



**Ideagen PLC - IDEA Acquisition of InspectionXpert Inc.**

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Ideagen PLC

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**Ideagen PLC**

("Ideagen" "the Company" or "the Group")

**Acquisition of InspectionXpert Inc**

Ideagen PLC (AIM: IDEA), a leading supplier of Information Management software to highly regulated industries, is pleased to announce the acquisition of the entire issued share capital of US company, InspectionXpert Inc ("IX") for a total consideration of up to \$7m (the "Acquisition").

**Highlights**

- IX is a profitable and growing Software as a Service (SaaS) company that has developed a digital Quality Inspection solution for the advanced engineering and manufacturing sector;
- IX has in excess of 1,000 customers, comprising both SME and Global Tier 1 businesses, including Pratt and Whitney, General Dynamics, Boeing, NASA and Virgin Galactica
- Based in Raleigh, North Carolina, IX currently employs 15 people, who will all join Ideagen;
- This acquisition supports the Group's global growth strategy and consolidates its position within the fast-growing Quality Inspection market;
- On a current run rate IX is generating approximately \$2.8m in revenues of which \$2.7m is recurring SaaS revenue;
- EBITDA for the Last Twelve Months (LTM) to June 2018 was \$0.2m; and
- The Acquisition is expected to be earnings neutral in this financial year and in the first full year of ownership will contribute \$0.7m additional EBITDA, following the realisation of identified synergies.

**Consideration for the Acquisition**

The total consideration payable is up to \$7 million in cash as follows:

- \$5m is payable on completion;
- \$1m is deferred for 12 months; and

- an earn out of up to \$1m is payable in December 2019 subject to the achievement of certain performance targets.

The consideration will be funded from the Group's existing cash reserves and debt facility.

**David Hornsby, Executive Chairman of Ideagen, commented;** "IX is a valuable addition to Ideagen and is in line with our strategy of acquiring GRC business that have strong IP and healthy recurring revenues. Increasingly OEM's are driving automated inspection initiatives through their supply chains in order to reduce costs and improve product quality. This acquisition further consolidates our position within the fast-growing Quality market and strengthens our US presence."

The information communicated in this announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) No. 596/2014.

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