdEPT Board is cognisant of the current challenges presented by the macroeconomic environment, it remains confident in the long-term prospects of AdEPT.

## **8. Background to and reasons for the Acquisition**

The UK technology managed services industry remains diverse and unconsolidated. Wavenet sees a significant opportunity to build a broad suite of technology managed services products, and continue to diversify its customer base into attractive customer sectors, via the acquisition of complementary businesses like AdEPT. The board and management of Wavenet believe that scaled operators, with broad product capabilities, will benefit from outsized market growth.

Wavenet has a track record of successfully acquiring and integrating businesses; AdEPT would represent the fifth acquisition made in less than two years since MPRC Europe Limited's initial investment into Wavenet.

Wavenet believes that there will be an opportunity to take best practice from both groups across all operational functions to enhance the way services are delivered to an expanded client base, and to do so in a more cost-efficient manner.

## **9. Recommendation**

The AdEPT Directors, who have been so advised by Houlihan Lokey and Singer Capital Markets as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing their advice to the AdEPT Directors, Houlihan Lokey and Singer Capital Markets have taken into account the commercial assessments of the AdEPT Directors. Houlihan Lokey and Singer Capital Markets are providing independent financial advice to the AdEPT Directors for the purposes of Rule 3 of the Takeover Code.

**Accordingly, the AdEPT Directors confirm that they intend to recommend unanimously that AdEPT Shareholders vote to approve the Scheme at the Court Meeting and to vote in favour of the**

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**Resolutions to be proposed at the General Meeting, as those AdEPT Directors who hold AdEPT Shares and certain of the AdEPT Directors' connected persons have irrevocably undertaken to do (or procure to be done) in respect of their own holdings over which they have control, being, in aggregate, 846,221 AdEPT Shares representing approximately 3.4 per cent. of the ordinary share capital of AdEPT in issue as at the Latest Practicable Date.**

#### **10. Background to and reasons for the recommendation**

Since 2015, the AdEPT Board has pursued a strategy of building a fully capable, cloud-centric, managed services business, with a highly skilled workforce and the ability to wrap solutions with consulting expertise. With a clear focus on growing its recurring revenue, AdEPT has successfully transitioned from its legacy reliance on fixed line services, which are in structural decline. AdEPT is now a well-invested, operationally efficient business, providing a comprehensive portfolio of complementary IT and communications infrastructure and services.

This transformation has been achieved in large part through the implementation of a successful acquisition strategy. This has added new services to the AdEPT Group, extending its portfolio of services and achieving economies of scale, and was underpinned by an investment in a comprehensive operating platform, One AdEPT, delivering operational efficiencies.

The AdEPT Board believes that there will continue to be a growing convergence of telecoms, IT services and infrastructure, coupled with an ongoing acceleration in strategic IT investments, as new and existing clients invest in their long-term ICT requirements and digital transformation. These market demands will continue to benefit businesses, such as AdEPT, which have strong capabilities and expertise across multiple product segments.

The AdEPT Board believes that the AdEPT operating platform will continue to strengthen AdEPT's relationships with key partners, customers, and major UK network operators, deploy a greater range of capabilities to both new and existing customers and leverage its strong supplier relationships, driving organic growth.

However, whilst the AdEPT Board believes its strategy is capable of delivering long-term growth and profitability, it recognises that uncertainties and risks exist in the short-term, most of which are beyond AdEPT's control. Supply chain constraints, whilst being mitigated to a large extent, continue to provide challenges and these, combined with cost inflation headwinds and a deteriorating macro environment, are impacting AdEPT's near-term growth.

The AdEPT Board believes that the weak macroeconomic outlook in the UK is placing significant pressure on many smaller quoted companies. The AdEPT Board believes that the current market capitalisation of AdEPT is affecting its ability to raise new capital at sensible valuations and, therefore, its ability to optimise AdEPT's growth over the medium term.

In considering its recommendation of the Acquisition, the AdEPT Board has taken into account the risks inherent in the continued execution of its strategy on a standalone basis, AdEPT's current trading environment, and the potential for future growth in equity value for shareholders against the certainty of a cash offer. The AdEPT Board believes that the terms of the Acquisition fairly recognise the medium-term prospects and growth potential of AdEPT as a standalone business.

The Acquisition provides AdEPT Shareholders with an immediate, certain and attractive cash value. The AdEPT Board recognises that the market in AdEPT Shares is relatively illiquid, with average daily volumes traded during the twelve month period ended 7 February 2023 being only 11,607 AdEPT Shares. This makes it challenging for AdEPT Shareholders to monetise their holdings should they so wish. The Acquisition provides the opportunity for AdEPT Shareholders to realise their entire investment at an attractive valuation in cash. The AdEPT Board notes that a number of AdEPT shareholders, with aggregate interests in AdEPT Shares totalling c.56.6 per cent of the issued AdEPT Shares, have given irrevocable undertakings and letters of intent to support the Acquisition.

The AdEPT Board also notes that, prior to agreeing the terms of the Acquisition it, along with AdEPT's financial advisers, sought and evaluated a number of other expressions of interest in AdEPT in order to ensure that the position of AdEPT Shareholders was optimised. The AdEPT Board highlights that, as at the date of this Announcement, AdEPT is no longer in discussions with any other party.

Therefore, after careful consideration of the Acquisition, the AdEPT Board has concluded that the Acquisition represents good value given the balance of future opportunities and risks facing AdEPT.

Furthermore, the AdEPT Board notes that the Acquisition represents a premium of approximately:

- 74.8 per cent. to the Closing Price of 115 pence per AdEPT Share on 7 February 2023 (being the last Business Day before the date of the commencement of the Offer Period); and
- 77.4 per cent. to the volume-weighted average price of 113 pence per AdEPT Share for the three-month period ended 7 February 2023.

In addition to the financial terms of the Acquisition, in its evaluation of Wavenet as a suitable owner of AdEPT from the perspective of all stakeholders, the AdEPT Board has also taken into account Wavenet's intentions for the business, management and employees and other stakeholders of AdEPT, as set out in paragraph 12 below. In particular, the AdEPT Board notes that, whilst Bidco's proposed operational and administrative restructuring may result in a reduction in the total number of roles in the Combined Group, Bidco has stated that, where possible, it will look to reallocate staff from discontinued roles which, the AdEPT Board hopes, will minimise any job losses. The AdEPT Board also notes that Bidco intends to safeguard the existing contractual and statutory employment rights of the employees of AdEPT upon completion of the Acquisition. The AdEPT Board acknowledges the likely benefits to AdEPT in the next phase of its growth by becoming part of a larger, well-funded private group with access to additional growth finance. The AdEPT Board anticipates that the Acquisition will allow the Combined Group to cross sell its capabilities, increase its buying power and, with other potential synergies, make it more competitive which will, in turn, present additional career opportunities for those employees within it.

**Accordingly, following careful consideration of the above factors, the AdEPT Board intends to recommend unanimously that AdEPT Shareholders vote in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting.**

#### **11. Irrevocable undertakings and letter of intent**

As described in paragraph 9 above, Bidco has received irrevocable undertakings to vote (or, where applicable, procure voting) in favour of the Scheme at the Court Meeting and the Resolutions to be

proposed at the General Meeting (or, in the event that the Acquisition is implemented by a Takeover Offer, to accept or procure acceptance of such Takeover Offer) from all of the AdEPT Directors who hold AdEPT Shares (and certain of the AdEPT Directors' connected persons), in respect of their own legal and/or beneficial holdings which are under their control, totalling 846,221 AdEPT Shares (representing approximately 3.4 per cent. of the existing issued ordinary share capital of AdEPT as at the Latest Practicable Date), as well as any further AdEPT Shares of which they may become the legal or beneficial holder.

All of the AdEPT Directors support the Acquisition, as set out in paragraph 9 above.

In addition to the irrevocable undertakings given by the AdEPT Directors and certain of the AdEPT Directors' connected persons, certain AdEPT Shareholders have given irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting (or, in the event that the Acquisition is implemented by a Takeover Offer, to accept or procure acceptance of such Takeover Offer), in each case in respect of their own legal and/or beneficial holdings (or those AdEPT Shares over which they have control) of AdEPT Shares.

As at 8 February 2023 (being the date of this Announcement) all irrevocable undertakings received together represented, in aggregate, 13,374,077 AdEPT Shares representing approximately 53.4 per cent. of the ordinary share capital of AdEPT in issue as at the Latest Practicable Date.

Bidco has also received a non-binding letter of intent from an AdEPT Shareholder to vote to approve the Scheme at the Court Meeting and to vote in favour of the Resolutions to be proposed at the General Meeting. As at the date of this Announcement, this letter of intent represented 786,912 AdEPT Shares representing approximately 3.1 per cent. of the ordinary share capital of AdEPT in issue as at the Latest Practicable Date.

Bidco has therefore received irrevocable undertakings or a letter of intent in respect of a total of 14,160,989 AdEPT Shares, representing, in aggregate, approximately 56.6 per cent. of the ordinary share capital of AdEPT in issue as at the Latest Practicable Date. Shareholders holding AdEPT Shares representing 24.6 per cent. of the ordinary share capital of AdEPT in issue as at the Latest Practicable Date have provided hard irrevocable undertakings.

Further details of these irrevocable undertakings and letter of intent, including the circumstances in which they cease to be binding, are set out in Appendix 3 to this Announcement.

## **12. AdEPT directors, management, employees, pensions, research and development and locations**

Bidco attaches great importance to the skills, experience and commitment of AdEPT's employees, and recognises that they, together with Wavenet's employees, will be key to the success of the Combined Group.

### ***Management, Employees, Headquarters and Locations***

Following completion of the Acquisition, Bidco intends to retain the best talent of Wavenet and AdEPT to maintain its market-leading levels of support for its customers, clients and partners, and to focus on the growth potential of the Combined Group.

In order to realise the benefits of the Acquisition, Bidco management considers that operational and administrative restructuring will be required to reduce the duplication of roles, including in overlapping central, operational and support functions, as well as with regard to the senior management team. Bidco management therefore expect that there will be a less than 10 per cent. reduction in the total number of roles in the Combined Group, some of which will take place via natural attrition. Where possible Bidco will look to reallocate staff from discontinued roles arising from the integration to new roles, including into current vacancies within both the Wavenet and AdEPT groups. Wavenet will look to review the talents of the staff in conjunction with AdEPT management after completion of the Acquisition and as such no definitive decisions have been made on the quantum or make up of any restructuring.

The Combined Group will also benefit from the combination of office locations, particularly where Wavenet and AdEPT offices are in relatively close proximity. No definitive decisions have been made, and office locations will be determined over the next 12 months and beyond by the locations of staff following the reallocations, restructuring and natural attrition mentioned above, as well as by lease end and break dates. This includes the AdEPT head office, for which a new lease has recently been signed with a first break date in December 2027. It is the intention that Wavenet's head office in Solihull will become the head office of the Combined Group. Where appropriate, and subject to the requirements of the business, Bidco will look to provide affected staff with a flexible- and/or home-office work environment.

All of the restructuring set out above will be subject to a full review following the Effective Date, once Bidco management have been able to evaluate the opportunities in the Combined Group over a more extended period, and to comprehensive planning and appropriate engagement with affected employees, stakeholders and representatives in accordance with the legal obligations of the Combined Group.

Other than as described above, Bidco does not anticipate that there will be any material change to the balance of skills and functions of the employees in the Combined Group.

Bidco intends to safeguard the existing contractual and statutory employment rights of the employees of Wavenet and AdEPT in accordance with applicable law upon completion of the Acquisition.

Following completion of the Acquisition and as part of integration planning, Bidco may review the remuneration and incentivisation arrangements of AdEPT as part of the Combined Group, as well as redundancy and other policies, with a view to harmonising employee benefits across the Combined Group.

All AdEPT non-executive directors have agreed to resign as directors of AdEPT with effect from completion of the Acquisition.

