



**ULS Technology plc**  
(The "Group" or the "Company")

**£27m Disposal of Conveyancing Alliance**

***Funded to build transformative digital platform to revolutionise home moving and ownership***

ULS Technology plc (AIM: ULS), the provider of online platforms to support UK consumers moving home, announces that it has sold its wholly owned subsidiaries Conveyancing Alliance (Holdings) Limited and Conveyancing Alliance Limited ("CAL") for a cash consideration of £27.3m (the "Disposal") to Project Ophelia Bidco Limited, a company which also controls O'Neill Patient Solicitors LLP which is the largest conveyancer on the CAL panel.

**Highlights**

- Cash consideration of £27.3m for CAL which made £2.5m EBITDA in the year to 31 March 2020.
- Proceeds from the Disposal will be used to repay all of the Group's existing debt facilities, leaving c.£25m of pro forma cash on its balance sheet.
- The Group's main operating brand post the disposal, eConveyancer, delivered c.£5m of EBITDA in the year to 31 March 2020.
- Following the sale of CAL, and taking into account the current level of investment in Digital Move, the Group remains profitable at the EBITDA level.

**Rationale**

Over the last six months, the Board has broadened its ambitions to disrupt and transform the home moving and home owning experience for consumers. The Board's vision is to create a platform that will provide consumers with a seamless digital journey for moving house, remortgaging and managing their home.

It has become increasingly clear to the Board that CAL, which provides an effective but simple conveyancing comparison site to individual mortgage brokers, does not support the Group's vision. In contrast, eConveyancer's technology and B2B relationships provide a more comprehensive conveyancing panel management service to large mortgage broker networks, and to mainstream and specialist lenders. This creates a number of touch points with homebuyers and home owners which is a core part of the Group's strategy and its DigitalMove proposition.

Following the disposal of CAL, the Group has one cash generating unit, its main operating brand eConveyancer which delivered c.£5m of EBITDA in the year to 31 March 2020, based on unaudited management estimates. The Group invested a total of c.£1.5m in Digital Move in the same period, of which c.£0.5m was capitalised. This investment, combined with the Group's other ongoing activities as well as central and head office costs, reduced EBITDA in the year to 31 March 2020 by c. £2m. After the sale of CAL, but prior to any increased investment, the Group expects to continue to be EBITDA positive.

The Group has already processed over 20,000 home sale, purchase and re-mortgage instructions through the DigitalMove platform, none of which were introduced via CAL, and the Board is continuing with its current investment plans in DigitalMove. They are also working on an accelerated plan to develop a platform from which consumers can arrange the finance necessary to complete their house purchase, obtain the legal support needed to complete the transaction and select the insurance, utilities and other

providers of services they need to run their home. These plans will be finalised following the arrival of the Group's new CEO, Jesper With-Fogstrup, and are expected to be communicated in Q2 2021.

### **Information on CAL**

The Group acquired CAL in 2016 for a total consideration including earn-outs of £12.5m on a debt free cash free basis. Since then, CAL has generated £6.5m in dividends for the Group.

CAL focuses specifically on the needs of mortgage intermediaries and estate agents and their clients, used for the selection and instruction of conveyancing solicitors. CAL has offered conveyancing services from a panel of leading law firms to selected estate agents and mortgage intermediaries for over 10 years.

In the year to 31 March 2020 CAL generated £8.9m revenue, £2.4m pre-tax profits and had gross assets of £2.0m.

The Disposal constitutes a substantial transaction under the AIM Rules.

### **Martin Rowland, Chairman of ULS Technology plc, commented:**

*"This is a pivotal moment for ULS with the Disposal enabling us to accelerate our growth strategy. We believe that the consideration represents an attractive valuation, unlocking value for shareholders, whilst at the same time providing the capital to achieve our vision of building a digital platform that will transform the entire home moving and home owning process for consumers. We look forward to welcoming Jesper in the new year to spearhead the next phase of our development."*

### **Enquiries:**

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Certain information contained in this announcement would have constituted inside information (as defined by Article 7 of Regulation (EU) No 596/2014) prior to its release as part of this announcement.

### **About ULS Technology:**

ULS Technology ( <https://www.ulstechnology.com/> ) was admitted to AIM in July 2014. Its mission is to make the home-moving process better for everyone. To date this has been mainly achieved by presenting the consumer, primarily via introducers, with a range of quality conveyancers to choose from at competitive prices via easy-to-use technology.

ULS is now going a step further with the development and launch of customer focused online platform DigitalMove ( <https://digitalmove.co.uk/> ).