



Acquisition of Qualtrax

IDEAGEN PLC

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Ideagen PLC

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

Acquisition of Qualtrax

Ideagen PLC (AIM: IDEA), a leading supplier of regulatory and compliance software, is pleased to announce the acquisition of Qualtrax Inc ("Qualtrax" and "the Acquisition") to further extend the Group's presence in the United States for a total net cash consideration of approximately \$14.9 million.

Acquisition Highlights

- Qualtrax is a fast-growing supplier of QHSE to a number of highly regulated industries including laboratory services, manufacturing and aerospace
- 350 clients, including WalMart, the D.C. Office of the Chief Medical Examiner, Colorado Bureau of Investigation and the Arkansas State Crime Lab
- Currently employs 40 people from its office in Blacksburg, Virginia which will become Ideagen's new US HQ
- Qualtrax's current Annualised Recurring Revenue (ARR) book is approximately \$5.1 million of which over 90% is SaaS

About Qualtrax

Founded in 1993, Qualtrax is a provider of QHSE (quality, health, safety and environmental) compliance software specialising on the laboratory, manufacturing and aerospace sectors. The business is based in Virginia, USA, from where it services 350 customers including WalMart, the D.C. Office of the Chief Medical Examiner, Colorado Bureau of Investigation, and the Arkansas State Crime Lab. In recent years Qualtrax has successfully transitioned its business model such that over 90% of revenue is currently delivered as SaaS.

The Qualtrax management team will remain in place to lead Ideagen's expansion in the USA. Building on the Group's established US platforms of IX and Medforce, the acquisition will strengthen and consolidate Ideagen's operations in this core growth geography, which already accounts for around 35% of Group revenue. Qualtrax's base in Virginia will become Ideagen's North American headquarters and the 40 Qualtrax employees are expected to transition to Ideagen.

Qualtrax recorded revenue of approximately \$5.2 million for the year ended 31 December 2020, growing from \$4.5 million in the previous year, and modestly positive EBITDA. Qualtrax currently has an Annualised Recurring Revenue (ARR) book of approximately \$5.1 million, which has grown strongly over the last two financial years. Ideagen expects to maintain a double-digit revenue growth trajectory and is forecasting that Qualtrax will deliver adjusted EBITDA of approximately \$1.5 million in the first full financial year of ownership to 30 April 2022.

All financial metrics regarding Qualtrax are stated on an unaudited basis.

Consideration for the Acquisition

The consideration for the Acquisition is payable in cash on completion and calculated on a cash-free debt-free basis, amounting to approximately \$14.9 million, of which \$1.65 million is being held back in escrow for 12 months following completion. The consideration will be funded from the Company's existing resources.

Ben Dorks, Chief Executive Officer of Ideagen commented:

"I am very pleased to announce the addition of Qualtrax to our Group and the expansion of our presence in the United States. Qualtrax brings a high quality customer base, strong growth, a high level of recurring revenue and also bolsters our platform for expansion in the USA."

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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 nine 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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