### ***Management Bonus, Settlement and Amendment Agreements***

The Remuneration Committee of the AdEPT Board has, with the input and consent of Bidco, approved amendments to the bonus arrangements for the years ending 31 March 2023 and 2024 and certain other employment arrangements relating to the AdEPT Executive Directors (being Phil

Race, John Swaite and Andy Lovett), some of which are subject to the Acquisition becoming Effective. Further details of these arrangements will be contained in the Scheme Document.

### ***AdEPT Group Pension Schemes***

Bidco does not intend to make any material changes to the eligibility rules or contribution rates that currently apply under AdEPT's defined contribution pension plans and intends to comply with all applicable law in this regard. AdEPT does not operate a defined benefit pension scheme.

### ***Research and development and fixed assets***

AdEPT does not have any employees conducting full time research and development. Bidco has no plans to change this.

Other than as described above, Bidco does not anticipate that there will be any material redeployment of the fixed assets of AdEPT.

### ***Trading Facilities***

The AdEPT Shares are currently admitted to trading on AIM. As set out in paragraph 19 below, before the Scheme becomes Effective, it is intended that applications will be made to the London Stock Exchange for the cancellation of trading of the AdEPT Shares on AIM, with effect shortly following the Effective Date.

### ***No post-offer undertakings***

None of the statements in this paragraph 12 is a "post-offer undertaking" for the purposes of Rule 19.5 of the Takeover Code.

## **13. Financing of the Acquisition**

The Acquisition will be fully funded through a combination of new debt and equity financing.

The equity financing will be provided by MPRC Europe Limited, the majority investor in the Wavenet Group, pursuant to an equity commitment letter (the "**Equity Commitment Letter**"). The debt financing will be provided by funds controlled or managed by Ares Management Limited and will be made available by way of Bidco drawing on a new incremental term facility established pursuant to an incremental facility notice (the "**Incremental Facility Notice**") in accordance with the terms of the existing debt financing arrangements of the Wavenet Group (the "**Incremental Facility Agreement**").

Under the terms of the Incremental Facility Agreement, Bidco has agreed that, save as required by the Takeover Code, the Panel, the Court and/or any applicable law or regulation or with the consent of the Agent (as defined in the Incremental Facility Agreement) it will not amend, vary, waive or otherwise modify the terms and conditions of the Acquisition to the extent such amendment, variance, waiver or modification would be materially prejudicial to the interests of the Lenders (as defined in the Incremental Facility Agreement).

Cardean Bell and March Harvey, in their capacity as financial advisers to Bidco, are satisfied that sufficient resources are available to Bidco to enable it to satisfy in full the cash consideration payable to Scheme Shareholders under the terms of the Acquisition.

Further information on the financing of the Acquisition will be set out in the Scheme Document.

#### **14. AdEPT Share Options**

Holders of the AdEPT Share Options will be contacted regarding the effect of the Acquisition on their rights under the AdEPT Share Options and an appropriate proposal will be made to such participants in accordance with the provisions of Rule 15 of the Takeover Code, and such proposal shall reflect their rights under the AdEPT Share Options in due course.

Details of the impact of the Scheme on the AdEPT Share Options and the offer will be set out in the Scheme Document.

#### **15. Convertible Loan Note**

The Convertible Loan Notes are held by a single noteholder and will be redeemed in full on completion of the Acquisition. The exercise price for conversion of the Convertible Loan Notes is significantly higher than the Consideration and the holder of the Convertible Loan Notes has undertaken not to convert the Convertible Loan Notes into AdEPT Shares, pursuant to the irrevocable undertaking detailed in Appendix 3 to this Announcement.

#### **16. Offer-related arrangements**

##### ***Confidentiality Agreement***

On 18 October 2022, Thetis Topco Limited ("**Topco**") (a parent undertaking of Bidco) and AdEPT entered into a confidentiality agreement (the "**Confidentiality Agreement**") pursuant to which Topco has undertaken to keep, and to procure that certain of its representatives keep, confidential information relating to AdEPT and/or to the Acquisition, to use such information solely for the agreed purposes in relation to the Acquisition and not to disclose it to third parties (other than certain permitted parties and with certain other customary exceptions).

These confidentiality obligations will remain in force until the earlier of: (a) completion of the Acquisition; and (b) two years from the date of the Confidentiality Agreement.

Topco has also agreed to customary standstill arrangements pursuant to which it has agreed that, without the prior written consent of AdEPT, it will not, and procure Bidco will not, acquire AdEPT Shares or any interest in AdEPT Shares. These restrictions fall away immediately upon the making of this Announcement.

#### **17. Structure of the Acquisition**

It is intended that the Acquisition will be implemented by means of a Court-sanctioned scheme of arrangement between AdEPT and Scheme Shareholders under Part 26 of the Companies Act (although Bidco reserves the right to effect the Acquisition by way of a Takeover Offer, subject to the consent of the Panel).

The purpose of the Scheme is to provide for Bidco to become the holder of the entire issued and to be issued ordinary share capital of AdEPT. This is to be achieved by the transfer of the AdEPT Shares (other than any Excluded Shares) to Bidco, in consideration for which the AdEPT Shareholders will receive the cash consideration on the basis set out in paragraph 2 above.

The Acquisition is subject to the Conditions and certain further terms referred to in Appendix 1 to this Announcement and to the full terms and conditions to be set out in the Scheme Document, and will only become Effective if, among other things, the following events occur on or before the Long Stop Date:

- a notification is made and accepted under the NS&I Act and one of the events set out in paragraph 3 of Appendix 1 to this Announcement has occurred;
- a resolution to approve the Scheme is passed by a majority in number of the Scheme Shareholders present and voting (and entitled to vote) at the Court Meeting, either in person or by proxy, representing at least 75 per cent. in value of the Scheme Shares voted by those Scheme Shareholders;
- the Resolutions required to implement the Scheme being duly passed by AdEPT Shareholders at the General Meeting representing at least 75 per cent. of the votes validly cast on such Resolutions, either in person or by proxy;
- following the Court Meeting and the General Meeting, the Scheme is sanctioned by the Court (without modification, or with modification on terms agreed by Bidco and AdEPT); and
- following such sanction, a copy of the Court Order is delivered to the Registrar of Companies.

The Scheme will lapse if, amongst other things:

- the Court Meeting and the General Meeting are not held on or before the 22nd day after the expected date of such Meetings, which will be set out in the Scheme Document (or such later date as may be agreed between Bidco and AdEPT, with the consent of the Panel and, if required, the Court);
- the Sanction Hearing to approve the Scheme is not held on or before the 22nd day after the expected date of such hearing, which will be set out in the Scheme Document (or such later date as may be agreed between Bidco and AdEPT, with the consent of the Panel and, if required, the Court); or
- the Scheme does not become Effective on or before the Long Stop Date,

provided, however, that the deadlines for the Court Meeting, the General Meeting and the Sanction Hearing as set out above may be waived by Bidco and the deadline for the Scheme to become Effective may be extended by agreement between AdEPT and Bidco, with the consent of the Panel and, if required, the Court.



Once the necessary approvals from AdEPT Shareholders have been obtained and the other Conditions have been satisfied or (where applicable) waived and the Scheme has been approved by the Court, the Scheme will become Effective upon delivery of the Court Order to the Registrar of Companies. Subject to the satisfaction (or, where applicable, waiver) of the Conditions and the further terms set out in Appendix 1 to this Announcement, including the NS&I Act Condition set out in paragraph 3 of Appendix 1 to this Announcement, the Scheme is expected to become Effective in Spring 2023.

Upon the Scheme becoming Effective: (i) it will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting (and if they attended and voted, whether or not they voted in favour); and (ii) entitlements to AdEPT Shares held within the CREST system will be cancelled and such entitlements rematerialised; and (iii) share certificates in respect of AdEPT Shares will cease to be valid. The Consideration will be dispatched to AdEPT Shareholders no later than 14 days after the Effective Date.

Any AdEPT Shares issued before the Scheme Record Time will be subject to the terms of the Scheme. The Resolutions to be proposed at the General Meeting will, amongst other matters, provide that the AdEPT Articles be amended to incorporate provisions requiring any AdEPT Shares issued after the Scheme Record Time (other than to Bidco and/or its nominees) to be automatically transferred to Bidco (and, where applicable, for Consideration to be paid to the original recipient of the AdEPT Shares so issued) on the same terms as the Acquisition (other than terms as to timings and formalities). The provisions of the AdEPT Articles (as amended) will avoid any person (other than Bidco and its nominees) holding shares in the capital of AdEPT after the Effective Date.

Bidco reserves the right to elect to implement the Acquisition by way of a Takeover Offer as an alternative to the Scheme (subject to the Panel's consent). In such event, the Acquisition will be implemented on the same terms (subject to appropriate amendments including (without limitation) the inclusion of an acceptance condition which, unless otherwise required by the Panel, will be set at 90 per cent. (or such lesser percentage as Bidco may decide after, to the extent necessary, consultation with the Panel, being in any case more than 50 per cent. of the voting rights attaching to the AdEPT Shares) of the shares to which the Acquisition relates and those required by, or deemed appropriate by, Bidco under applicable law, so far as applicable) as those which would apply to the Scheme. Further, if sufficient acceptances of such Takeover Offer are received and/or sufficient AdEPT Shares are otherwise acquired, it is the intention of Bidco to apply the provisions of the Companies Act to acquire compulsorily any outstanding AdEPT Shares to which such Takeover Offer relates.

Further details of the Scheme, including expected times and dates for each of the Court Meeting, the General Meeting and the Sanction Hearing, together with notices of the Meetings and with the associated forms of proxy, will be set out in the Scheme Document, which will be posted to AdEPT Shareholders within 28 days of this Announcement (or such later time as AdEPT, Bidco and the Panel agree) and the Meetings are expected to be held shortly thereafter. The General Meeting is expected to be held immediately after the Court Meeting.

The Scheme will be governed by the laws of England and Wales and will be subject to the jurisdiction of the courts of England and Wales. The Scheme will be subject to the applicable requirements of



the Takeover Code, the Panel, the London Stock Exchange, the AIM Rules, the FCA and the Registrar of Companies.

#### **18. Conditions to the Acquisition**

The Acquisition will be on the terms and subject to the Conditions set out in Appendix 1 to this Announcement, including those referred to in paragraph 17 above and the NS&I Act Condition set out in paragraph 3 of Appendix 1 to this Announcement, and the full terms and conditions will be set out in the Scheme Document.

#### **19. Cancellation of admission to trading of AdEPT Shares**

Before the Scheme becomes Effective, it is intended that applications will be made to the London Stock Exchange for the cancellation of admission of the AdEPT Shares to trading on AIM, with effect from or shortly following the Effective Date. The last day of dealings in, and registration of transfers of, AdEPT Shares on AIM is expected to be the Business Day immediately prior to the Effective Date.

On the Effective Date, share certificates in respect of AdEPT Shares will cease to be valid and entitlements to AdEPT Shares held within the CREST system will be cancelled. AdEPT Shareholders shall be required to return share certificates to AdEPT or destroy them following the Effective Date.

It is also proposed that, following the Effective Date and after admission of its shares to trading on AIM is cancelled, AdEPT will be re-registered as a private limited company under the relevant provisions of the Companies Act.

#### **20. Disclosure of Interests in AdEPT securities**

As at the Latest Practicable Date, save for the irrevocable undertakings referred to in paragraph 11 above and the information in the table below, neither Bidco, nor any of its directors, nor, so far as Bidco is aware, any person acting in concert (within the meaning of the Takeover Code) with any of them for the purposes of the Acquisition had:

- any interest in or right to subscribe for any relevant securities of AdEPT;
- any short positions in respect of relevant securities of AdEPT (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery;
- borrowed or lent any relevant securities of AdEPT (including, for these purposes, any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the Takeover Code), save for any borrowed relevant securities of AdEPT which had been either on-lent or sold; and/or
- entered into any dealing arrangement of the kind referred to in Note 11 on the definition of acting in concert in the Takeover Code.

