

1 July 2024

Northamber PLC
("Northamber" or the "Company")

Acquisition of Renaissance Contingency Services Limited

Northamber Plc (AIM:NAR), a leading value-add AV & IT distributor, is pleased to announce that it has acquired, from Michael Conway and Denis Woods (the **"Sellers"**), Renaissance Contingency Services Limited (**"Renaissance"**) pursuant to a share purchase agreement (the **"SPA"**) that was exchanged and completed earlier today (the **"Acquisition"**).

Renaissance, which is a company incorporated in Ireland, is a value-add distributor of cyber security solutions and services in Ireland.

The total consideration for the Acquisition is up to €0.9 million in cash (circa. £0.76 million; £1: €1.1814) to be paid from the Company's existing available resources.

Acquisition highlights

- Acquisition of Renaissance, an established distributor of cyber security solutions and services to value added resellers, managed service providers (MSPs) and hybrid resellers
- Strong heritage as the "go to" distributor for cyber security in Ireland counting industry leading suppliers such as Alludo, Bullwall, Censornet, Opentext, Progress Software, Proofpoint, Solarwinds, Sonicwall, WatchGuard and others
- Broad range of Cyber Security solutions and knowledge ensures strong vendor partnership and customer longevity; a strong portion of the business is recurring through either annual renewals or a growing monthly billing MSP element
- The board of directors of Northamber (the **"Board"**) believe that Renaissance has a strong opportunity to build on the existing recurring revenues business and presents a strong, scalable business with potential for strong organic growth
- In line with the strategy of building on Northamber's core technology pillars of AV, UC&C, Cyber Security & Infrastructure Solutions, including outside the UK, through organic growth and via strategic acquisitions

The Directors believe the Acquisition will:

- build on Northamber's almost 30 year heritage in Cyber Security; a core strategic focus area for the Group
- provide European expansion, especially into the Irish market, following the recent acquisition of Tempura Communications which has an Irish and Dutch Subsidiary;
- provide strong cross selling opportunities in Ireland with an enhanced offering in audio-visual, unified communications, and cyber solutions and services; and
- be value enhancing in the first full year of ownership (FY25), before consideration of potential synergies, with an expectation that it will be earnings enhancing from the second year of ownership (FY26).

Acquisition terms

Total consideration of up to €0.9 million, comprises:

- €0.6 million in cash (**"Initial Cash Consideration"**) paid following completion of the Acquisition (**"Completion"**).
- Performance based contingent consideration of up to a maximum of €0.3 million (**"Contingent Consideration"**), based on the EBITDA for three financial periods ending 30 June 2025, 2026 and 2027. If it becomes due, the Contingent Consideration will be paid in three instalments with the final payment due to be made following completion of the audit of the enlarged group's accounts for the financial year ended 30 June 2027.

The Initial Cash Consideration will be funded from Northamber's existing available cash and debt facilities. The Company anticipates that the Contingent Consideration will be paid in the same way.

The SPA contains certain customary warranties and tax indemnities given by the Sellers in relation to Renaissance and its business, subject to agreed limitations.

Following the Acquisition, the Renaissance business will become a wholly owned subsidiary of the Company.

Michael Conway and his team have agreed to continue with the business to assist initially with the integration of Renaissance into the Northamber group and thereafter to drive growth in the Company's activities in Ireland, following the recent acquisition of Tempura Communications.

About Renaissance

Renaissance has been a trusted partner to Irish resellers and their customers for over 30 years. With the introduction of new, cutting-edge, and industry-leading Cyber Security and Compliance solutions in Ireland over the past five years, Renaissance has created a security ecosystem linking its Vendors, Value Added Resellers and End Users. Renaissance has built its reputation by offering leading-edge market technologies, excellent pre/post sales service to its extensive network base, and an ongoing desire to bring added value to its customers. The Renaissance team has founded and continues to run the Cyber Expo & Conference Ireland, now in its seventh year.

Based on the audited accounts for the year ended 30 June 2023, Renaissance had revenues of €5.15 million, Gross Profit of €0.99 million and a loss before tax of €0.02 million; net assets were €0.35 million. For the year ended 30 June 2024, Renaissance has seen a strong improvement in trading with revenues expected to be approximately 20 per cent. ahead of the prior year, accompanied by a move into profitability, with profits before tax of approximately €0.06 million for the 5 months ended 31 May 2024 (based on unaudited management accounts).

Strategic Rationale for the Acquisition

Northamber has been a UK distributor of Cyber Security for 30 years, working with leading brands like WatchGuard in the UK for over 25 years. The Board believes that the Acquisition of Renaissance alongside the Tempura Communications acquisition earlier this year, which also had an Irish presence for its UC&C business, allows Northamber to bring its focus technologies of Cyber Security, Network Infrastructure, Audio Visual and UC&C into the Irish market and build a stronger European presence. The Board believes that the terms of the Acquisition, and the valuation of Renaissance, are attractive given the opportunities to diversify the Group's International footprint whilst increasing on our focus technology areas. The Board sees scope to leverage existing resources to accelerate growth via sharing best practice and expertise across the portfolio companies.

As with the recent acquisition of Tempura Communications, the acquisition of another well-established business further serves to expand the Group's service offering, with opportunities for growth in Ireland through marketing efforts, additional nationwide partners and cross-selling.

Alex Phillips, Executive Chairman of Northamber, commented:

"Having known Michael and the reputation of Renaissance for many years I am thrilled to be welcoming Renaissance into the Northamber Group. There is a very strong alignment between the values and approaches of the two companies and the importance we place on proactively bringing Cyber Security solutions to our partners. I am looking forward to working with Michael and his team to continue building the Renaissance business in Ireland."

Michael Conway, Managing Director of Renaissance, stated:

"To sustain our growth ambitions and to further enhance our value to the vendors that we represent and to our clients and their customers whose cyber protection is the priority, we continuously need to add capability, partnerships, and scale. We concluded that the most effective way to achieve this was to be acquired by a company matching our requirements and objectives. Northamber is just such a company that has the portfolio, reach, financial strength, and expertise to accelerate the pace at which Renaissance can increase our relevance to our clients."

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