

27 June 2023

Eleco Plc
("Eleco", "Group" or the "Company")

Acquisition of BestOutcome

The Board of Eleco Plc (AIM: ELCO), the AIM-listed specialist software provider for the built environment, is pleased to announce that it has acquired 100% of Buckinghamshire-based BestOutcome Limited ("BestOutcome"), a profitable, high quality SaaS business and leading UK provider of simple, scalable Project Portfolio Management (PPM) software, for an initial consideration of £4.825m in cash (an adjusted initial value of £3.525m on a cash-and-debt-free equivalent) ("the Acquisition"). The Acquisition will be exclusively financed by the Company's internal cash resources.

Strategic Highlights

- The Acquisition strengthens Eleco's Building Lifecycle portfolio, representing further progress in Eleco's growth strategy to enhance its predictable recurring revenue and to increase value to its shareholders by investing in synergistic software products and technologies.
- The Board of Eleco anticipates that the Acquisition will enhance both annualised recurring revenue and earnings in the second half of the year ending 31 December 2023 and beyond.
- BestOutcome's core products PM3 and PM3 Time are used to manage strategic programmes and multiple portfolio management projects.
- BestOutcome's 22 strong team services a nationwide customer base of over 60 active customers and has a particular strength in winning public sector business, including the NHS, universities and county councils. This gives Eleco a greater foothold in the wider built environment, while also complementing its private sector exposure.

Transaction Highlights

- The transaction includes a potential deferred consideration of £0.5m subject to the BestOutcome management team attaining specific performance targets in 2023 and 2024.
- This makes the total potential consideration to be £5.325m (an adjusted total potential consideration of £4.025m on a cash-and-debt-free equivalent).
- BestOutcome reported (SaaS-related) revenues of £2.0m for the year to 31 December 2022, and profit before tax of £0.2m, before alignment with Eleco Group Generally Accepted Accounting Principles.
- Unaudited management accounts of BestOutcome for the first five months of 2023 show revenue of approximately £0.9m and profit before tax of circa £0.2m, before alignment with Eleco Group Generally Accepted Accounting Principles.
- Cash as at end of May totalled £1.3m.
- BestOutcome will continue to operate under its own brand, known as 'BestOutcome, an ElecoSoft company'.

Jonathan Hunter, Chief Executive Officer of Eleco plc, said:

"The acquisition of BestOutcome represents another milestone in the development of Eleco as a leading provider of world-class software solutions to the built environment. The addition of BestOutcome's simple, well designed, scalable PM3 portfolio management SaaS software to Eleco's existing software portfolio will enable Eleco to meet the needs of a diverse audience in the built environment.

The incumbent directors and owners of BestOutcome have reinvested profits into building a world-class team and ensuring that the business is well-governed, achieving certification as a Great Place to Work® Cyber Essentials Plus and ISO27001 accreditation. The investment in research and development, through doubling its development team over the last few years, makes it stand out amongst its peers as a highly secure and practical solution for planning and managing programmes for customers in public and private sectors.

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We look forward to working with our new colleagues as we solve the challenges of the built environment together".

For the purposes of Article 7 of EU Regulation 596/2014, this announcement contains inside information.

For further information, please contact:

Eleco plc	+44 (0)20 7422 8000
Jonathan Hunter, Chief Executive Officer	
Neil Pritchard, Chief Financial Officer	
finnCap Limited	+44 (0)20 7220 0500
Geoff Nash/ Emily Watts/ Seamus Fricker (Corporate Finance)	
Charlotte Sutcliffe / Harriet Ward (ECM)	
SEC Newgate UK	+44 (0)20 3757 6882
Elisabeth Cowell/Bob Huxford	eleco@secnewgate.co.uk

About Eleco plc

Eleco plc is an AIM-listed (AIM: ELCO) specialist international provider of software and related services to the built environment through its operating brands ElecoSoft and Veeuze from centres of excellence in the UK, Sweden, Germany, the Netherlands and the US.

The Company's software solutions are trusted by international customers and used throughout the building lifecycle from early planning and design stages to construction, interior fit out, asset management and facilities management to support project management, estimation, visualisation, Building Information Modelling (BIM) and property management.

For further information please visit www.eleco.com.

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