Name	Capacity	Nature of Interest	Number of interests in securities in AdEPT
Oliver Levy	Director of MarchHarvey Ltd	Shareholder	3,214

"**Interests in securities**" for these purposes and within the meaning of the Takeover Code arise, in summary, when a person has long economic exposure, whether absolute or conditional, to changes in the price of securities (and a person who only has a short position in securities is not treated as interested in those securities). In particular, a person will be treated as having an 'interest' by virtue of the ownership, voting rights or control of securities, or by virtue of any agreement to purchase, option in respect of, or derivative referenced to, securities.

It has not been practicable for Bidco to make enquiries of all of its concert parties in advance of the release of this Announcement. Therefore, all relevant details in respect of Bidco's concert parties will be included in its Opening Position Disclosure in accordance with Rule 8.1(a) and Note 2(a)(i) on Rule 8 of the Takeover Code.

## 21. Consents

Each of Cardean Bell, March Harvey, Houlihan Lokey and Singer Capital Markets has given and not withdrawn its written consent to the publication of this Announcement with the inclusion of the references to its name in the form and context in which they appear.

## 22. General

The Acquisition will be on the terms and subject to the Conditions set out in Appendix 1 to this Announcement, and the full terms and conditions will be set out in the Scheme Document. The bases and sources of certain financial information contained in this Announcement are set out in Appendix 2 to this Announcement. A summary of the irrevocable undertakings and letter of intent given in relation to the Acquisition is contained in Appendix 3 to this Announcement. Certain terms and expressions used in this Announcement are defined in Appendix 4 to this Announcement.

The Scheme Document and the forms of proxy accompanying the Scheme Document will be sent to AdEPT Shareholders within 28 days of this Announcement (or on such later date as may be agreed between Bidco and AdEPT, with the consent of the Panel).

This Announcement does not constitute an offer or an invitation to purchase or subscribe for any securities. Such offer will be contained in the Scheme Document. AdEPT Shareholders are advised to read carefully the Scheme Document and associated forms of proxy once they have been dispatched.

The availability of the Acquisition to AdEPT Shareholders who are not resident in and citizens of the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions.

AdEPT Shareholders who are in any doubt regarding such matters should consult an appropriate independent professional adviser in the relevant jurisdiction without delay.

### **23. Documents available on website**

Copies of the following documents will be available promptly via a link on AdEPT's website at <https://documents.adept.co.uk/wavenet-acquisition> and Wavenet Limited's website at <https://uk.wavenetuk.com/offer-for-adept>, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, and in any event by no later than noon on the Business Day following the date of this Announcement until completion of the Acquisition:

- this Announcement;
- the Equity Commitment Letter;
- the Incremental Facility Notice;
- the Incremental Facility Agreement;
- the irrevocable undertakings and letter of intent referred to in paragraph 11 above;
- the Confidentiality Agreement referred to in paragraph 16 above; and
- the written consent letters from each of Cardean Bell, March Harvey, Houlihan Lokey and Singer Capital Markets as referred to in paragraph 21 above.

The content of the websites referred to in this Announcement is not incorporated into and does not form part of this Announcement.

#### **Enquiries:**

<b>Wavenet and Bidco</b> Bill Dawson (Chief Executive Officer) Venetia Cooper (Chief Financial Officer)	<b>+44 (0)121 794 1415</b>
<b>Cardean Bell Ltd</b> <b>(Financial Adviser to Bidco)</b> Peter Bell Michael Shaw	<b>+44 (0)20 3982 5035</b>
<b>MarchHarvey Ltd</b> <b>(Financial Adviser to Bidco)</b> Oliver Levy	<b>+44 (0)20 7289 8121</b>
<b>AdEPT Technology Group plc</b> Ian Fishwick (Chairman) Phil Race (Chief Executive Officer)	<b>+44 (0)34 4557 7200</b>
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Declan O'Connor

**Singer Capital Markets Advisory LLP**  
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**Belvedere Communications**  
**(Public Relations Adviser to AdEPT)**

**+44 (0)20 3008 6864**

Cat Valentine

Travers Smith LLP is acting as legal adviser to Bidco.

Cripps LLP is acting as legal adviser to AdEPT.

### **Disclaimers**

*Cardean Bell Ltd ("**Cardean Bell**"), which is an Appointed Representative of Sturgeon Ventures LLP, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority ("**FCA**"), is acting as financial adviser to Bidco and for no one else in connection with the Acquisition and will not be responsible to anyone other than Bidco for providing the protections afforded to clients of Cardean Bell in relation to the Acquisition, the contents of this Announcement or any other matters referred to in this Announcement. Neither Cardean Bell nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Cardean Bell in connection with this Announcement, any statement contained herein or otherwise.*

*MarchHarvey Ltd ("**March Harvey**"), which is an Appointed Representative of Kroll Securities Ltd, which is authorised and regulated in the United Kingdom by the FCA, is acting as financial adviser to Bidco and for no one else in connection with the Acquisition and will not be responsible to anyone other than Bidco for providing the protections afforded to clients of March Harvey in relation to the Acquisition, the contents of this Announcement or any other matters referred to in this Announcement. Neither March Harvey nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of March Harvey in connection with this Announcement, any statement contained herein or otherwise.*

*Houlihan Lokey UK Limited ("**Houlihan Lokey**"), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively as financial adviser to AdEPT and for no one else in connection with the Acquisition and will not be responsible to anyone other than AdEPT for providing the protections afforded to clients of Houlihan Lokey for providing advice in relation to the Acquisition, the contents of this Announcement or any other matters referred to in this Announcement. Neither Houlihan Lokey nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Houlihan Lokey in connection with this Announcement, any statement contained herein or otherwise.*

*Singer Capital Markets Advisory LLP ("**Singer Capital Markets**"), which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively as financial adviser to AdEPT and for no one else in connection with the Acquisition and will not be responsible to anyone other than AdEPT for providing the protections afforded to clients of Singer Capital Markets for providing advice in relation*

to the Acquisition, the contents of this Announcement or any other matters referred to in this Announcement. Neither Singer Capital Markets nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Singer Capital Markets in connection with this Announcement, any statement contained herein or otherwise.

### **Further information**

*This Announcement is for information purposes only and is not intended to, and does not, constitute or form part of any offer or inducement to sell or an invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or a solicitation of an offer to buy any securities, any vote or approval in any jurisdiction pursuant to the Acquisition or otherwise, nor shall there be any purchase, sale, issuance or exchange of securities or such solicitation in any jurisdiction in which such offer, solicitation, sale issuance or exchange is unlawful. The Acquisition will be made solely by means of the Scheme Document (or, if the Acquisition is implemented by way of a Takeover Offer, the Offer Document), which will contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the Acquisition. Any decision in respect of, or other response to, the Acquisition should be made only on the basis of the information in the Scheme Document (or, if the Acquisition is implemented by way of a Takeover Offer, the Offer Document).*

*This Announcement has been prepared in connection with proposals in relation to a scheme of arrangement pursuant to and for the purpose of complying with English law, the AIM Rules and the Takeover Code and information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions outside England. Nothing in this Announcement should be relied on for any other purpose.*

*AdEPT and Bidco will prepare the Scheme Document (or, if the Acquisition is implemented by way of a Takeover Offer, the Offer Document) to be distributed to AdEPT Shareholders at no cost to them. AdEPT and Bidco urge AdEPT Shareholders to read the Scheme Document when it becomes available because it will contain important information relating to the Acquisition.*

*This Announcement does not constitute a prospectus, prospectus equivalent document or an exempted document.*

### **Overseas jurisdictions**

*This Announcement has been prepared in accordance with and for the purpose of complying with the laws of England and Wales, the Takeover Code, the AIM Rules, and the Market Abuse Regulation (EU 596/2014) (which is part of UK law by virtue of the European Union (Withdrawal) Act 2018) and information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions outside England and Wales.*

*The release, publication or distribution of this Announcement in or into certain jurisdictions other than the United Kingdom may be restricted by law and therefore any persons into whose possession this Announcement comes should inform themselves of, and observe, such restrictions. Further details in relation to the Overseas Shareholders will be contained in the Scheme Document. Any failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person.*

*Unless otherwise determined by Bidco or required by the Takeover Code, and permitted by applicable law and regulation, the Acquisition shall not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may*

*vote in favour of the Scheme by any such means from within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this Announcement and all documents relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this Announcement and all documents relating to the Acquisition (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions where to do so would violate the laws in that jurisdiction.*

*The availability of the Acquisition to AdEPT Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are resident. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable requirements. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person.*

*The Acquisition shall be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange, the FCA, the AIM Rules and the Registrar of Companies.*

#### **Additional information for US investors in AdEPT**

*AdEPT Shareholders in the United States should note that the Acquisition relates to the shares of an English company with a listing on AIM and is proposed to be effected by means of a scheme of arrangement under English law. This Announcement, the Scheme Document and certain other documents relating to the Acquisition have been or will be prepared in accordance with English law, the Takeover Code and UK disclosure requirements, format and style, all of which differ from those in the United States. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules under the US Exchange Act. Accordingly, the Acquisition is subject to the disclosure requirements of and practices applicable in the United Kingdom to schemes of arrangement, which differ from the disclosure requirements of the United States tender offer and proxy solicitation rules. If, in the future, Bidco exercises the right to implement the Acquisition by way of a Takeover Offer and determines to extend the offer into the United States, the Acquisition will be made in compliance with applicable United States laws and regulations, including any applicable exemptions under the US Exchange Act.*

*AdEPT's financial statements, and all financial information that is included in this Announcement, the Scheme Document or any other documents relating to the Acquisition, have been or will be prepared in accordance with IFRS and may not be comparable to financial statements of companies in the United States or other companies whose financial statements are prepared in accordance with US generally accepted accounting principles.*

*The receipt of cash pursuant to the Acquisition by a US holder as consideration for the transfer of its AdEPT Shares pursuant to the Scheme will likely be a taxable transaction for United States federal income tax purposes and under applicable United States state and local, as well as foreign and other, tax laws. Each AdEPT Shareholder is urged to consult their independent professional adviser immediately regarding the tax consequences of the Acquisition applicable to them.*

*It may be difficult for US holders to enforce their rights and claims arising out of the US federal securities laws, since Bidco and AdEPT are located in countries other than the US, and some or all of their officers and directors may be residents of countries other than the US. US holders may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.*



*In accordance with normal UK practice and consistent with Rule 14e-5(b) of the US Exchange Act, (to the extent applicable) Bidco, certain affiliated companies and their nominees or brokers (acting as agents) may make certain purchases of, or arrangements to purchase, shares in AdEPT outside of the US, other than pursuant to the Acquisition, until the date on which the Acquisition and/or Scheme becomes Effective, lapses or is otherwise withdrawn. If such purchases or arrangements to purchase were to be made they would occur either in the open market at prevailing prices or in private transactions at negotiated prices and comply with applicable law, including the US Exchange Act. Any information about such purchases or arrangements to purchase will be disclosed as required in the United Kingdom, will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com).*

*Neither the United States Securities and Exchange Commission nor any US state securities commission has approved or disapproved the Acquisition, passed upon the merits or fairness of the Acquisition or passed any opinion upon the accuracy, adequacy or completeness of this Announcement (nor will it do so in respect of the Scheme Document). Any representation to the contrary is a criminal offence in the United States.*

### **Forward looking statements**

*This Announcement (including information incorporated by reference in this Announcement), oral statements made regarding the Acquisition, and other information published by Bidco, AdEPT, any member of the Wider Wavenet Group or any member of the Wider AdEPT Group may contain statements which are, or may be deemed to be, "forward looking statements". Forward looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward looking statements.*

