RNS Number : 5011F Gordon Dadds Group PLC 29 October 2018

29 October 2018

Gordon Dadds Group plc ("Gordon Dadds" or the "Group")

Statement regarding merger

Gordon Dadds agrees acquisition of Ince & Co International LLP and its affiliated entities to create the UK's largest listed law firm by revenue

Gordon Dadds Group plc (AIM: GOR) the fast growing legal and professional services business, announced today that it has agreed terms for the acquisition of the international network of law firms, Ince & Co International LLP and its affiliated entities ('Ince'), subject to final documentation.

The merged entity will become a new global legal business and the largest listed law firm in the UK by revenue. It will be a top 40 UK legal firm and will trade as Ince Gordon Dadds LLP.

The new firm will be led by Gordon Dadds' Managing Partner & CEO, Adrian Biles, supported by Peter Rogan, Chairman of the Board of Ince, the heads of the merged firms' offices and business units and the Gordon Dadds management team. It will be headquartered in Aldgate Tower in London and will have aggregated revenues (including affiliated entities) of over £110m, with 100 partners and offices in nine countries.

Commenting on the merger, Adrian Biles, Gordon Dadds' Managing Partner & CEO, said:

"Ince is a highly successful and well-respected business with an iconic brand and I will be delighted to welcome our new colleagues to the Group.

"The merger will build upon the complementary strengths of the two firms in terms of industry expertise and range of services. Our management model will also allow Ince's partners and fee earners to focus even more on providing market leading legal advice to a stellar client base.

"I'm very pleased that I will be supported in leading the combined firm by Peter Rogan and his colleagues at Ince."

Peter Rogan, Chairman of the Board of Ince, said:

"This is an exciting day for us at Ince, with this cutting-edge deal being very much in line with our long-established strategy. I'm proud that the Ince name will continue and am very excited to be moving forward together as part of this innovative new structure with access to new capital allowing us to gain greater competitive advantage in the market."

"This merger is good news as it enables us to extend our client offering and invest further in our people who provide the highest quality advice and service to clients in our chosen sectors and geographies."

Summary of Ince

Ince is a network of affiliated international commercial law firms, serving its global client base from offices across Asia, Europe and the Middle East. It focuses on four core sectors: Transport, Trade, Energy & Infrastructure and Insurance. It is estimated that £52.5m of Ince's turnover in the year ended 30 April 2018 would be consolidated by Gordon Dadds and Gordon Dadds had an annual run rate of £42m at 31 March 2018.

Summary of the acquisition terms

Gordon Dadds has agreed in principle to acquire all of the Ince equity partners' interests in Ince & Co

International LLP and its affiliated entities ('Ince International') and all of their respective business and assets (subject to the liabilities) or, where legal or regulatory considerations require it in respect of the overseas affiliates, to enter into alternative network sharing and/or governance arrangements.

The consideration for the acquisition will equate to a percentage of the turnover generated by the equity partners of Ince & Co International LLP over the three years from completion. The consideration is estimated to amount to £34 million. Gordon Dadds will also issue to the members of Ince & Co International LLP an aggregate of up to 3 million options to subscribe for ordinary shares in Gordon Dadds at 140p which will vest on the third anniversary of completion and may be exercised at any time up to 31 December 2028. The consideration payable to each member of Ince & Co International LLP in the first year is subject to a minimum guaranteed amount for each partner, the aggregate of which is based on the budgeted turnover for the first year. Gordon Dadds will also settle the capital and current account balances (estimated at £9.1 million) due to members from the entities acquired.

Gordon Dadds LLP will change its name to Ince Gordon Dadds LLP with effect from Completion which the parties are aiming to occur by 31 December 2018.

Current trading

Gordon Dadds Group plc is preparing its results for the 6 months ended 30 September 2018 and expects to announce its interim results around the end of November. The directors consider that the results will be in line with market expectations.

AIM trading suspension

Gordon Dadds shares will remain suspended pending further clarification on the final terms and conditions and financing of the proposed merger.

Ends

FOR FURTHER INFORMATION, PLEASE CONTACT:

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Gordon Dadds Group plc

Gordon Dadds LLP is a subsidiary of Gordon Dadds Group plc, a fast growing international legal and

professional services group.

As well as providing legal services, the Gordon Dadds Group provides accounting, financial services, consulting and pensions advice to clients. Our broad reach enables us to add real value and create opportunities for our clients by making connections between them and our extensive network of contacts and experts.

For more information, please visit: www.gordondaddsgroup.com

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