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## PRESS RELEASE

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### **Strata advises Allocate Software plc (AIM: ALL) on the £7.2 million acquisition of RealTime Health Limited.**

Strata advises Allocate Software plc (AIM: ALL), the UK AIM listed workforce optimisation software company, on the £7.2m acquisition of RealTime Health Ltd, an UK based provider of patient flow software that optimises the use of beds in hospitals, tracking a patient's progress towards a planned discharge date. It is designed to reduce a patient's length of stay, where possible, thereby allowing Trusts to improve staffing efficiency by caring for a greater number of patients with the same level of resources. This in turn provides the opportunity to realise material cost savings, without compromising patient care

Strata has acted as retained corporate finance adviser since August 2008 to assist Allocate with acquisitions. During this time, Strata has advised Allocate on six completed acquisitions (two cross-border and four in the UK) and Allocate's market capitalisation has increased by over 100% to some £48 million as at July 2012.

### **Overview of RealTime Health and the Acquisition**

- The acquisition is expected to be slightly EBITDA negative in the first year of ownership, turning positive during the second. RealTime Health is the award winning provider of Patient Flow software to hospitals in the UK. Patient Flow is an emerging, rapidly growing market opportunity
- With RealTime Health solutions, hospitals are able both to improve their clinical processes and to optimise the use of their resources
- RealTime Health has an installed base of 8 NHS Trusts
- Unaudited management accounts for 12 months ended 31 December 2011 reported c. £0.7 million in billings and in the 6 months to 30 June 2012 show a further £0.6 million of billings
- The software is deployed at customer sites. It will be licenced on an annual, recurring basis
- RealTime Health employs 13 staff, including the founding management team, who are based in Oxford and who will be remaining with the business
- The maximum total consideration, based on zero net assets, of up to £7.2 million is structured as an initial payment of £1.2 million and an earn-out of up to £6.0 million in tranches
  - The initial cash payment of £1.2 million will be paid from existing cash resources. The contingent cash payments of up to a maximum of £6.0 million are based upon meeting a number of conditions, including demanding billings targets, which will require a high rate of new customer acquisition during the 24 months following completion
- The acquisition is expected to be slightly EBITDA negative in the first year of ownership, turning positive during the second.

Ian Bowles, CEO of Allocate commented: "We are delighted to have concluded the acquisition of RealTime Health. We see a very significant market opportunity from the integration of their



applications into our broader portfolio within the HealthSuite. The integration of the applications combined with the strong ROI will deliver a compelling and unique solution for our customers, in what is a largely unpenetrated and emerging area of focus for NHS Trusts. The combination of Allocate and RealTime Health provides the opportunity of matching patient demand, clinical activity management and staff deployment, which will drive significant efficiencies and cost savings. The RealTime Health executives and staff, with their domain expertise are a very welcome addition to the Allocate Team. I look forward to working with them to deliver the vision we share in bringing our combined solutions to customers."

Commenting on the acquisition, Jim Gabriel, CEO of RealTime Health said: "Since 2008 we have been helping hospitals reduce in-patient length of stay and in doing so we have been helping to create significant cost savings for Trusts in the UK. We are excited to be combining forces with Allocate in order to take the RealTime Health solution to a much broader market."

### **About Allocate Software plc**

Allocate Software plc is the leading workforce and compliance optimisation software applications provider for world-wide organisations with large, multi-skilled workforces. With a blue chip client base spanning the public and private sector, its key vertical markets include: Healthcare, Defence and Maritime.

At the core of the business is Allocate's workforce optimisation software, which organisations use to deploy the right people with the right skills, to the right place at the right time. Headquartered in London, Allocate provides services and support to its increasing international customer base through regional offices in the UK, Sweden, USA, Australia and Malaysia.

Allocate is quoted on the London Stock Exchange (AIM: ALL). For further information please visit [www.allocatesoftware.com](http://www.allocatesoftware.com)

### **About RealTime Health**

RealTime Health was officially founded in 2008 by Dr Jess Boyer, who initially developed the best practice methodologies for care pathways whilst providing consultancy to US hospitals.

The RealTime Health Patient Flow application provides a 'live' status report on all available beds, patient tracking and discharge planning. It is used by operational, administrative, clinical and medical staff - particularly consultants, doctors and nurses.

The application also has infection control capability and is used to track those beds that have been used by patients with a hospital acquired infection. This provides the real time ability to track other patients who may have been exposed to the same infection and to mitigate the risk of further spreading of an infection.

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