*The forward looking statements contained in this Announcement include statements relating to the expected effects of the Acquisition on Bidco, AdEPT, any member of the Wider Wavenet Group or any member of the Wider AdEPT Group (including their future prospects, developments and strategies), the expected timing and scope of the Acquisition and other statements other than historical facts. Often, but not always, forward looking statements can be identified by the use of forward looking words such as "prepares", "plans", "expects" or "does not expect", "is expected", "is subject to", "budget", "projects", "synergy", "strategy", "scheduled", "goal", "estimates", "forecasts", "intends", "cost-saving", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Forward looking statements may include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of Bidco's, AdEPT's, any member of the Wider Wavenet Group's or any member of the Wider AdEPT Group's operations and potential synergies resulting from the Acquisition; and (iii) the effects of global economic conditions and governmental regulation on Bidco's, AdEPT's, any member of the Wider Wavenet Group's or any member of the Wider AdEPT Group's business.*

*Although Bidco and AdEPT believe that the expectations reflected in such forward looking statements are reasonable, Bidco, AdEPT, the Wider Wavenet Group and the Wider AdEPT Group can give no assurance that such expectations will prove to be correct. By their nature, forward looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward looking statements.*

*These factors include, but are not limited to: the ability to complete the Acquisition; the ability to obtain requisite regulatory and shareholder approvals and the satisfaction of other Conditions; changes in the global political, economic, business and competitive environments and in market and regulatory forces; changes in future exchange and interest rates; changes in tax rates; future business combinations or disposals; changes in general economic and business conditions; changes in the behaviour of other market participants; the anticipated benefits from the Acquisition not being realised as a result of changes in general economic and market conditions in the countries in which Bidco, AdEPT, the Wider Wavenet Group and/or the Wider AdEPT Group operate; weak, volatile or illiquid capital and/or credit markets; changes in the degree of competition in the geographic and business areas in which Bidco, AdEPT, the Wider Wavenet Group and/or the Wider AdEPT Group operate; and changes in laws or in supervisory expectations or requirements. Other unknown or unpredictable factors could cause actual results to differ materially from those expected, estimated or projected in the forward looking statements. If any one or more of these risks or uncertainties materialises or if any one or more of the assumptions proves incorrect, actual results may differ materially from those expected, estimated or projected. Such forward looking statements should therefore be construed in the light of such factors.*

*Neither Bidco, AdEPT, the Wider Wavenet Group nor the Wider AdEPT Group, nor any of their respective associates or directors, officers or advisers, provide any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements in this Announcement will actually occur. Given these risks and uncertainties, potential investors are cautioned not to place any reliance on these forward looking statements.*

*Specifically, statements of estimated cost savings and synergies related to future actions and circumstances which, by their nature, involve risks, uncertainties and contingencies. As a result, the cost savings and synergies referred to may not be achieved, may be achieved later or sooner than estimated, or those achieved could be materially different from those estimated.*

*Other than in accordance with their legal or regulatory obligations, neither Bidco, AdEPT, the Wider Wavenet Group nor the Wider AdEPT Group is under any obligation, and each such person expressly disclaims any intention or obligation to update or revise any forward looking statements, whether as a result of new information, future events or otherwise.*

### **No profit forecasts, estimates or qualified benefits statements**

*No statement in this Announcement, or incorporated by reference in this Announcement, is intended as a profit forecast, profit estimate or quantified benefits statement for any period and no statement in this Announcement should be interpreted to mean that earnings or earnings per share for AdEPT for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for AdEPT.*

### **Rounding**

*Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.*

### **Publication on website**

*A copy of this Announcement and the documents required to be published pursuant to Rule 26.1 of the Takeover Code will be available, free of charge, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on AdEPT's website at <https://documents.adept.co.uk/wavenet-acquisition> and Wavenet Limited's website at <https://uk.wavenetuk.com/offer-for-adept> by no later than 12.00 p.m. on the Business Day following this Announcement. For the avoidance of doubt, none*



of the content of AdEPT's or Wavenet Limited's websites is incorporated into, or forms part of, this Announcement.

### **Information relating to AdEPT Shareholders**

Please be aware that addresses, electronic addresses and certain information provided by AdEPT Shareholders, persons with information rights and other relevant persons for the receipt of communications from AdEPT may be provided to Wavenet during the Offer Period as required under Section 4 of Appendix 4 of the Takeover Code to comply with Rule 2.11(c) of the Takeover Code.

### **Right to receive documents in hard copy form**

Any person entitled to receive a copy of documents, announcements and information relating to the Acquisition is entitled to receive such documents in hard copy form free of charge. For persons who receive a copy of this Announcement in electronic form or via a website notification, a hard copy of this Announcement will not be sent unless so requested. A person may request that all future documents, announcements and information in relation to the Acquisition are sent to them in hard copy form.

In accordance with Rule 30.3 of the Takeover Code, AdEPT Shareholders, persons with information rights and holders of AdEPT Share Options may request a hard copy of this announcement by contacting AdEPT's Registrars on 0370 889 3192 (or +44 370 889 3192) if calling from outside the UK). Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The Shareholder Helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday (excluding public holidays in England and Wales). Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes.

Please note the Shareholder Helpline cannot provide advice on the merits of the Acquisition or the Scheme nor give any financial, investment, legal or tax advice.

### **Disclosure requirements of the Takeover Code**

Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company

or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3 of the Takeover Code.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4 of the Takeover Code).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

## **General**

Bidco reserves the right to elect, with the consent of the Panel to implement the Acquisition by way of a Takeover Offer as an alternative to the Scheme. In such an event, the Takeover Offer will be implemented on the same terms or, if Bidco so decides, on such other terms being no less favourable (subject to appropriate amendments), so far as applicable, as those which would apply to the Scheme and subject to the amendment referred to in Appendix 1 to this Announcement. Upon sufficient acceptances being received in respect of such Takeover Offer, Bidco intends to exercise its rights to apply the provisions of Chapter 3 of Part 28 of the Companies Act so as to acquire compulsorily the remaining AdEPT Shares in respect of which the Takeover Offer has not been accepted.

Investors should be aware that Bidco may purchase AdEPT Shares otherwise than under any Takeover Offer or the Scheme, including pursuant to privately negotiated purchases.

If you are in any doubt about the contents of this Announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor or independent financial adviser duly authorised under FSMA if you are resident in the United Kingdom or, if not, from another appropriate authorised independent financial adviser.

## **Rule 2.9**

For the purposes of Rule 2.9 of the Takeover Code, AdEPT confirms that, as at the date of this Announcement, it had in issue 25,029,957 ordinary shares of £0.10 each. The International Securities Identification Number of the ordinary shares is GB00B0WY3Y47.

## APPENDIX 1

### CONDITIONS TO AND FURTHER TERMS OF THE SCHEME AND THE ACQUISITION

#### PART A: CONDITIONS TO THE SCHEME AND THE ACQUISITION

##### Long Stop Date

1. The Acquisition will be conditional upon the Scheme becoming unconditional and becoming Effective, subject to the provisions of the Takeover Code, by no later than the Long Stop Date.

##### Scheme approval

2. The Scheme will be conditional upon:
  - (a) (i) its approval by a majority in number of the Scheme Shareholders, present and voting (and entitled to vote), either in person or by proxy, at the Court Meeting (or at any adjournment of that Meeting) and who represent at least 75 per cent. in value of the Scheme Shares voted by those Scheme Shareholders; and (ii) such Court Meeting being held on or before the 22nd day after the expected date of such Meeting to be set out in the Scheme Document (or such later date as may be agreed by Bidco and AdEPT, with the consent of the Panel, and the Court may approve (if such approval is required));
  - (b) (i) all Resolutions being duly passed by the requisite majority or majorities of AdEPT Shareholders at the General Meeting (or at any adjournment of that Meeting); and (ii) such General Meeting being held on or before the 22nd day after the expected date of such Meeting to be set out in the Scheme Document (or such later date as may be agreed by Bidco and AdEPT with the consent of the Panel, and the Court may approve (if such approval is required)); and
  - (c) (i) the sanction of the Scheme by the Court (with or without modification, but subject to any modification being on terms acceptable to AdEPT and Bidco) and the delivery of a copy of the Court Order to the Registrar of Companies; and (ii) the Sanction Hearing being held on or before the 22nd day after the expected date of such hearing to be set out in the Scheme Document (or such later date as may be agreed by Bidco and AdEPT with the consent of the Panel, and the Court may approve (if such approval is required)).

##### Regulatory clearances

In addition, subject as stated in Part B below and to the requirements of the Panel, Bidco and AdEPT have agreed that the Acquisition will be conditional upon the following Condition and, accordingly, the Court Order will not be delivered to the Registrar of Companies unless such Condition (as amended if appropriate) has been satisfied or, where relevant, waived:

3. a notification having been made and accepted under the NS&I Act and one of the following having occurred:
- (a) the Secretary of State confirming before the end of the review period that no further action will be taken in relation to the Acquisition; or
  - (b) the receipt of a final notification confirming that the Secretary of State will take no further action in relation to the call-in notice and the Acquisition pursuant to section 26(1)(b) of the NS&I Act; or
  - (c) the Secretary of State makes a final order pursuant to section 26(1)(a) of the NS&I Act in relation to the Acquisition, provided that such an order would not prevent completion of the Acquisition, and subject to such remedies or conditions under Part 2 of the NS&I Act as are acceptable to Bidco (and, to the extent relevant, all conditions or obligations contained in such an order necessary for completion of the Acquisition having been satisfied or complied with or any restriction preventing completion having been lifted or released).

### **General Conditions**

In addition, subject as stated in Part B below and to the requirements of the Panel, Bidco and AdEPT have agreed that the Acquisition will be conditional upon the following Conditions and, accordingly, the Court Order will not be delivered to the Registrar of Companies unless such Conditions (as amended if appropriate) have been satisfied or, where relevant, waived:

### **Notifications, waiting periods and Authorisations**

4. all notifications, filings or applications which are necessary or reasonably considered appropriate or desirable by Bidco having been made in connection with the Acquisition and all necessary waiting periods (including any extensions thereof) under any applicable legislation or regulation of any jurisdiction having expired, lapsed or been terminated (as appropriate) and all statutory and regulatory obligations in any jurisdiction having been complied with in each case in respect of the Acquisition and its implementation and all Authorisations reasonably necessary or appropriate for or in respect of the Acquisition and, except pursuant to Chapter 3 of Part 28 of the Companies Act, the acquisition of any shares or other securities in, or control or management of, AdEPT or any other member of the Wider AdEPT Group by any member of the Wider Wavenet Group having been obtained in terms and in a form reasonably satisfactory to Bidco from all appropriate Third Parties or (without prejudice to the generality of the foregoing) from any person or bodies with whom any member of the Wider AdEPT Group or the Wider Wavenet Group has entered into contractual arrangements and all such Authorisations necessary, appropriate or desirable to carry on the business of any member of the Wider AdEPT Group in any jurisdiction having been obtained and all such Authorisations remaining in full force and effect and filings necessary for such purpose have been made and at the time at which the Acquisition becomes otherwise unconditional and there being no notice or intimation of an intention to revoke, suspend, restrict, modify or not to renew such Authorisations;

