

1 June 2016

Solid State plc
("Solid State", the "Company" or the "Group")

**Acquisition of Custom Batteries business
Creasefield Limited for £1.54 million**

Solid State plc (AIM: SOLI), the AIM listed supplier of specialist industrial/ruggedised computers, electronic components, secure communications systems and battery power solutions to the electronics market, is pleased to announce the acquisition of Creasefield Limited ("Creasefield"), a complementary custom batteries business, for a maximum consideration of £1.54 million.

The Company has acquired the entire issued share capital of Creasefield for a cash consideration of £1.54 million, subject to a net asset value adjustment once completion accounts have been finalised. £1.40 million will be paid on completion from the Group's existing bank facilities with a further £140,000 payable once completion accounts are agreed assuming net assets are £840,000.

Creasefield specialises in the design and manufacture of custom battery packs to a diverse range of industry sectors principally in the UK, including; Commercial Aerospace; Oil & Gas; Medical; Subsea; Safety; Water; Rail; Military; Security and Government. The operations of Creasefield are highly complementary to the existing battery operations at Solid State and will allow for wider use of IP, design and engineering capability, cross-selling of existing products and development of sales into new markets.

For the 12 months to 31 March 2015, Creasefield generated unaudited profits before interest and tax of £735,000 on turnover of £5.87 million. Management accounts for the 12 months to 31 March 2016 recorded a loss before interest and tax of approximately £60,000 on turnover of approximately £4.82 million. As at 31 March 2016 Creasefield had unaudited net assets of approximately £827,000 (31 March 2015: £927,000). The Directors expect that Creasefield will make a limited but positive contribution to the performance of the Group as a whole for the remainder of this fiscal year ending 31 March 2017 after integration costs and a more significant contribution in the year to 31 March 2018.

Commenting on the acquisition, Gary Marsh, Chief Executive of Solid State said:

"We have a stated ambition of growing both organically and by making selected complementary acquisitions. Creasefield is a specialist in a field where Solid State already has a successful business. The aggregation of these two battery operations creates a business that will be a significant force in its market. With a broader sector spread and a greater depth of design and production capability, we expect the enlarged division to be able to further exploit new opportunities in this specialist field. We are increasing our marketing resource to support the technical teams and anticipate a successful future for the batteries business."

Results & Investor Lunch:

The results for the year ended 31 March 2016 are expected to be announced on 5 July 2016. Solid State will be holding an Investor Lunch in London on Wednesday 6 July for Private Client Investment Managers and Private Investors. Those wishing to attend should contact Tom Cooper on tom.cooper@walbrookpr.com or 0797 122 1972 for further details.

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Notes to Editors:

Solid State plc (SOLI) is a leading value added group of companies providing specialist design-in and manufacturing services to those acquiring industrial/rugged computing products, battery power solutions, secure communications systems and electronic components for use in harsh environments.

Serving niche markets in oil & gas production, medical, construction, security, military and field maintenance, Solid State acts as both a distributor to OEMs and bespoke manufacturer of specialist units to clients with complex requirements.

Headquartered in Redditch, Solid State employs over 150 staff across five sites. Solid State operates through two main divisions: Solid State Supplies and Steatite.

Solid State was established in 1971 and admitted to AIM in June 1996.