



## Idox group and “No Deal Brexit”

### Background

The precise trading conditions that UK and EU companies would be subject to following a “no deal Brexit” are unclear. Idox is however constantly reviewing the information available and undertaking risk assessments relating to how its ability to do business is likely to be affected, and the potential risk to our customers of a “no deal Brexit”

Currently, no deal with the EU has been agreed and the facts available are based on what will happen in theory should a “no deal” scenario play out. In practice it is likely that market forces and logical common sense will mitigate the most negative examples of “post no deal Brexit” scenarios but even this cannot be guaranteed. Hence, our focus has been on planning for worst-case scenarios.

This document outlines key factors that we believe mitigate Idox group’s risk to deliver its products and services to our worldwide customer base following a “no deal Brexit”.

### Idox group organisation: product and service delivery

Idox plc delivers its products and services via wholly owned subsidiary companies registered in the countries in which it operates. In the main, this enables Idox products and staff to be sold and delivered in the countries in which we expect to need to supply products and deliver services. They include Idox companies registered in the UK, the EU (France, Germany, Netherlands, Belgium, Malta and Ireland) and countries outside of the EU (USA, India and Macedonia).

In most cases the core skills required to deliver the key products and services are located in both EU and non-EU countries. This mitigates any limitation on staff travel and the ability to export people-based services.

If any product or service agreed to be provided in the UK were to require specific skills located outside the UK – or vice versa, these skills can, in most cases, be substituted or complemented by generic skills located in the country where delivery was required. Examples would include project management, IT development, Service Desk services (e.g. first line support services) etc.



The following table lists the key business areas operated by Idox group companies, the main territories in which those products and services are provided and the group companies that provide them, as well as the territories set up to deliver them.

Market Sector	Primary Territories	Idox delivery companies	Idox Company Locations
Public Sector Software	UK	Idox Software Ltd	UK
Grant Funding	UK and EU	Idox Software Ltd Idox Netherlands BV	UK Netherlands
Health	UK and Malta	Idox Health Ltd 6PM Ltd EMcare group Malta Ltd Idox Dooel 6PM Health-Solutions Ltd	UK Malta Malta Macedonia Republic of Ireland, UK
Engineering Information Management	UK USA France North Africa	McLaren Software Ltd McLaren Software Inc Idox France SARL Idox France SARL	Scotland USA France France
Transport	Worldwide: Primarily UK, Australia, Canada	Idox Software Ltd Idox India Private Ltd	UK India
Compliance	UK and EU	Idox Germany GMBH Idox Belgium NV Idox Software Ltd	Germany Belgium UK



## Idox Partners and Suppliers

Over recent years Idox has grown via a combination of natural growth and acquisition. In many cases acquisitions have enabled Idox to enter new geographic markets as detailed in the table above. In each acquisition Idox has carried out a strict business review and assessment of existing suppliers and partners to ensure continuity and flexibility in delivery of the products and services. Specifically, this has included the territory in which Idox is permitted by its suppliers to distribute its solutions that contain those 3<sup>rd</sup> party components.

This assessment has given Idox certainty that all of its suppliers (for third-party components of products and services) in any given territory are permitted to so do, while providing certainty of the availability of suitable and reliable subcontractors within the territory, if needed.

Our key suppliers allow Idox to deliver to the territories required by the specific markets in which we operate, for example:

1. Our Public Sector Software division supplies a leading solution to UK local authorities. One key third-party component of the product is subject to an agreement with the supplier which allows that component to be distributed within the UK. The staff who supply the solution and provide services to support the solution are all based in the UK. There is currently no reason to change this approach.
2. A number of our business units use a major 3<sup>rd</sup> party database component. Idox has agreed worldwide distribution rights to specific versions of this software via relevant Idox subsidiary companies, to ensure that the customers who require this software are able to have it delivered by Idox companies in their specific region. This is happening for general market reasons, not only Brexit.

In this vein, taking into account the manner in which Brexit is developing and the looming prospect of a “no deal Brexit”, Idox continues to monitor its agreements with customers, suppliers and subcontractors, in the light of the ongoing Brexit negotiations, to ensure that all possible preparations and safeguards are in place so that we can continue delivering the products and services to the highest standards and at competitive prices, not only to our existing customers, but also to attract new ones within the UK and beyond.

Idox group

6<sup>th</sup> February 2019