## General antitrust and regulatory

5. no antitrust regulator or Third Party having given notice of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference (and in each case, not having withdrawn the same), or having required any action to be taken or otherwise having done anything, or having enacted, made or proposed any statute, regulation, decision, order or change to published practice or having taken any other steps (and in each case, not having withdrawn the same) and there not continuing to be outstanding any statute, regulation, decision or order which would or might:
- (a) require, prevent or delay the divestiture or alter the terms envisaged for such divestiture by any member of the Wider Wavenet Group or by any member of the Wider AdEPT Group of all or any part of its businesses, assets or property or impose any limitation on the ability of all or any of them to conduct their businesses (or any part thereof) or to own, control or manage any of their assets or properties (or any part thereof);
  - (b) require any member of the Wider Wavenet Group or the Wider AdEPT Group to acquire or offer to acquire any shares, other securities (or the equivalent) or interest in any member of the Wider AdEPT Group or any asset owned by any Third Party (other than in the implementation of the Acquisition);
  - (c) impose any limitation on, or result in a delay in, the ability of any member of the Wider Wavenet Group directly or indirectly to acquire, hold or to exercise effectively all or any rights of ownership in respect of shares, loans or securities convertible into shares or any other securities in any member of the Wider AdEPT Group or on the ability of any member of the Wider AdEPT Group or any member of the Wider Wavenet Group directly or indirectly to hold or exercise effectively all or any rights of ownership in respect of shares, loans or securities convertible into shares or any other securities (or the equivalent) in, or to exercise voting or management control over, any member of the Wider AdEPT Group;
  - (d) otherwise adversely affect any or all of the business, assets, profits, financial or trading position or prospects of any member of the Wider AdEPT Group or any member of the Wider Wavenet Group;
  - (e) result in any member of the Wider AdEPT Group or any member of the Wider Wavenet Group ceasing to be able to carry on business under any name under which it presently carries on business;
  - (f) make the Scheme or the Acquisition, its implementation or the acquisition of any shares or other securities in, or control or management of, AdEPT or any member of the Wider AdEPT Group by any member of the Wider Wavenet Group void, unenforceable and/or illegal under the laws of any relevant jurisdiction, or otherwise, directly or indirectly prevent or prohibit, restrict, restrain, or delay or otherwise interfere with the implementation of, or

impose additional conditions or obligations with respect to, or otherwise challenge, impede, interfere or require material amendment of the Scheme and/or the Acquisition or the acquisition of any shares or other securities in, or control or management of, AdEPT or any member of the Wider AdEPT Group by any member of the Wider Wavenet Group;

- (g) require, prevent or delay a divestiture by any member of the Wider Wavenet Group of any shares or other securities (or the equivalent) in any member of the Wider AdEPT Group or any member of the Wider Wavenet Group; or
- (h) impose any limitation on the ability of any member of the Wider Wavenet Group or any member of the Wider AdEPT Group to conduct, integrate or co-ordinate all or any part of its business with all or any part of the business of any other member of the Wider Wavenet Group and/or the Wider AdEPT Group,

and all applicable waiting and other time periods (including any extensions of them) during which any such antitrust regulator or Third Party could decide to take, institute, implement or threaten any such action, proceeding, suit, investigation, enquiry or reference or take any other step under the laws of any jurisdiction in respect of the Acquisition or the acquisition of any AdEPT Shares or otherwise intervene having expired, lapsed or been terminated;

**Certain matters arising as a result of any arrangement, agreement, etc.**

6. except as Disclosed, there being no provision of any arrangement, agreement, lease, licence, franchise, permit or other instrument to which any member of the Wider AdEPT Group is a party or by or to which any such member or any of its assets is or may be bound, entitled or subject to or any event or circumstance which, as a consequence of the Acquisition or the proposed acquisition or the acquisition by any member of the Wider Wavenet Group of any shares or other securities (or the equivalent) in AdEPT or because of a change in the control or management of any member of the Wider AdEPT Group or otherwise, would or might result in:

- (a) any monies borrowed by, or any other indebtedness or liabilities, actual or contingent, of, or any grant available to, any member of the Wider AdEPT Group being or becoming repayable, or capable of being declared repayable, immediately or before its or their stated maturity date or repayment date, or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
- (b) the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property, assets or interests of any member of the Wider AdEPT Group or any such mortgage, charge or other security interest (whenever created, arising or having arisen) being enforced or becoming enforceable;

- (c) any such arrangement, agreement, lease, licence, franchise, permit or other instrument being terminated or becoming capable of being terminated or modified or the rights, liabilities, obligations or interests of any member of the Wider AdEPT Group being terminated or modified or affected or any obligation or liability arising or any action being taken or arising thereunder;
- (d) any liability of any member of the Wider AdEPT Group to make any severance, termination, bonus or other payment to any of its directors, or other officers;
- (e) the rights, liabilities, obligations, interests or business of any member of the Wider AdEPT Group or any member of the Wider Wavenet Group under any such arrangement, agreement, licence, permit, lease or instrument or the interests or business of any member of the Wider AdEPT Group or any member of the Wider Wavenet Group in or with any other person or body or firm or company (or any arrangement or agreement relating to any such interests or business) being or becoming capable of being terminated, or modified or affected or any onerous obligation or liability arising or any action being taken thereunder;
- (f) any member of the Wider AdEPT Group ceasing to be able to carry on business under any name under which it presently carries on business;
- (g) the business, assets, profits, value of, or the financial or trading position or prospects of, any member of the Wider AdEPT Group being prejudiced or adversely affected; or
- (h) the creation or acceleration of any liability (actual or contingent) by any member of the Wider AdEPT Group,

and, no event having occurred which, under any provision of any arrangement, agreement, licence, permit, franchise, lease or other instrument to which any member of the Wider AdEPT Group is a party or by or to which any such member or any of its assets are bound, entitled or subject, would or might result in any of the events or circumstances as are referred to in Conditions 6(a) to (h);

#### **Certain events occurring since 31 March 2022**

- 7. except as Disclosed, no member of the Wider AdEPT Group having since 31 March 2022:
  - (a) issued or agreed to issue or authorised or proposed or announced its intention to authorise or propose the issue, of additional shares of any class, or securities or securities convertible into, or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares, securities or convertible securities or transferred or sold or agreed to transfer or sell or authorised or proposed the transfer or sale of AdEPT Shares out of treasury (except, where relevant, as between AdEPT and wholly-owned subsidiaries of AdEPT or between the wholly-owned subsidiaries of AdEPT and except for the



issue or transfer out of treasury of AdEPT Shares on the exercise of the AdEPT Share Options);

- (b) recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus issue, dividend or other distribution (whether payable in cash or otherwise) other than dividends (or other distributions whether payable in cash or otherwise) lawfully paid or made by any wholly-owned subsidiary of AdEPT to AdEPT or any of its wholly-owned subsidiaries;
- (c) other than pursuant to the Acquisition (and except for transactions between AdEPT and its wholly-owned subsidiaries or between the wholly-owned subsidiaries of AdEPT) implemented, effected, authorised or proposed or announced its intention to implement, effect, authorise or propose any merger, demerger, reconstruction, amalgamation, scheme, commitment or offer or disposal of assets or shares or loan capital (or the equivalent thereof);
- (d) (except for transactions between AdEPT and its wholly-owned subsidiaries or between the wholly-owned subsidiaries of AdEPT), disposed of, or transferred, mortgaged or created any security interest over any material asset or any right, title or interest in any asset or authorised, proposed or announced any intention to do so;
- (e) (except for transactions between AdEPT and its wholly-owned subsidiaries or between the wholly-owned subsidiaries of AdEPT), issued, authorised or proposed or announced an intention to authorise or propose, the issue of or made any change in or to the terms of any debentures or become subject to any contingent liability or incurred or increased any indebtedness;
- (f) entered into any licence or other disposal of intellectual property rights of any member of the Wider AdEPT Group;
- (g) entered into or varied or authorised, proposed or announced its intention to enter into or vary any contract, arrangement, agreement, transaction or commitment (whether in respect of capital expenditure or otherwise) which is of a long-term, unusual or onerous nature or magnitude or which is or which involves or could involve an obligation of a nature or magnitude which is or could be restrictive on the business of any member of the Wider AdEPT Group;
- (h) entered into or varied the terms of, or made any offer (which remains open for acceptance) to enter into or vary the terms of any contract, service agreement, commitment or arrangement with any director or senior executive of any member of the Wider AdEPT Group;
- (i) proposed, agreed to provide or modified the terms of the AdEPT Share Options or other benefit relating to the employment or termination of employment of any employee of the Wider AdEPT Group;



- (j) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, except in respect of the matters mentioned in sub-paragraph (a) above, made any other change to any part of its share capital;
- (k) (except for claims between AdEPT and its wholly-owned subsidiaries or between the wholly-owned subsidiaries of AdEPT), waived, compromised or settled any claim otherwise than of an immaterial amount in the ordinary course of business;
- (l) terminated or varied the terms of any agreement or arrangement between any member of the Wider AdEPT Group and any other person;
- (m) made any alteration to its articles of association or other constitutional documents (other than in connection with the Scheme);
- (n) except in relation to changes made or agreed as a result of, or arising from, changes to legislation, made or agreed or consented to any change to:
  - (i) the terms of the trust deeds and rules constituting the pension scheme(s) established by any member of the Wider AdEPT Group for its directors, employees or their dependants;
  - (ii) the contributions payable to any such scheme(s) or to the benefits which accrue, or to the pensions which are payable, thereunder;
  - (iii) the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined; or
  - (iv) the basis upon which the liabilities (including pensions) of such pension schemes are funded, valued, made, agreed or consented to;
- (o) been unable, or admitted in writing that it is unable, to pay its debts or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business;
- (p) taken or proposed any steps, corporate action or had any legal proceedings instituted or threatened against it in relation to the suspension of payments, a moratorium of any indebtedness, its winding-up (voluntary or otherwise), dissolution, reorganisation or for the appointment of a receiver, administrator, manager, administrative receiver, trustee or similar officer of all or any of its assets or revenues or any analogous or equivalent steps or proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed;

- (q) (except for transactions between AdEPT and its wholly-owned subsidiaries or between the wholly-owned subsidiaries), made, authorised, proposed or announced an intention to propose any change in its loan capital;
- (r) entered into, implemented or authorised the entry into, any joint venture, asset or profit sharing arrangement, partnership, composition, assignment, reconstruction, amalgamation, commitment, scheme or other similar transaction or arrangement (other than the Scheme);
- (s) having taken (or agreed or proposed to take) any action which requires or would require, the consent of the Panel or the approval of AdEPT Shareholders in general meeting in accordance with, or as contemplated by, Rule 21.1 of the Takeover Code; or
- (t) entered into any agreement, arrangement, commitment or contract or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced an intention to, or to propose to, effect any of the transactions, matters or events referred to in this Condition 7;

**No adverse change, litigation, regulatory enquiry or similar**

8. except as Disclosed, since 31 March 2022 there having been:

- (a) no adverse change and no circumstance having arisen which would or might be expected to result in any adverse change or deterioration in, the business, assets, value, financial or trading position or profits or prospects or operational performance of any member of the Wider AdEPT Group which is material in the context of the Wider AdEPT Group taken as a whole or is material in the context of the Acquisition;
- (b) no litigation, arbitration proceedings, prosecution or other legal proceedings having been threatened, announced or instituted by or against or remaining outstanding against or in respect of, any member of the Wider AdEPT Group or to which any member of the Wider AdEPT Group is or may become a party (whether as claimant, defendant or otherwise) having been threatened, announced, instituted or remaining outstanding by, against or in respect of, any member of the Wider AdEPT Group, in each case which is or might reasonably be expected to be material in the context of the Wider AdEPT Group taken as a whole or is material in the context of the Acquisition;
- (c) no enquiry, review or investigation by, or complaint or reference to, any Third Party against or in respect of any member of the Wider AdEPT Group having been threatened, announced or instituted or remaining outstanding by, against or in respect of any member of the Wider AdEPT Group, in each case which might reasonably be expected to have a material adverse effect on the Wider AdEPT Group taken as a whole or is material in the context of the Acquisition;

- (d) no contingent or other liability having arisen or become apparent to Bidco or increased which is reasonably likely to affect adversely the business, assets, financial or trading position or profits or prospects or operational performance of any member of the Wider AdEPT Group to an extent which is material in the context of the Wider AdEPT Group taken as a whole or is material in the context of the Acquisition;
- (e) no steps having been taken and no omissions having been made which are reasonably likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider AdEPT Group which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which might reasonably be expected to have a material adverse effect on the Wider AdEPT Group taken as a whole or is material in the context of the Acquisition; and
- (f) no member of the Wider AdEPT Group having conducted its business in breach of any applicable laws or regulations;

