

19 March 2021

Idox plc
('Idox' or the 'Group' or the 'Company')
Disposal of Idox Grants Consultancy business
Marks successful disposal of Idox's Content division

Idox plc (AIM: IDOX), a leading supplier of specialist information management software and solutions to the public and asset-intensive sectors, today announces that it has agreed the disposal of its Netherlands based Grants Consultancy and databases business, to an affiliate of SilverTree Equity Partners, a leading software and technology focused private equity firm. The deal is expected to complete by 6 April 2021, and total consideration of up to €8.14m comprises:

- o An initial €4.25m of cash, payable on completion;
- o Earn-out of up to €1.0m of cash payable in respect of the FY21 financial performance;
- o A 6% non-amortising loan note of €1.39m and a further earn-out of up to €1.50m of cash, both contingent upon return thresholds being met and payable on any subsequent acquisition of the business.

Based in the Netherlands, Idox's Grants Consultancy is one of the country's leading providers of innovation funding consultancy and data and employs 67 people. The business reported revenues of £5.5m, an adjusted EBITDA contribution of £1.1m and PBT of £0.2m in Idox's financial year ended 31 October 2020. Gross assets as at 31 October 2020 were £8.7m. The disposal is anticipated to generate a profit on sale of £0.9m in the Group's current financial year.

Following the recent sale of Idox Compliance, the sale of the Grants Consultancy business marks the disposal of the remaining business within Idox's Content Division, with the Group now exclusively focused on its core Idox Software activities.

The proceeds of the Grants Consultancy business, together with the proceeds of the disposal of Idox Compliance, will be utilised to reduce Idox's net debt (which stood at £16.1m as at 31 October 2020) and to continue to invest its organic and inorganic growth strategy.

David Meaden, CEO of Idox said:

"This transaction signifies a continuation of our strategy as we continue to work on the organisational simplification aspect of our Four Pillars framework, whilst reducing net debt and investing in growth.

"The disposal of the Grants Consultancy business, and wider Idox Content

division, reflects our ongoing commitment to create value as a public sector focused organisation. Whilst we have been pleased with Idox Content's performance, we believe the disposal is a good opportunity for the team to continue their success with more relevant owners in order to realise its own ambitions."

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

The person responsible for making this notification is Ruth Paterson, Company Secretary.

-Ends-

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About Idox plc

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