

20<sup>th</sup> October 2021

**IDE Group Holdings Plc**  
**(“IDE”, the “Group” or the “Company”)**

**Sale of IDE Group Connect and Nimoveri Limited**

IDE Group Holdings plc, the mid-market network, cloud and IT managed services provider, announced on 28<sup>th</sup> September 2021, that the Board was in advanced discussions to sell its wholly owned subsidiary IDE Group Connect Limited (“IDE Group Connect”). We are now pleased to confirm the sale of both IDE Group Connect and Nimoveri Limited to CloudCoCo Group plc for a deferred consideration of £250,000.

Commenting on the Sale, Andy Parker, Non-Executive Chairman of IDE Group Holdings Plc, said:

As we’ve previously indicated, this disposal allows us to focus on our Partner Business and we have an exciting future ahead of us. At both a trading level, and after central and plc costs, we have a profitable cash generative business. Our focus is now entirely on growth, both continued organic growth and potential inorganic opportunities.

**About the Sale**

IDE Group Connect is a specialist cloud, advanced support, connectivity and co-location data centre provider.

The business has 660 customers, mainly comprising of large private sector organisations. 40 of these organisations are IT managed service customers and 620 are data centre and networking customers. The IDE Group Connect business (including Nimoveri) recorded an adjusted EBITDA\* of £ (0.8) million on revenues of £13.1 million for the 12 months to 31 December 2020.

In June 2020, IDE Group Connect acquired Nimoveri Limited, an IT managed services business.

**Terms of the Sale**

The Sale was on a normalised net cash basis for a consideration of £250,000, funded via a loan note to CloudCoCo for £250,000 to be repaid over five years with an annual interest rate of Bank of England Base Rate +3% with no payments due in the first six months.

In addition, IDE will provide CloudCoCo with a working capital facility of up to £500,000 and amounts drawn will be convertible into new ordinary shares of CloudCoCo at 1p per share if not repaid by October 2022.

The consideration terms reflect the current financial state of the IDE Group Connect business, the limited-scope warranties offered by IDE and the small number of unprofitable contracts contained within the business.

**Contacts:**

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