**No discovery of certain matters regarding information, liabilities and environmental issues**

9. except as Disclosed, Bidco not having discovered that:

- (a) any financial, business or other information concerning the Wider AdEPT Group publicly announced before the date of this Announcement or disclosed at any time to any member of the Wider Wavenet Group by or on behalf of any member of the Wider AdEPT Group before the date of this Announcement is misleading, contains a material misrepresentation of any fact, or omits to state a fact necessary to make that information not misleading;
- (b) any member of the Wider AdEPT Group or any partnership, company or other entity in which any member of the Wider AdEPT Group has a significant economic interest and which is not a subsidiary undertaking of AdEPT is subject to any liability, contingent or otherwise which is material in the context of the Wider AdEPT Group taken as a whole or material in the context of the Acquisition;
- (c) any past or present member of the Wider AdEPT Group has not complied with all applicable legislation, regulations or other requirements of any jurisdiction or any Authorisations relating to the use, treatment, storage, carriage, disposal, discharge, spillage, release, leak or emission of any waste or hazardous substance or any substance likely to impair the environment (including property) or harm human or animal health or otherwise relating to environmental matters or the health and safety of humans, which non-compliance would be likely to give rise to any material liability including any penalty for non-compliance (whether actual or contingent) on the part of any member of the Wider AdEPT Group, in each case to an extent which is

material in the context of the Wider AdEPT Group taken as a whole or material in the context of the Acquisition;

- (d) there has been a disposal, discharge, spillage, accumulation, release, leak, emission or the migration, production, supply, treatment, storage, transport or use of any waste or hazardous substance or any substance likely to impair the environment (including any property) or harm human or animal health which (whether or not giving rise to non-compliance with any law or regulation), would be likely to give rise to any material liability (whether actual or contingent) on the part of any member of the Wider AdEPT Group, in each case to an extent which is material in the context of the Wider AdEPT Group taken as a whole or material in the context of the Acquisition;
- (e) there is or is reasonably likely to be any obligation or liability (whether actual or contingent) or requirement to make good, remediate, repair, reinstate or clean up any property, asset or any controlled waters currently or previously owned, occupied, operated or made use of or controlled by any past or present member of the Wider AdEPT Group (or on its behalf), or in which any such member may have or previously have had or be deemed to have had an interest, under any environmental legislation, common law, regulation, notice, circular, Authorisation or order of any Third Party in any jurisdiction or to contribute to the cost thereof or associated therewith or indemnify any person in relation thereto; or
- (f) circumstances exist (whether as a result of making the Acquisition or otherwise) which would be reasonably likely to lead to any Third Party instituting (or whereby any member of the Wider AdEPT Group would be likely to be required to institute), an environmental audit or take any steps which would in any such case be reasonably likely to result in any actual or contingent liability to improve or install new plant or equipment or to make good, repair, reinstate or clean up any property of any description or any asset now or previously owned, occupied or made use of by any past or present member of the Wider AdEPT Group (or on its behalf) or by any person for which a member of the Wider AdEPT Group is or has been responsible, or in which any such member may have or previously have had or be deemed to have had an interest, which is material in the context of the Wider AdEPT Group taken as a whole or material in the context of the Acquisition;

### **Intellectual property**

- 10.** no circumstance having arisen or event having occurred in relation to any intellectual property owned or used by any member of the Wider AdEPT Group, including:
  - (a) any member of the Wider AdEPT Group losing its title to any intellectual property used in its business, or any intellectual property owned by the Wider AdEPT Group being revoked, cancelled or declared invalid;

- (b) any claim being asserted in writing or threatened in writing by any person challenging the ownership of any member of the Wider AdEPT Group to, or the validity or effectiveness of, any of its intellectual property; or
- (c) any agreement regarding the use of any intellectual property licensed to or by any member of the Wider AdEPT Group being terminated or varied; and

**Anti-corruption, sanctions and criminal property**

11. except as Disclosed, Bidco not having discovered:

- (a) (i) any past or present member, director, officer or employee of the Wider AdEPT Group is or has at any time engaged in any activity, practice or conduct would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977, as amended, or any other anti-corruption legislation applicable to the Wider AdEPT Group; or (ii) any person that performs or has performed services for or on behalf of the Wider AdEPT Group is or has at any time engaged in any activity, practice or conduct in connection with the performance of such services which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977, as amended, or any other applicable anti-corruption legislation;
- (b) any asset of any member of the Wider AdEPT Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition) or proceeds of crime under any other applicable law, rule, or regulation concerning money laundering or proceeds of crime or any member of the Wider AdEPT Group is found to have engaged in activities constituting money laundering under any applicable law, rule, or regulation concerning money laundering;
- (c) any past or present member, director, officer or employee of the Wider AdEPT Group, or any other person for whom any such person may be liable or responsible, has engaged in any business with, made any investments in, made any funds or assets available to or received any funds or assets from: (i) any government, entity or individual in respect of which US, UK or European Union persons, or persons operating in those territories, are prohibited from engaging in activities or doing business, or from receiving or making available funds or economic resources, by applicable US, UK or European Union laws or regulations, including the economic sanctions administered by the United States Office of Foreign Assets Control or HM Treasury & Customs; or (ii) any government, entity or individual targeted by any of the economic sanctions of the United Nations, the United States, the United Kingdom, the European Union or any of its member states; or
- (d) a member of the Wider AdEPT Group has engaged in any transaction or conduct which would cause any member of the Wider Wavenet Group to be in breach of any applicable law or regulation upon its Acquisition of AdEPT,

including the economic sanctions of the United States Office of Foreign Assets Control or HM Treasury & Customs, or any government, entity or individual targeted by any of the economic sanctions of the United Nations, the United States, the United Kingdom, the European Union or any of its member states.

## **PART B: CERTAIN FURTHER TERMS OF THE ACQUISITION**

1. Conditions 2(a), 2(b) and 3 to 11 (inclusive) of Part A above must each be fulfilled, determined by Bidco to be or to remain satisfied or (if capable of waiver) be waived by Bidco prior to the commencement of the Sanction Hearing, failing which the Scheme will lapse.
2. Notwithstanding the paragraph above, subject to the requirements of the Panel and the Takeover Code, Bidco reserves the right in its sole discretion to waive:
  - (a) the deadline set out in Condition 1 of Part A above, and any deadlines set out in Condition 2 of Part A above for the timing of the Court Meeting, the General Meeting and the Sanction Hearing. If any such deadline is not met, Bidco shall make an announcement by 8.00 a.m. on the Business Day following such deadline confirming whether it has invoked or waived the relevant Condition or agreed with AdEPT to extend the deadline in relation to the relevant Condition. In all other respects, Conditions 1 and 2 of Part A above cannot be waived; and
  - (b) in whole or in part, all or any of Conditions 3 to 11 (inclusive) of Part A above.
3. If Bidco is required by the Panel to make an offer for AdEPT Shares under the provisions of Rule 9 of the Takeover Code, Bidco may make such alterations to any of the above Conditions and terms of the Acquisition as are necessary to comply with the provisions of that Rule.
4. Under Rule 13.5(a) of the Takeover Code, Bidco may only invoke a Condition that is subject to Rule 13.5(a) of the Takeover Code so as to cause the Acquisition not to proceed, to lapse or to be withdrawn with the consent of the Panel. The Panel will normally only give its consent if the circumstances which give rise to the right to invoke the Condition are of material significance to Bidco in the context of the Acquisition. This will be judged by reference to the facts of each case at the time that the relevant circumstances arise. Conditions 1, 2(a), 2(b) and 2(c) of Part A above and, if applicable, any acceptance condition if the Acquisition is implemented by means of a Takeover Offer, are not subject to Rule 13.5(a) of the Takeover Code.
5. Any Condition that is subject to Rule 13.5(a) of the Takeover Code may be waived by Bidco.
6. Subject to paragraph 3(g) of Appendix 7 to the Takeover Code, Bidco will be under no obligation to waive (if capable of waiver) or to treat as fulfilled any of the Conditions by a date earlier than the latest date for the fulfilment of that Condition notwithstanding that the other Conditions of the Acquisition may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.
7. Each of the Conditions will be regarded as a separate Condition and will not be limited by reference to any other Condition.

- 8.** Bidco reserves the right to elect to implement the Acquisition by way of a Takeover Offer as an alternative to the Scheme (subject to the Panel's consent). In such event, the Acquisition will be implemented on the same terms (subject to appropriate amendments including (without limitation) the inclusion of an acceptance condition which, unless otherwise required by the Panel, will be set at 90 per cent. (or such lesser percentage as Bidco may decide after, to the extent necessary, consultation with the Panel, being in any case more than 50 per cent. of the voting rights attaching to AdEPT Shares) of shares to which the Acquisition relates and those required by, or deemed appropriate by, Bidco under applicable law, so far as applicable) as those which would apply to the Scheme. Further, if sufficient acceptances of such Takeover Offer are received and/or sufficient AdEPT Shares are otherwise acquired, it is the intention of Bidco to apply the provisions of the Companies Act to acquire compulsorily any outstanding AdEPT Shares to which such Takeover Offer relates.
- 9.** The AdEPT Shares to be acquired under the Acquisition will be acquired with full title guarantee, fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights now or hereafter attaching or accruing to them, including, without limitation, voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid, or any other return of value (whether by reduction of share capital or share premium account or otherwise) made, on or after the Effective Date (other than any dividend in respect of which a corresponding reduction in the Consideration has been made as described in paragraph 10 below).
- 10.** If, on or after the date of this Announcement and prior to the Effective Date, any dividend, distribution or other return of value is proposed, declared, paid or made or becomes payable by AdEPT in respect of AdEPT Shares, Bidco reserves the right (without prejudice to any right of Bidco, with the consent of the Panel, to invoke Condition 7(b) of Part A above) to reduce the Consideration to reflect the aggregate amount of such dividend, distribution or other return of value. In such circumstances, AdEPT Shareholders would be entitled to receive and retain any such dividend, distribution or other return of value declared, made or paid.

If and to the extent that any such dividend, distribution or other return of value is paid or made in respect of AdEPT Shares prior to the Effective Date, and Bidco exercises its rights under this paragraph to reduce the Consideration, any reference in this Announcement to the Consideration shall be deemed to be a reference to the Consideration as so reduced.

Any exercise by Bidco of its rights referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the Scheme or the Acquisition.

If Bidco exercises its right to reduce the Consideration by all or part of the amount of any dividend, other distribution and/or other return of value, the relevant eligible AdEPT Shareholders will be entitled to receive and retain such dividend, other distribution and/or other return of value.



- 11.** The availability of the Acquisition to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Any person who is subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about and observe any applicable requirements. Further information in relation to Overseas Shareholders will be contained in the Scheme Document.
- 12.** The Acquisition is not being made, directly or indirectly, in, into or from, or by use of the mails of, or by any means of instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, any Restricted Jurisdiction.
- 13.** The Scheme will be governed by the laws of England and Wales and will be subject to the jurisdiction of the courts of England and Wales and to the Conditions and further terms set out in this Appendix 1 to this Announcement. The Scheme will be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange, the AIM Rules, the FCA and the Registrar of Companies.

