

26 July 2016

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

## **Acquisition of Open Objects Software Ltd**

### **Significant expansion in important Social Care domain**

Idox plc (AIM: IDOX), a leading supplier of specialist information management solutions and services, is pleased to announce that it has acquired the entire issued share capital of Open Objects Software Limited ("Open Objects") (the "Acquisition") for up to £5.2 million. The acquisition is in line with Idox's target of achieving £100m of revenues at sustainable margins in the short to medium term, through a combination of organic growth and acquisitions.

#### **Reasons for and benefits of the Acquisition**

Open Objects provides digital services for the public sector specialising in social care and health. It is a market leader in the provision of adult social care and family services software and services to local authorities and also supplies health bodies and Third Sector organisations in the UK. Its customers include around 60% of the top tier Local Authorities in England including Manchester City Council, Kent County Council and the London Borough of Hackney.

Open Objects delivers a wide range of managed cloud services including Information, Advice and Guidance Hubs, Social Care Marketplaces, Special Educational Needs Hubs, Online Care Assessments and Practitioner Portals. Its SAAS solutions provide innovative search and database-driven websites.

The Acquisition supports the Group's strategy of extending its public sector domains and expanding its delivery of digital services across all areas of local government. Idox has a limited existing presence in social care (in document management and workflow) and this acquisition is expected to enable the Group to increase significantly its market share in this important domain. Overall, it will enable the Group to offer an increased range of value enhancing services to all its customers.

The Open Objects business will be fully integrated into Idox and rebranded in line with the Group's strong integration track record. The

business, which employs 36 staff, will remain based in Cambridge and be managed by its existing team. For its financial year ended 31 March 2016, Open Objects reported revenue of £2.9 million and an operating profit of £0.63 million, with EBITDA of £0.63 million. Net assets were £0.78million and it is being acquired on a debt free / cash free basis. The Acquisition is expected to be earnings enhancing in the first full year of ownership.

**Richard Kellett-Clarke, CEO of Idox, commented:** "The acquisition of market leading Open Objects significantly enhances our existing presence in the important social care domain. It supports our strategy to extend our public sector domains as well as increasing our capability to deliver digital services across all areas of local government. It is expected to be earnings enhancing and to support our target of achieving £100m of revenues in the short term to medium term."

### **Terms of the Acquisition**

The maximum total consideration for the Acquisition, including deferred consideration, is approximately £5.2 million including costs, and is to be paid using the Company's existing debt facilities and the issue of new ordinary shares of 1 pence each of the Company ("Ordinary Shares") to the vendors. Consideration payable on completion comprised £2.4 million in cash and £1.2 million of new Ordinary Shares of the Company. Deferred consideration of up to £1.6 million will be payable in cash upon meeting specified revenue targets over the period of 12 months from 1 April 2017 to 31 March 2018. Any deferred consideration due will be paid no later than 30 June 2018.

Pursuant to the Acquisition, 1,904,762 new Ordinary Shares have been issued, based on the midpoint of the Bid and Offer prices at the close of trading on 22 July 2016, the latest practicable date prior to completion. Application has been made to the London Stock Exchange for the 1,904,762 new Ordinary Shares, which will rank pari passu with the existing Ordinary Shares in issue, to be admitted to trading on AIM and admission is expected to become effective on or around 29 July 2016.

Following the issue of the new Ordinary Shares, the Company's total issued share capital is 364,012,063 Ordinary Shares. The Company holds 3,011,219 Ordinary Shares in treasury. Therefore the total number of Ordinary Shares in issue excluding shares held in treasury is 361,000,844

The above figure of 361,000,844 Ordinary Shares 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 to their interest in, the share capital of the Company under the FCA's Disclosure and Transparency Rules.

*This announcement contains inside information for the purposes of*

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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 660 staff located in the UK, the USA, Canada, Europe, India and Australia.

For more information see [www.idoxplc.com](http://www.idoxplc.com).

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

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