29th July 2016

Ingenta plc

(‘Ingenta’ or the ‘Company’)

Acquisition of advertising software company, 5 fifteen Ltd

Share subscription for up to £780,000

Ingenta has acquired 100% of the issued share capital of UK advertising software company, 5 fifteen Ltd, a leading supplier of digital advertising solutions to the magazine and newspaper industry (the “Acquisition”).

The purchase will allow Ingenta to strengthen its product portfolio and strategically build on its existing plans to diversify its client base, extending its offering into the wider media industry as well as trade and academic publishers. In order to fund the additional working capital requirements resulting from the Acquisition and to provide additional working capital generally, the Company has received commitments for a direct subscription with certain institutional investors and directors of the Company (the "Subscription"). The Subscription will raise up to £780,000 before expenses through the issue of 600,000 new ordinary shares of 10 pence each at 130 pence per share. The Acquisition is not conditional on the Subscription.

The Acquisition

Established in the UK in 1999, 5 fifteen is known for its web-based advertising platform, ‘ad DEPOT’, which allows media organisations to sell, manage and deliver print and digital advertising. The system has processed over £1 billion in advertising income and is used by major organisations such as Hearst Corporation, Trusted Media Brands (Reader’s Digest), Springer Nature and Elsevier.

Drawing on 5 fifteen’s expertise and reputation and Ingenta’s presence in the US, Europe and the Far East, where it has an established client base and sales network, this partnership will unlock the largely untapped potential of the ad DEPOT product.

Ingenta will pay up to £990,000 in cash for 100% of the share capital of 5 fifteen Ltd, £490,000 now and up to £500,000 as an earn-out based on revenue. Half of the earn out consideration will based on revenue targets for the year to 31 December 2016 and half based on revenue targets for the year to 31 December 2017 with the ability to earn more in 2017 if 2016 is below target and 2017 above target.

5 fifteen Ltd’s unaudited trading statements show the following revenue, profit and net assets in, and at the end of, the last two calendar years:

	Year to 31 December 2014	Year to 31 December 2015
Revenue	£1,865K	£1,865K
Loss before tax	£(34)K	£(74)K
	As at 31 December 2014	As at 31 December 2015
Net Liabilities	£(1,419)K	£(1,455)K

The Board believes that the Acquisition represents an earnings enhancing investment for Ingenta. Approximately 60% of 5 fifteen’s revenue is recurring from annual licence fees on annual or multi-year agreements and the Board believes that the cost base can be reduced through rationalisation of premises and staffing synergies.

Ingenta will also remove costs by fully incorporating the 5 fifteen software solution into Ingenta’s product suite, with ad DEPOT being renamed Ingenta Advertising.

The Subscription and Directors’ Participation

The Subscription will raise up to £780,000 through the issue of 600,000 new ordinary shares at a price of 130 pence per share. Certain institutional investors have entered into legally binding commitments conditional (inter alia) on admission to AIM of the shares, to subscribe for 388,450 new ordinary shares at a price of 130 pence per share.

Martyn Rose and Neil Kirton, Chairman and Non-Executive Director of the Company respectively, intend to participate in the Subscription for an aggregate amount of £275,015 following publication of the Company's interim financial statements for the period ended 30 June 2016.

Related Party Transaction

Kestrel Partners LLP and Miton Group plc are considered Substantial Shareholders under the AIM Rules and are subscribing for 192,300 new ordinary shares and 157,650 new ordinary Shares respectively in the Subscription. Their subscription constitutes related party transactions under Rule 13 of the AIM Rules for Companies. The Directors, consider that, having consulted with Cenkos, the terms of their participation in the Subscription are fair and reasonable insofar as Shareholders are concerned.

Dealings and Settlement on AIM

The new ordinary shares will be allotted and issued fully paid and will, on issue, rank pari passu with the existing Ordinary Shares, including the right to receive, in full, all dividends and other distributions thereafter declared, made or paid after the date of issue together with all rights attaching to them and free from all liens, charges and encumbrances of any kind. Application will be made to the London Stock Exchange for the new ordinary shares to be admitted to trading on AIM. Admission of the new ordinary shares to trading on AIM is expected to occur at 8.00 a.m. on 3 August 2016.

This announcement contains inside information.

David Montgomery, CEO of Ingenta, stated:

“On a number of levels this strategic acquisition marks a major milestone for Ingenta. The ad DEPOT product complements our web-based solutions perfectly and will broaden the overall appeal of our business. I believe there is a large unrealised global market potential for the 5 fifteen products and I’m confident that it will help Ingenta to establish a stronger foothold in the media industry, where we have only recently started to market and sell our solutions. The 5 fifteen team has done a fantastic job with ad DEPOT and we look forward to blending their skills and expertise with our own.”

Martyn Rose, Chairman of Ingenta, commented:

“This investment supports the Company’s strategic goal of becoming a true end-to-end software provider and also creates an important opportunity for the business to extend its offerings into the wider media market. The acquisition of 5 fifteen also builds on Ingenta’s reputation for providing world-class products with innovative and robust capabilities and the Company looks forward to a successful and rewarding union.”

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