

8 October 2015

Idox plc
("Idox", the "Company" or the "Group")

Acquisition of Reading Room Ltd

Idox plc (AIM: IDOX), a leading independent supplier of software & services, is pleased to announce that it has acquired the entire issued share capital of Reading Room Ltd ("Reading Room") (the "Acquisition"). The maximum total consideration for the Acquisition is approximately £5.6 million including costs, and is to be paid using the Company's existing debt facilities. This figure is subject to adjustment based on the working capital and indebtedness of Reading Room as at 8 October 2015.

Through the Acquisition of Reading Room, Idox will be acquiring the company's trading entities in London and Manchester. Idox will not be acquiring Reading Room's Asia Pacific subsidiaries.

Reading Room, founded in 1996, is a digital consultancy business with a focus on delivering websites and digital services that enable its customers to make critical shifts into digital business and client engagement. It has an international reputation for its award winning and innovative approaches to strategic consultancy, design, and technical delivery.

The Acquisition is expected to support and accelerate the development of the new online platforms already being developed by the Group, including the Local Government iApply initiative, and will also support ongoing improvement in user-experience within the Group's existing product suites.

The Reading Room business will be fully integrated into the Idox business in the medium term and the Company expects there to be synergies resulting in cost savings across both businesses. For its financial year ended 31 March 2015, Reading Room reported, for the businesses being acquired, as yet unaudited revenue of approximately £9.8 million, with EBITDA of approximately £0.3 million and a loss before tax of approximately £0.1m. As at 31 March 2015 net assets were

£1.4m.

The Directors believe that Reading Room has an outstanding client list, working with many public bodies, including - Kew Gardens, HMRC, the NHS, West Yorkshire Police, Edinburgh Napier University, Big Lottery Fund, Visit England, Knowsley Borough Council - through to large corporates such as, ŠKODA, Nationwide Building Society, Taylor Wimpey, National Football Museum, and Victim Support.

Richard Kellett-Clarke, CEO of Idox, commented: "The acquisition of Reading Room is a major step in our strategy to build a sophisticated digital platform from which we can leverage our sector and domain knowledge to provide value adding solutions across the UK and Europe."

Sarah Vick, Managing Director at Reading Room, commented: "I am delighted that we have joined the Idox Group, with all the opportunities that will become available to us from being part of such a business. It is a great fit for us and the beginning of an exciting new era for Reading Room."

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About Idox plc

Idox plc is a supplier of specialist document management collaboration solutions and services to the public sector and increasingly to highly regulated asset intensive industries around the world in the wider corporate sector.

Its Public Sector Software Division is the leading applications provider to UK local government for core functions relating to land, people and property, such as its market leading planning systems and election

management software. Over 90% of UK local authorities are now customers. The Division provides public sector organisations with tools to manage information and knowledge, documents, content, business processes and workflow as well as connecting directly with the citizen via the web, and providing elections management solutions. It also supplies in the UK and internationally, decision support content such as grants and planning policy information and corporates compliance services.

The Engineering Information Management Division delivers engineering document control, project collaboration and facility management applications to many leading companies in industries such as oil & gas, architecture and construction, mining, utilities, pharmaceuticals and transportation in North America and around the world.

The Group employs over 560 staff located in the UK, the USA, Canada, Europe, India and Australia.

This information is provided by RNS
The company news service from the London Stock Exchange

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