



SALE OF PRINTING.COM DOMAIN AND UPDATE RE. WML

[SOFTWARE CIRCLE PLC](#)

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2 April 2024

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

Sale of printing.com ("PDC") Domain and update regarding sale of Works Manchester Limited ("WML")

Sale of printing.com ("PDC") Domain

Software Circle plc (AIM:SFT) announces the sale of the domain name printing.com to JAL Equity Corp, an owner and operator of marketing, printing, signage, and promotion businesses in the USA, for \$2.27m (£1.8m).

The consideration will be satisfied in cash payable in two instalments, one of \$0.23m on completion with the balance of \$2.04m payable on or before 31 July 2024. The sale proceeds will be applied to potential acquisitions and supporting the Group's working capital requirements.

The PDC domain has formed part of our Netl Systems business for two decades. It has a special place in our hearts for many reasons. It is, after all, where it all began.

But things evolve. Eight years ago Netl was born. Extending the offering to existing and new partners alike. Over that time more and more printing.com partners have upgraded to Netl, taking advantage of the additional features that help future proof their business. Moving away from the PDC domain.

That's meant fewer and fewer PDC partners over those years and more and more Netl partners. As that trend and focus continues, we find ourselves saying a very fond farewell to printing.com. Thanks for the good times, old friend. It's been emotional.

For the few remaining partners that utilise the PDC domain, there'll be time for transition. We've already had those conversations and have been preparing for a move away from its use. We'll provide support for partners to enable a smooth transition. We expect the majority will upgrade and become Netl partners. Those who don't, can continue using the software platform to run their business as a white label partner.

Update regarding sale of Works Manchester Limited

The sale of WML to Rymack Sign Solutions Limited ("Rymack") was first announced on 19 May 2022.

On 1 June 2023, the Company announced it hadn't received the first instalment of deferred consideration from Rymack which was due on 31 May 2023.

We reported in the Company's interim results on 27 November 2023 that, due to our reduced confidence of receiving payment of any deferred consideration, the carrying value of the £2.81m due under the sale and purchase agreement had been reduced to £0.35m.

Our confidence in receiving any deferred consideration further reduced following notification that WML had filed a notice of intention to appoint administrators in December 2023. The remaining deferred consideration has now been written down which, together with outstanding charges due from WML and net of trading balances due to Rymack's group that the Company has set off, results in a net charge of £0.24m.

In addition to this, as a consequence of WML's administrator vacating the hub in Trafford Park, the Company, as a guarantor of the lease, became liable for unpaid rent arrears, ongoing rent for the remainder of the lease term and dilapidations. The Company has agreed a full and final settlement of this liability with the landlord for £0.62m.

Outlook

As part of our strategy to become a serial acquirer of vertical market software businesses, we continually reach out to and start conversations with potential acquisition targets that match our criteria. The Group is currently in exclusive discussions with two acquisition targets with a collective turnover of approximately £3.0m and an adjusted EBITDA of £0.9m. We will provide a trading update during April.

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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.

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