



Coms PLC

Formation of New Subsidiary

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16 December 2013

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**Coms plc
("Coms" or the "Company")
Coms establishes new subsidiary following double acquisition**

Coms plc (AIM: COMS) announces the formation of a new subsidiary, Coms Media Ltd, following the acquisition of the media, design and animation specialist companies Clicks Media Studios Ltd and Darkside Animations Ltd.

Coms has agreed to pay a combined consideration of £167,000 cash which will be funded from the Company's existing cash resources plus £175,000 in shares at a price of 4.5 pence per share. The owners of both businesses will become Coms employees and have been restricted from selling any of the consideration shares for at least 3 months post transaction.

Through these acquisitions the Company has established a unique in-house capability, which will further strengthen Coms' abilities to produce new, exciting and dynamic content in its established markets of cloud based solutions, hosted telephony, broadband and mobile. Both Clicks Media Studios Ltd and Darkside Animations Ltd have established a successful track record in delivering cutting edge content for digital and non-digital environments to a wide client base which includes BBC, ITV, Virgin Media, Discovery Channel, National Geographic, Saatchi, Google, Warner Brothers, Channel 5, Universal Studios, Disney and Rolls Royce.

Through Coms Media these companies will:

- provide Coms and its customers with a unique in-house creative capability, including branding, video production, media services, radio and TV advertising expertise, digital applications, merchandise implementation and presentation production. This is not an exhaustive list; all output will ensure Coms and its customers have a dedicated marketing resource that stands out to define each respective brand; and
- offer commercial benefits to clients and channel partners-prospective and current - by providing a full suite of communications products and services from managed services to hardware to

creative output. As an example this might include provision of everything from broadband, VOIP telephony and mobile to websites, apps and customer engagement campaigns using cutting edge digital technology. Through these acquisitions, multiple touchpoints will be created enhancing opportunities to buy and engage with the Company.

Dave Breith, CEO of Coms commented "The expertise, specialist skills and capabilities we have acquired today are becoming increasingly important and include CGi (Computer Generated imagery), Augmented Reality and other standout marketing techniques and Coms intends to fully exploit these media channels to enhance brand recognition and viral marketing. Whilst Coms already has a strong brand, and a potentially valuable portfolio of domain names, these acquisitions will enable the Company to increase significantly its own brand awareness through state of the art, intelligent media channels as well as offering similar services to its customer base."

"The establishment of Coms Media Ltd provides more complementary services to our clients, whilst offering our growing marketing team access to the very best talent and skills in order to produce the first class content that has proven to be a differentiator in IT and telecoms. All the businesses within Coms plc including Coms.com, Coms Mobile, Coms Wholesale, Redstone, World Telecom, Premium O and ADSL24 will benefit from these acquisitions."

Iain Ross, Chairman of Coms, stated: "The purchases of Clicks Media Studios Ltd and Darkside Animations Ltd concludes our acquisition programme for 2013 and over the coming months Dave Breith and his team will concentrate upon integrating these acquisitions and focus on driving organic growth and securing further contracts wins. This is not only hugely exciting but demonstrates our desire to grow our entire business in a manner that sets us apart from our competition."

An application will be made to the London Stock Exchange for the 3,888,885 new ordinary shares to be admitted to trade on AIM and it is expected that dealings will commence on 27 December 2013. These shares will rank pari passu in all respects with the existing issued Ordinary Shares in the Company. The Company's enlarged issued ordinary share capital immediately following the issue of these shares will be 797,235,218 Ordinary Shares. This figure may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in interest in, the share capital of the Company under the Disclosure and Transparency Rules.

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Notes to Editors

About Coms plc

Established in 2005, Coms is an end-to-end provider of telecommunications and IT services to business and industry. From hosted VoIP telephony to smart buildings to broadband to business infrastructure, Coms offers an unrivalled service built on innovation, passion and dedication. Unlike most VoIP providers, Coms does not rely on third party providers and we own and operate a UK based Carrier Class telephony platform. For more information, please visit www.coms.com

About Clicks Media Studios Ltd

Clicks Media Studios offer complete media production services. From traditional video and audio production to augmented reality, apps and games, they have the team to deliver on time and on budget.

About Darkside Animations Ltd

Darkside Animations Ltd has built its business and operational model to be competitive with animation studios in UK, Canada, continental Europe, Korea and Japan. Darkside Studios have four divisions: Darkside Animation, Darkside Labs, Darkside Films and Darkside Live.

This information is provided by RNS
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