**APPENDIX 2**  
**SOURCES OF INFORMATION AND BASES OF CALCULATION**

In this Announcement, unless otherwise stated or the context otherwise requires, the following sources and bases have been used:

1. The "**Latest Practicable Date**" for the purposes of this Announcement means close of business on 7 February 2023 (being the last Business Day before the date of this Announcement).
  2. The equity value of AdEPT's entire issued and to be issued ordinary share capital has been calculated on the basis of 25,039,957 AdEPT Shares, comprising:
    - (a) 25,029,957 AdEPT Shares in issue as at the Latest Practicable Date; *plus*
    - (b) 10,000 AdEPT Shares to be issued on or after the date of this Announcement on the exercise of in-the-money AdEPT Share Options, being the AdEPT Share Options which have an exercise price per AdEPT Share which is less than the Consideration,and assuming for these purposes that:
    - (c) no AdEPT Shares will be issued on or after the date of this Announcement on the exercise of out-the-money AdEPT Share Options, being the AdEPT Share Options which have an exercise price per AdEPT Share which is more than or equal to the Consideration; and
    - (d) no AdEPT Shares will be issued in respect of the Convertible Loan Notes. BGF Investments LP, the sole holder of the Convertible Loan Notes, has undertaken not to convert the Convertible Loan Notes into AdEPT Shares, as further detailed in paragraph 2 of Appendix 3 to this Announcement.
  3. The value of the Acquisition, based on the Consideration, of approximately £50.3 million is calculated on the basis of the issued and to be issued share capital of AdEPT (as set out in paragraph 2 above).
  4. The premium calculations to the price per AdEPT Share used in this Announcement have been calculated by reference to:
    - (e) 74.8 per cent. to the Closing Price of 115 pence per AdEPT Share on 7 February 2023 (being the last Business Day before the date of the commencement of the Offer Period); and
    - (f) 77.4 per cent. to the volume-weighted average price of 113 pence per AdEPT Share for the three-month period ended 7 February 2023.
  5. The Closing Price on any particular date is taken from the AIM appendix to the Daily Official List.
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6. Volume-weighted average prices have been derived from Factset and have been rounded to the nearest single decimal place.
7. Unless otherwise stated, the financial information of AdEPT is extracted from the annual report and audited accounts of the AdEPT Group for the financial year ended 31 March 2022 or from the interim results of the AdEPT Group for the six-month period ended 30 September 2022, prepared in accordance with IFRS.
8. Underlying EBITDA of the AdEPT Group represents earnings before interest, tax, depreciation, amortisation and excludes one off furlough grants, acquisition and restructuring costs and share based payments.
9. Certain figures included in this Announcement have been subject to rounding adjustments.

**APPENDIX 3**  
**IRREVOCABLE UNDERTAKINGS AND LETTER OF INTENT**

**1. AdEPT Directors and their connected persons**

The following AdEPT Directors and persons connected to the AdEPT Directors have given irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting and, if Bidco exercises its right to implement the Acquisition by way of a Takeover Offer (subject to the consent of the Panel), to accept or procure acceptance of such Takeover Offer, in each case in respect of their own legal and/or beneficial holdings (or those AdEPT Shares over which they have control) of AdEPT Shares as well as any further AdEPT Shares of which they may become the legal and/or beneficial holder):

<b>Name</b>	<b>Total Number of AdEPT Shares</b>	<b>Percentage of existing issued share capital of AdEPT</b>
Ian Fishwick	60,587	0.24%
Philip Race	16,191	0.06%
John Swaite	78,506	0.31%
Richard Bligh	2,733	0.01%
Julie Fishwick	618,244	2.47%
Claudia Fishwick	35,148	0.14%
Carmen Fishwick	34,812	0.14%
<b>Total</b>	<b>846,221</b>	<b>3.4%</b>

These irrevocable undertakings remain binding in the event a higher competing offer is made for AdEPT and will only cease to be binding if:

- the Scheme Document is not sent to AdEPT Shareholders within 28 days (or such longer period as Bidco and AdEPT agree, and the Panel consent) after the date of this announcement (other than in circumstances where Bidco has, prior to such date, elected to exercise its right to proceed by way of a Takeover Offer and announced the same in accordance with the requirements of Paragraph 8 of Appendix 7 to the Takeover Code, and such Takeover Offer has not lapsed or been withdrawn);
- where Bidco has elected to proceed with the implementation of the Acquisition by way of a Takeover Offer on or before the date referred to in (a), the Offer Document is not sent to AdEPT Shareholders within 28 days (or such other date as the Panel may require) after the date of the publication of the announcement made in accordance with the requirements of Paragraph 8 of Appendix 7 to the Takeover Code;

- Bidco announces, with the consent of the Panel and before the Scheme Document is published, that it does not intend to proceed with the Acquisition and no new, revised or replacement scheme of arrangement or Takeover Offer is announced by Bidco in accordance with Rule 2.7 of the Takeover Code at the same time;
- the Scheme lapses or is withdrawn in accordance with its terms and no new, revised or replacement scheme of arrangement or Takeover Offer is announced by Bidco by such time;
- the Scheme has not become Effective by the Long Stop Date (other than in circumstances where Bidco has, prior to such date, elected to exercise its right to proceed by way of a Takeover Offer and announced the same in accordance with the requirements of paragraph 8 of Appendix 7 to the Takeover Code, and such Takeover Offer has not lapsed or been withdrawn); or
- any competing offer for the entire issued and to be issued share capital of AdEPT is declared unconditional or, if proceeding by way of a scheme of arrangement, becomes effective.

## 2. Other shareholders

### *Irrevocable undertakings*

The following holders, controllers and/or beneficial owners of AdEPT Shares have given irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting and, if Bidco exercises its right to implement the Acquisition by way of a Takeover Offer (subject to the consent of the Panel), to accept or procure acceptance of such Takeover Offer, in each case in respect of their own legal and/or beneficial holdings (or those AdEPT Shares over which they have control) of AdEPT Shares as well as any further AdEPT Shares of which they may become the legal and/or beneficial holder.

The irrevocable undertaking set out in the following table will continue to be binding where there is a competing firm intention to make an offer at a higher consideration:

Registered Holder	Beneficial Holder	Total Number of AdEPT Shares	Percentage of existing issued share capital of AdEPT
Aurora Nominees Limited	Greenwood Investments Limited	5,300,000	21.2%
<b>Total</b>		<b>5,300,000</b>	<b>21.2%</b>

The irrevocable undertakings as set out in the following table will cease to be binding if any competing firm intention to make an offer for the entire issued and to be issued share capital of AdEPT is made by a third party, where the consideration for such offer is at least 10 per cent. higher than the price per AdEPT Share under the Acquisition and a period of ten business days has elapsed

from the announcement of such competing offer without Bidco having revised the terms of the Acquisition so that (in the reasonable opinion of Cardean Bell and March Harvey) the value of the revised Consideration for the Acquisition exceeds the value of the offer by such third party:

<b>Registered Holder</b>	<b>Beneficial Holder</b>	<b>Total Number of AdEPT Shares</b>	<b>Percentage of existing issued share capital of AdEPT</b>
Pershing Nominees Limited	BGF Investments LP	1,645,612	6.6%
Ferlim Nominees Limited	Tania Rosen	1,375,015	5.5%
Nortrust Nominees Limited	Downing Strategic Micro-Cap Investment Trust plc	1,234,000	4.9%
Rathbone Nominees Limited	Keenan Fishwick	1,051,209	4.2%
Rathbone Nominees Limited	Ryan Fishwick	1,051,209	4.2%
Roy Nominees Limited	Discretionary clients managed by Downing LLP	870,811	3.5%
<b>Total</b>		<b>7,227,856</b>	<b>28.9%</b>

The irrevocable undertakings in both tables above will cease to be binding if:

- the Scheme Document is not sent to AdEPT Shareholders within 28 days (or such longer period as Bidco and AdEPT agree, and the Panel consent) after the date of this announcement (other than in circumstances where Bidco has, prior to such date, elected to exercise its right to proceed by way of a Takeover Offer and announced the same in accordance with the requirements of Paragraph 8 of Appendix 7 to the Takeover Code, and such Takeover Offer has not lapsed or been withdrawn);
- where Bidco has elected to proceed with the implementation of the Acquisition by way of a Takeover Offer on or before the date referred to in (a), the Offer Document is not sent to AdEPT Shareholders within 28 days (or such other date as the Panel may require) after the date of the publication of the announcement made in accordance with the requirements of Paragraph 8 of Appendix 7 to the Takeover Code;
- Bidco announces, with the consent of the Panel and before the Scheme Document is published, that it does not intend to proceed with the Acquisition and no new, revised or

replacement scheme of arrangement or Takeover Offer is announced by Bidco in accordance with Rule 2.7 of the Takeover Code at the same time;

- the Scheme lapses or is withdrawn in accordance with its terms and no new, revised or replacement scheme of arrangement or Takeover Offer is announced by Bidco by such time;
- the Scheme has not become Effective by the Long Stop Date (other than in circumstances where Bidco has, prior to such date, elected to exercise its right to proceed by way of a Takeover Offer and announced the same in accordance with the requirements of paragraph 8 of Appendix 7 to the Takeover Code, and such Takeover Offer has not lapsed or been withdrawn); or
- any competing offer for the entire issued and to be issued share capital of AdEPT is declared unconditional or, if proceeding by way of a scheme of arrangement, becomes effective.

BGF Investments LP, the sole holder of the Convertible Loan Notes, has also undertaken not to convert the Convertible Loan Notes into AdEPT Shares and consented (for the purposes of the conditions to the Convertible Loan Notes) to such amendment to the AdEPT Articles as Bidco reasonably considers to be necessary or desirable in connection with the Acquisition (provided that such amendment does not prejudice the redemption provisions of the Convertible Loan Notes).

***Letter of intent***

The following holder, controller and/or beneficial owner of AdEPT Shares has given a non-binding letter of intent to vote in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting and, if Bidco exercises its right to implement the Acquisition by way of a Takeover Offer (subject to the consent of the Panel), to accept or procure acceptance of such Takeover Offer, in each case in respect of their own legal and/or beneficial holdings (or those AdEPT Shares over which they have control) of AdEPT Shares.

<b>Registered Holder</b>	<b>Beneficial Holder</b>	<b>Total Number of AdEPT Shares</b>	<b>Percentage of existing issued share capital of AdEPT</b>
Octopus Investments	Octopus AIM VCT plc and Octopus AIM VCT 2 plc	786,912	3.1%
<b>Total</b>		<b>786,912</b>	<b>3.1%</b>

## APPENDIX 4 DEFINITIONS

The following definitions apply throughout this Announcement unless the context requires otherwise:

<b>"Acquisition"</b>	the proposed acquisition by Bidco of the entire issued, and to be issued, ordinary share capital of AdEPT, other than Excluded Shares, to be implemented by means of the Scheme (or should Bidco elect (subject to the consent of the Panel) by means of a Takeover Offer) and, where the context requires, any subsequent revision, variation, extension or renewal thereof;
<b>"AdEPT"</b>	AdEPT Technology Group plc;
<b>"AdEPT Articles"</b>	the articles of association of AdEPT as amended from time to time;
<b>"AdEPT Directors" or "AdEPT Board"</b>	the directors of AdEPT;
<b>"AdEPT Group"</b>	AdEPT and its subsidiaries and its subsidiary undertakings and where the context permits, each of them;
<b>"AdEPT Share Options"</b>	the options granted by AdEPT between 1 March 2016 and 1 October 2022, to certain employees and directors of the AdEPT Group pursuant to certain option agreements entered into by each option holder and AdEPT over an aggregate of 1,358,494 AdEPT Shares;
<b>"AdEPT Shareholders"</b>	holders of AdEPT Shares;
<b>"AdEPT Shares"</b>	the ordinary shares of 10 pence each in the share capital of AdEPT from time to time;
<b>"AIM"</b>	AIM, a market operated by the London Stock Exchange;
<b>"AIM Rules"</b>	the rules of AIM as set out in the "AIM Rules for Companies" issued by the London Stock Exchange from time to time relating to AIM traded securities and the operation of AIM;
<b>"Announcement"</b>	this announcement (including the summary and Appendices to this announcement);
<b>"Authorisations"</b>	authorisations, orders, determinations, grants, recognitions, confirmations, consents, licences, clearances, certificates, permissions, exemptions or approvals, in each case of a Third Party;



