



Acquisition of Huddle

IDEAGEN PLC

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

Acquisition of Huddle

Ideagen PLC (AIM: IDEA), a leading supplier of regulatory and compliance software is pleased to announce the acquisition of Harmony UK Holdings Limited ("Harmony"), known in the marketplace by its product name Huddle (www.huddle.com) (the "Acquisition").

Acquisition Highlights

- Huddle is a SaaS-based secure content collaboration and workflow solution with customers across highly regulated sectors such as accountancy and governments
- Used by approximately 380 customers including FAA, Baker Tilly, the National Audit Office, EDF Energy, Department of Defense (DoD), UK Home Office and multiple NHS Trusts
- Harmony is profitable and cash generative and is expected to be earnings enhancing for Ideagen in the current financial year
- Provides Ideagen with a strong organic growth opportunity as part of our Document Collaboration and Compliance product suite
- Harmony's current annualised run rate revenues are approximately £10.5m of which in excess of 99% is recurring
- It is anticipated that Harmony will add approximately £3.5m of EBITDA to the Group in its first full financial year of ownership (being the year to 30 April 2022) after integration and rationalization of its run-rate annual cost base of approximately £8m
- Gross consideration of £28.1m payable in cash on completion to be funded by existing resources and the proceeds of recent placing

About Harmony and Huddle

Harmony is a leading provider of SaaS solutions to a number of highly regulated sectors including UK and US Government, Healthcare and Accountancy. Harmony is known in the marketplace by its product name Huddle. Founded in 2006, Huddle has an established position as a leading supplier of SaaS based secure content collaboration and workflow solutions primarily in the UK and USA.

The Company expects that the acceleration towards an enhanced Digital Workplace will provide increased demand as organizations look for deep and effective communication with their clients, suppliers, contractors and partners within a secure environment.

Harmony is currently generating annualised run-rate revenues of approximately £10.5m and approximately £2.5m of adjusted run-rate EBITDA. The Group expects that the Acquisition will add revenue of approximately £11m and a contribution to the Group's adjusted EBITDA of £3.5m (including c.£0.5m of R&D capitalization in line with the Group's policies) in the year to 30 April 2022 (being the first full financial year of ownership). Harmony is expected to make a contribution of approximately £0.7m to the Group's adjusted EBITDA for the current financial year to 30 April 2021.

Harmony currently employs 59 people in the UK, USA and South Africa.

Harmony's most recent available audited accounts are for the 17 month period ended 31 December 2018 in which period Harmony reported revenue of £15.2m, a comprehensive loss of £1.7m and net assets of £9.85m.

Strategic rationale for Acquisition

Bringing together Huddle and Ideagen PleaseReview will result in a compelling offering of secure document collaboration and compliance software that will meet the needs of the toughest regulatory environment. Following the Acquisition, the Group will be extremely well placed to take advantage of the ongoing growth in regulatory requirements and the increased need for people to be able to work across an extended enterprise, while maintaining the ability to collaborate on projects.

PleaseReview is used by 35 out of 50 of the world's leading life science companies and will benefit from the intelligent workspace, workflows and integrated collaboration capabilities of Huddle. Huddle will benefit from PleaseReview's market leading real time content creation, co-authoring and approval processes.

Both applications already provide high levels of compliance and security making it simple and secure to work with anyone, inside or outside the organization even when working remotely. Strong integrations with key providers such as Microsoft Office (including O365), Google for Work apps and Slack will continue to support compliant digital experiences to unlock even greater growth, or to simply improve user productivity.

This opportunity in the emerging regulated collaboration space as a result of the change in working practices due to COVID is being seen across all our key markets.

Examples of Huddle use cases:

Client Portal - Enables accountancy firms to build a branded collaborative space through which they can securely engage with clients. Huddle provides a deep digital experience providing full, centralized visibility of information and a single point of entry. Example customers KPMG, Baker Tilly.

Supply Chain Portal - Enables OEMs to control their brand and protect IP., used by organizations that need to structure and add efficiency to their operational and contracting aspects of supplier management. Example customers NGK.

US Government Contractor Portal - Replaces legacy email, file sharing and tasking apps within an approved Federal Risk and Authorization Management Program (**FedRAMP**) environment to enable US Contractors to work seamlessly with their customers. Meets all security standards data protection ensuring compliance with the federal governments cloud smart policy - Example customer NASA.

Government Multi Agency Collaboration - Government agencies need to work together to deliver programmes across an extended and complex environment, which can be challenging due to information silos across disconnected IT systems. Huddle provides a simple, and secure way to connect agency teams between firewalls and is accredited for use across the U.S and UK Government. Example customer Federal Aviation Authority.

Consideration for the Acquisition

The gross cash consideration payable on completion for the Acquisition is approximately £28.1m, being approximately \$38m converted with the benefit of a foreign exchange hedge. The consideration will be funded from the Company's existing cash resources. The Acquisition will complete in approximately 10 days after satisfaction of certain procedural steps to be taken amongst Harmony's shareholders.

David Hornsby, Executive Chairman of Ideagen commented:

"We are delighted to announce the acquisition of Huddle. It has a resilient business model, a quality customer base, outstanding technology and a strong team. Huddle will be an important product for Ideagen as we integrate the software with PleaseReview to deliver a broader and deeper Document Collaboration and Compliance proposition to our customer base and accelerate ARR growth."

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About Ideagen plc

About Ideagen plc Ideagen is a UK-headquartered, global technology company quoted on the London Stock Exchange AIM market (Ticker: IDEA.L).

A global supplier of regulatory and compliance solutions, Ideagen provides a common software platform and an integrated risk- based approach to meet multi-industry standards, enabling compliance with relevant laws, policies, and regulations.

The Group provides software and services to organisations operating within highly regulated industries such as life sciences, healthcare, banking and finance, insurance, aviation, and aerospace and defence, with its main operational premises spread throughout the UK, EU, US, Middle East and SE Asia.

Currently, more than 5,700 organisations use Ideagen's products including eight of the top 10 UK accounting firms, all of the top aerospace and defence companies and 75% of the world's leading pharmaceutical firms. Ideagen's diverse and varied customer base includes many well-known, global brands such as British Airways, Aggreko, BAE, Ryanair, US Navy, KLM, BBVA, Bank of New York, Commerzbank, Meggitt, Heineken, Johnson Matthey, Haeco Group and European Central Bank. As well as this, Ideagen counts 250 hospitals across the UK and US amongst its client base. For further information please visit www.ideagen.com.

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