

07 June 2021

Idox plc

('Idox' or the 'Group' or the 'Company')

Acquisition

Idox acquires Aligned Assets, a UK based public sector software business

Idox plc (AIM: IDOX), a leading supplier of specialist information management software and solutions to the public and asset-intensive sectors, is pleased to announce the acquisition of Aligned Assets Holdco Limited ("Aligned Assets"), a UK based public sector software business.

Highlights

- Acquisition enhances Idox's leading offering to local authorities
- Builds on public sector software focused growth strategy, following disposal of Content division
- Initial cash consideration of £7.5m paid from Idox's existing resources
- Expected to be immediately earnings enhancing

Financials

Initial cash consideration is £7.5m, increasing to a total maximum of £10.5m, comprising earn-out amounts of up to £1.5m payable in cash and £1.5m payable in equity over two years. The size of earn-out is dependent on progress against targets associated with retention of existing recurring revenues, winning new revenues, and delivery of technical advancements and integrations with the existing Idox Group product set. The consideration will be funded from Idox's existing financial resources, which were bolstered by the disposal of its Content division in March 2021.

About Aligned Assets

A well-established software business with high levels of recurring revenue, Aligned Assets has provided software solutions to local authorities and a range of other public and private sectors for Address Management Solutions for over 20 years.

As market leaders in the address management field, Aligned Assets provide cutting edge solutions ranging from high-speed matching and cleansing, to sub-second predictive searching, as well as solutions for managing, sharing and viewing address data including in augmented reality. For local authorities, the business provides specialist cloud-based solutions for creating and managing Local Land and Property Gazetteers (LLPG) and Local Streets Gazetteers (LSG), as well as street naming and numbering.

Aligned Assets is based in Woking and has 24 employees. As part of the acquisition, both Aligned Assets Directors will continue in their current roles as

part of the Idox Group.

Significant benefits to Idox

The acquisition of Aligned Assets will enhance Idox's market leading offering to local authorities in relation to the built environment and is in line with Idox's acquisition criteria of purchasing UK based, public sector focused businesses with strong internal IP. The product set of Aligned Assets is complimentary to Idox Cloud and will support future organic growth in this area.

It is expected to be immediately earnings enhancing and the Board believes there is scope to deliver attractive profit growth over the medium term through a range of commercial synergies.

David Meaden, CEO of Idox commented:

"This is a valuable acquisition for Idox that builds on our public sector software focused growth strategy. Having recommended Aligned Assets to existing customers to use alongside our own built environment software, the acquisition will enhance and optimise our current offering and is a natural fit.

"We look forward to welcoming the Aligned Assets team to Idox and are confident that the combination will drive value for the customers of both organisations and for shareholders."

Notes:

For the year ended 31 March 2020, Aligned Assets reported revenues of £2.2m and PBT of £0.8m. Net assets at 31 March 2020 were £2.3m. For the year ended 31 March 2021, Aligned Assets expects to report revenues of £2.7m, of which 75% are recurring and £1.4m of EBITDA, under Idox's accounting policies, with gross assets of £0.4m. Aligned Assets is majority owned and controlled by its four directors Andy Hird, Dinesh Thanigasalam, Carl Nunn and Phillip Gee who control 94% of the shares, with certain individuals making up the other 6%.

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-

Enquiries:

Idox plc

+44 (0) 870 333 7101

Chris Stone, Non-Executive Chairman
David Meaden, Chief Executive
Rob Grubb, Chief Financial Officer

Peel Hunt LLP (NOMAD and Broker) **7418 8900**

+44 (0) 20

Edward Knight
Paul Gillam
Nick Prowting

MHP Communications

+44 (0) 203 128 8170

Reg Hoare / James Bavister / Amy O'Sullivan
idox@mhpc.com

About Idox plc

For more information see www.idoxplc.com @Idoxgroup

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