"Bidco"	Thetis Bidco Limited;
"Business Day"	a day, not being a public holiday, Saturday or Sunday, on which clearing banks in London are open for normal business;
"Cardean Bell"	Cardean Bell Ltd;
"Closing Price"	the closing middle market price of an AdEPT Share as derived from the AIM appendix to the Daily Official List on any particular date;
"Combined Group"	the Wavenet Group as enlarged by the Acquisition;
"Companies Act"	the Companies Act 2006, as amended;
"Conditions"	the conditions to the Acquisition, as set out in Appendix 1 to this Announcement and to be set out in the Scheme Document and " <b>Condition</b> " shall mean any one of them;
"Confidentiality Agreement"	the confidentiality agreement entered into between Thetis Topco Limited and AdEPT dated 18 October 2022 in respect of the Acquisition;
"Consideration"	the consideration payable to AdEPT Shareholders pursuant to the Acquisition, comprising 201 pence in cash per AdEPT Share;
"Convertible Loan Notes"	the convertible loan notes issued pursuant to a convertible loan note instrument dated 1 August 2017;
"Court"	the High Court of Justice in England and Wales;
"Court Meeting"	the meeting of Scheme Shareholders to be convened with the permission of the Court pursuant to Part 26 of the Companies Act for the purpose of considering and, if thought fit, approving the Scheme (with or without amendment), and including any adjournment, postponement or reconvening thereof;
"Court Order"	the order of the Court sanctioning the Scheme under Part 26 of the Companies Act;
"CREST"	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator (as defined in the CREST Regulations) in accordance with which securities may be held and transferred in uncertificated form;
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) (including as it forms part of domestic law of the United Kingdom by virtue

	of the European Union (Withdrawal) Act 2018), as amended from time to time;
<b>"Daily Official List"</b>	the Daily Official List published by the London Stock Exchange;
<b>"Disclosed"</b>	the information fairly disclosed by, or on behalf of AdEPT: (i) in the annual report and audited accounts of the AdEPT Group for the financial year ended 31 March 2022; (ii) in this Announcement; (iii) in any other announcement to a Regulatory Information Service by, or on behalf of AdEPT before the publication of this Announcement; and/or (iv) as otherwise fairly disclosed in writing prior to the date of this Announcement to Bidco (or its officers, employees, agents or advisers (in their capacity as such));
<b>"Effective"</b>	in the context of the Acquisition: (i) if the Acquisition is implemented by way of the Scheme, the Scheme having become effective pursuant to its terms; or (ii) if the Acquisition is implemented by way of a Takeover Offer, the Takeover Offer having been declared or having become unconditional in accordance with the requirements of the Takeover Code;
<b>"Effective Date"</b>	the date on which the Acquisition becomes Effective;
<b>"Equity Commitment Letter"</b>	the equity commitment letter dated 8 February 2023 pursuant to which the equity financing will be provided by MPRC Europe Limited (a wholly-owned subsidiary of Macquarie Group Limited), the majority investor in the Wavenet Group;
<b>"Euroclear"</b>	Euroclear UK & International Limited;
<b>"Excluded Shares"</b>	any AdEPT Shares at the Scheme Record Time which (if any): <ul style="list-style-type: none"> <li>(a) are owned or controlled by the Wavenet Group; or</li> <li>(b) are held by AdEPT as treasury shares (within the meaning of the Companies Act);</li> </ul>
<b>"FCA" or "Financial Conduct Authority"</b>	the Financial Conduct Authority of the United Kingdom or its successor from time to time, acting in its capacity as the competent authority for the purposes of Part VI of FSMA;

"FCA Handbook"	the FCA's Handbook of rules and guidance as amended from time to time;
"Forms of Proxy"	the forms of proxy for use at the Court Meeting and the General Meeting which will accompany the Scheme Document;
"FSMA"	the Financial Services and Markets Act 2000, as amended from time to time;
"General Meeting"	the general meeting of AdEPT Shareholders to be convened in connection with the Scheme to consider and, if thought fit, to approve the Resolutions (with or without amendment), which is expected to be held as soon as the preceding Court Meeting shall have concluded or been adjourned, and including any adjournment, postponement or reconvening thereof;
"Houlihan Lokey"	Houlihan Lokey UK Limited;
"IFRS"	International Financial Reporting Standards;
"Incremental Facility Agreement"	the incremental term facility agreement established pursuant to the Incremental Facility Notice;
"Incremental Facility Notice"	the incremental facility notice (the " <b>Incremental Facility Notice</b> ") in accordance with the terms of the existing debt financing arrangements of the Wavenet Group (the " <b>Incremental Facility Agreement</b> ");
"Latest Practicable Date"	has the meaning given to it in paragraph 1 of Appendix 2 to this Announcement;
"London Stock Exchange"	London Stock Exchange plc or its successor;
"Long Stop Date"	23:59 on 26 June 2023 or such later date as AdEPT and Bidco may, with the consent of the Panel, agree and, if required, as the Court may approve;
"March Harvey"	MarchHarvey Ltd;
"Macquarie Group"	Macquarie Group Limited and its subsidiaries and undertakings and each of their respective associated undertakings;
"Meetings"	the Court Meeting and/or the General Meeting, as the case may be;

<b>"NS&amp;I Act"</b>	the National Security and Investment Act 2021, together with its secondary legislation and associated regulatory rules;
<b>"Offer Document"</b>	should the Acquisition be implemented by way of a Takeover Offer, the document which would be sent to AdEPT Shareholders containing, amongst other things, the terms and conditions of the Takeover Offer;
<b>"Offer Period"</b>	the offer period (as defined by the Takeover Code) relating to AdEPT, which commenced on 8 February 2023 (being the date of this Announcement) and ending on the earlier of: (i) the Effective Date and/or (ii) the date on which the Scheme lapses or is withdrawn (or such other date as the Takeover Code may provide or the Panel may decide);
<b>"Opening Position Disclosure"</b>	has the same meaning given to it in Rule 8 of the Takeover Code;
<b>"Overseas Shareholders"</b>	holders of Scheme Shares who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom;
<b>"Panel"</b>	the Panel on Takeovers and Mergers;
<b>"Registrar of Companies"</b>	the Registrar of Companies in England and Wales;
<b>"Regulatory Information Service"</b>	a regulatory information service as defined in the FCA Handbook;
<b>"relevant securities"</b>	"relevant securities" as defined in the Takeover Code;
<b>"Resolutions"</b>	the resolution(s) to be proposed at the General Meeting necessary to facilitate the implementation of the Scheme, including, without limitation, a resolution to amend the AdEPT Articles by adoption and inclusion of a new article (in terms approved by Bidco) under which any AdEPT Shares issued or transferred after the Scheme Record Time (other than to Bidco and its nominees) shall be automatically transferred to Bidco (or as it may direct) and, where applicable, for Consideration to be paid to the transferee or to the original recipient of the AdEPT Shares so transferred or issued on the same terms as the Acquisition (other than terms as to timings and formalities);
<b>"Restricted Jurisdiction"</b>	any jurisdiction where sending or making available information concerning the

	Acquisition would: (a) constitute a violation of the relevant laws and regulations of such jurisdictions; or (b) result in a requirement to comply with any governmental or other consent or any registration, filing or other formality which Bidco or AdEPT regard as unduly onerous;
<b>"Sanction Hearing"</b>	the Court hearing to sanction the Scheme;
<b>"Scheme"</b>	the proposed scheme of arrangement under Part 26 of the Companies Act between AdEPT and Scheme Shareholders, with or subject to any modification, addition or condition approved or imposed by the Court and agreed by AdEPT and Bidco, to implement the acquisition of the entire issued and to be issued share capital of AdEPT by Bidco;
<b>"Scheme Document"</b>	the document to be sent to AdEPT Shareholders containing, amongst other things, the Scheme and the notices convening the Court Meeting and the General Meeting;
<b>"Scheme Record Time"</b>	the time and date to be specified in the Scheme Document, expected to be 6.00 p.m. on the Business Day immediately prior to the Effective Date, or such later time as Bidco and AdEPT may agree;
<b>"Scheme Shareholders"</b>	holders of Scheme Shares;
<b>"Scheme Shares"</b>	all AdEPT Shares which remain in issue at the Scheme Record Time and are: <ul style="list-style-type: none"> <li>(a) in issue at the date of the Scheme Document;</li> <li>(b) (if any) issued after the date of the Scheme Document but before the Voting Record Time; and</li> <li>(c) (if any) issued at or after the Voting Record Time and before the Scheme Record Time, either on terms that the original or any subsequent holders thereof shall be bound by the Scheme or in respect of which the holders thereof shall have agreed in writing to be bound by the Scheme,</li> </ul> <p>excluding, in each case, any Excluded Shares;</p>
<b>"Singer Capital Markets"</b>	Singer Capital Markets Advisory LLP;

<b>"Substantial Interest"</b>	a direct or indirect interest in 20 per cent. or more of the voting rights or equity share capital of an undertaking;
<b>"Takeover Code"</b>	the Takeover Code issued by the Panel, as amended from time to time;
<b>"Takeover Offer"</b>	subject to the consent of the Panel, should the Acquisition be implemented by way of a takeover offer as defined in Chapter 3 of Part 28 of the Companies Act, the offer to be made by or on behalf of Bidco to acquire the entire issued and to be issued share capital of AdEPT, other than Excluded Shares and, where the context admits, any subsequent revision, variation, extension or renewal of such offer;
<b>"Third Party"</b>	any relevant central bank, government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental, administrative, fiscal or investigative body, court, trade agency, association, institution, environmental body, employee representative body, any entity owned or controlled by any relevant government or state, or any other body or person whatsoever in any jurisdiction;
<b>"UK" or "United Kingdom"</b>	United Kingdom of Great Britain and Northern Ireland;
<b>"US" or "United States"</b>	the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia and all other areas subject to its jurisdiction and any political sub-division thereof;
<b>"US Exchange Act"</b>	the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder;
<b>"Voting Record Time"</b>	the time and date to be specified in the Scheme Document by reference to which entitlement to vote at the Court Meeting and the General Meeting will be determined, expected to be 6.00 p.m. on the day which is two days (excluding non-working days) before the date of the Court Meeting and the General Meeting or, if the Court Meeting and/or the General Meeting is adjourned, 6.00 p.m. on the day which is two days (excluding non-working days) before the date of such adjourned Meeting;

<b>"Wavenet"</b>	Wavenet Limited and OGL Computer Support Holdings Limited;
<b>"Wider AdEPT Group"</b>	AdEPT and its subsidiaries, subsidiary undertakings and associated undertakings, and any other undertaking (including any joint venture, partnership, firm or company) in which AdEPT and/or all such undertakings (aggregating their interests) have a Substantial Interest (excluding, for the avoidance of doubt, Bidco and all of its associated undertakings which are not members of the AdEPT Group); and
<b>"Wider Wavenet Group" or the "Wavenet Group"</b>	Bidco and its subsidiaries and undertakings (including without limitation Wavenet Limited and OGL Computer Support Holdings Limited) and each of their respective associated undertakings, and any other undertaking (including any joint venture, partnership, firm or company) in which Wavenet and/or all such undertakings (aggregating their interests) have a Substantial Interest.

For the purposes of this Announcement, "**subsidiary**", "**subsidiary undertaking**", "**undertaking**", "**associated undertaking**" and "**equity share capital**" have the meanings given by the Companies Act.

All references to "**pounds**", "**pounds Sterling**", "**Sterling**", "**£**", "**pence**", "**penny**" and "**p**" are to the lawful currency of the United Kingdom. All references to "**A\$**" are to the lawful currency of Australia.

All times referred to in this Announcement are London times.

References to the singular include the plural and vice versa.

All references to statutory provisions or law or to any order or regulation shall be construed as a reference to that provision, law, order or regulation as extended, modified, replaced or re-enacted from time to time and all statutory instruments, regulations and order from time to time made thereunder or deriving validity therefrom.