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7 February 2017

Mattioli Woods plc

("Mattioli Woods", "the Company" or "the Group")

Acquisition of holding in Amati Global Investors Limited

Mattioli Woods plc (AIM: MTW.L), the specialist wealth management and employee benefits business, is pleased to announce it has acquired 49% of the issued share capital of Amati Global Investors Limited ("Amati") from Amati Global Partners LLP ("the Seller") for a total consideration of £3.33 million.

Mattioli Woods has also entered into an option agreement with the Seller which entitles Mattioli Woods to acquire the remaining 51% of Amati in the two years commencing 6 February 2019 for a mixture of cash and Mattioli Woods' ordinary shares ("the Option"). If Mattioli Woods does not exercise the Option to acquire the remaining stake from the Seller, the Seller has an option to buy Mattioli Woods' shareholding back for the original consideration paid.

Amati was founded in 2010 by Paul Jourdan and Douglas Lawson following the management buyout of Noble Fund Managers Limited. It focuses on small and mid-sized companies, with a universe ranging from fully listed constituents of the FTSE Mid 250 and FTSE Small Cap indices, to stocks quoted on AIM. It currently manages £120m of funds, including the TB Amati UK Smaller Companies Fund; two AIM Venture Capital Trusts - Amati VCT and Amati VCT 2; and an AIM IHT portfolio service.

Amati has recently won numerous awards including the Money Observer Best Smaller UK Smaller/Mid Cap Equity Fund 2016 and the MoneyWise Best UK Smaller Companies Fund 2016. The Amati AIM Portfolio Service won 'Best AIM IHT Portfolio Service' at the Investment Week Tax Efficiency Awards 2016/17. The fund managers - Paul Jourdan, Douglas Lawson and David Stevenson - are all rated AAA by Citywire and the TB Amati UK Smaller Companies Fund has a 5 Crown Fund Rating by FE Analytics. Amati's experienced fund management team will remain with the business following the acquisition, which is expected to be earnings enhancing in the first full year of ownership.

In the year ended 31 December 2016, Amati generated a profit before taxation of £0.49 million (before dividends paid to the Seller of £0.12 million) on revenues of £1.76 million. At 31 December 2016 Amati's net assets were £1.03 million.

The consideration comprises a cash consideration of £1.59 million (subject to adjustment for the value of Amati's net assets at completion), plus 224,427 new ordinary shares of 1 pence each in Mattioli Woods ("the Consideration Shares"), which are valued at £1.74 million based on the closing price of a Mattioli Woods share on 6 February 2017, the day of completion.

Payment of the cash consideration, deal costs and estimated net asset adjustment resulted in a cash outflow at completion of £1.77 million.

Application has been made to AIM for the admission of the Consideration Shares to trading ("Admission"). Admission of the Consideration Shares, which will rank *pari passu* in all respects with Mattioli Woods' existing shares in issue, is expected to become effective on 10 February 2017.

Following the issue of the Consideration Shares, the total number of ordinary shares of 1p each ("the Ordinary

Shares") in the Company with voting rights will be 25,582,907. Mattioli Woods does not hold any Ordinary Shares in Treasury.

The above figure of 25,582,907 Ordinary Shares may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the share capital of the Company under the Financial Conduct Authority's Disclosure and Transparency Rules.

The Seller and its members have entered into a lock-in deed with Mattioli Woods and its nominated adviser and broker, Canaccord Genuity Limited, restricting sales of the Consideration Shares during the two years following completion.

The consideration payable on the exercise of the Option comprises a cash consideration of £1.73 million (subject to adjustment for the value of net assets acquired), plus a number of new ordinary shares of 1 pence each in Mattioli Woods ("the Option Consideration Shares"). The actual number of Option Consideration Shares to be issued will be based on a price per share equal to the lower of (i) the average of the middle market quotations for each business day for the 20 days prior to the Option exercise date; and (ii) 655p per share, which would value the Option Consideration Shares at £1.81 million based on the closing price of a Mattioli Woods share on 6 February 2017.

Commenting on the transaction, Ian Mattioli, Chief Executive of Mattioli Woods, said:

"Our investment in Amati represents an exciting extension to our existing asset management business and is another important step forward for Mattioli Woods as we continue to expand our operations."

"Amati is a great fit culturally and strategically. There are few specialist UK fund managers with such a long and stable heritage, utilising the combined experience of an investment team with over 50 years' knowledge of UK smaller companies. The team's performance has been recognised in a number of awards and ratings. I believe this investment will significantly enhance the Group's fund management expertise."

Dr Paul Jourdan, Amati's Chief Executive Officer, added:

"As AIM investors we have known and admired Mattioli Woods for many years. As this transaction has evolved over the past year we have realised not only that our businesses are highly complementary, but that we share similar values and business culture. We are very much looking forwards to working closely with them, and believe that as a result we will be able to take our specialist investment products to a much wider audience."

- Ends -

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