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Modrus to join Nasstar Group of companies

Hosted managed services specialist Modrus has today announced that it has been acquired by Telford-based Nasstar PLC.

Following the reverse takeover of Hosted Desktop supplier Nasstar in January 2014, the acquisition of Kamanchi 6 months later, and the subsequent addition of VESK in October 2015, the hosted managed and cloud computing services provider Nasstar has been pursuing a strategy of organic growth augmented by selective acquisitions; bringing Modrus into the Nasstar PLC group of companies is the further fruits of that policy.

Modrus was founded in 2004 and is a provider of managed IT services and telecoms to SMEs, offering a comprehensive cloud service including virtual desktop, managed exchange and internet based telephony services, overlaid with full connectivity services. With a strong and loyal customer base, 86% recurring revenue, and a balanced portfolio of managed and hosted services, Modrus has strong systems and processes including full 24x7 in person support delivered by its team in Auckland, New Zealand. It employs 43 people in the UK working from its Bournemouth headquarters and 4 in the New Zealand office, consequently taking the Enlarged Group employment numbers to a total of 191.

The acquisition of Modrus adds a further 140 managed service clients to Nasstar's Hosted Desktop community whilst securing a foothold in two of its key existing vertical markets as well as extending its reach into new markets, such as media, property service and Independent Software Vendors (ISVs).

Edward Armitage, Managing Director of Modrus, comments:

"We are extremely excited to be joining the Nasstar group of companies. Combining two leading professional services IT businesses in this way can only strengthen Modrus's ability to respond to its customers' needs at an exciting growth time for the SME services market. The acquisition provides Modrus with access to expanded technical resource within Nasstar as well as enhanced marketing and sales capability. On a personal note, I am delighted to join the Nasstar leadership team and look forward to working with the team to build an even stronger, market leading managed services business."

Nigel Redwood, Chief Executive Officer of Nasstar, comments:

"Since the end of 2013 we have taken Nasstar PLC from a £2.5M turnover loss making business into a profitable Group (adjusted) with a market cap of almost £50m and the Modrus acquisition represents a significant step in our acquisition strategy to increase our 'go to market' verticals and further

diversify our customer base. Modrus introduces three new target market verticals to Nasstar's product suite – media, property services and ISVs whilst adding further penetration in financial services and recruitment. This acquisition represents a highly complementary fit with obvious synergies within licensing costs and data centre consolidation. We are delighted that our placing to raise £13.3m has been well supported by both new and existing institutional investors."

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