

Prior to publication, the information contained within this announcement was deemed by the Company to constitute inside information as stipulated under the UK Market Abuse Regulation. With the publication of this announcement, this information is now considered to be in the public domain.

26 July 2024

**Software Circle plc
("Software Circle", the "Company" or the "Group")**

Acquisition of Link Maker Systems Limited ("Link Maker")

Software Circle plc (AIM: SFT) is pleased to announce that it has acquired the entire issued share capital of Link Maker Systems Limited. Link Maker's adoption platform joins-up children's social care across the UK to increase placement choice for children, and to improve use of data and collaboration between local authorities and adoption agencies.

The total consideration of £4.5m will be satisfied in cash and is structured on a debt free/cash free basis. The acquisition is expected to be cash flow generative and earnings enhancing in the first year after acquisition.

The initial consideration paid at completion was £3.0m. Up to a further £1.5m is payable contingent upon the achievement of certain targets relating to the future financial performance of Link Maker (the "Contingent Consideration"). Further information on the terms of the acquisition is set out below.

About Link Maker

Link Maker's platform increases placement choice for children awaiting adoption, creating a UK-wide pool of available adopters, and improving the use of data and collaboration between all adoption agencies nationwide, covering England, Scotland, and Wales.

The business has been in operation for over a decade and provides mission critical services for adoption agencies and local authorities. Over 95% of revenues arise from annual recurring fees from its clients.

The three shareholders, Craig Rigby-Wilson (Co-CEO), Andy Leary-May (Co-CEO) and Linda Hill (Operations Director) have entered into new employment contracts and will continue to lead the team of six staff.

The unaudited financial statements for Link Maker for the year ended 31 March 2024 reported revenue of £1.56m, EBIT of £0.89m and closing net assets of £0.46m. After adjustments our valuation is based upon a lower expected EBIT of approximately £0.7m.

Terms of the Acquisition

The £3.0m initial consideration was funded from existing Software Circle cash reserves.

The Contingent Consideration is dependent on Link Maker achieving certain annual recurring revenue targets and may be achieved in full or in part by exceeding those targets in the year commencing July 2025.

Gavin Cockerill, CEO said: "What Link Maker do really matters and we are extremely proud to have the team join us as the second business in our Health and Social Care segment. Together, we believe we can make children's social care more efficient, more secure and more child focussed. We're looking forward to helping Andy, Craig, Linda and the team achieve the future aims of the business."

Craig Rigby-Wilson commented: "As Andy looks to take more of a step back from the business, it was important for us to find a new owner that understood the social aims of the business. Supporting us in the development and rollout of new modules like Letter Swap, created to facilitate post-adoption contact between adopters and birth families. We're excited to see what Software Circle and Link Maker can achieve together."

Outlook

Having added Arc Technology Limited ("Arc") in February 2024, the first within our Ed Tech segment, Be The Brand Experience Limited ("Bethebrand") which completed in May 2024, and now Link Maker, we're now well on the way to deploying the capital we raised in September 2023.

We intend to deploy the remaining capital. Focussing on quality, irrespective of pace. Our strategy remains focused on identifying and acquiring businesses that align with our criteria. Further strengthening our portfolio and driving sustainable growth. We are committed to maintaining our disciplined approach to acquisitions, ensuring that each addition is aligned with our culture, enhances our overall value proposition, supports our long-term objectives and maximises Operating Cash Flow Per Share.

For further information:

Software Circle plc
Gavin Cockerill (CEO)

07968 510 662

Allenby Capital Limited (Nominated Adviser and broker)
David Hart / Piers Shimwell (Corporate Finance)
Stefano Aquilino / Joscelin Pinnington (Sales and Corporate Broking)

0203 328 5656

Notes to editors:

Software Circle plc is a UK based acquirer of vertical market software businesses. Our aim is to help founders find the right exit strategy, without fuss or drama. Continuing operations in an independent, decentralised way. Keeping the entrepreneurial spirit and culture that exists in the businesses we acquire. Providing a permanent home for their teams, management talent and culture. For more information visit www.softwarecircle.com.

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