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**8 September 2016**

**Mattioli Woods plc**

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

**Acquisition of MC Trustees**

Mattioli Woods plc (AIM: MTW.L), the specialist wealth management and employee benefits business, is pleased to announce the acquisition of the entire issued share capital of Old Station Road Holdings Limited and its subsidiaries (together "MC Trustees") from its shareholder ("the Seller") for a total consideration of up to £2.2 million.

MC Trustees was founded in 1986 and provides pension administration and trustee services to over 1,500 SIPP and SSAS clients with over £400 million of assets under administration. Based in Hampton-in-Arden in the West Midlands and employing 26 staff, the business specialises in the provision of personal service and strong technical advice. MC Trustees' experienced management team will be retained by Mattioli Woods following the acquisition, which is expected to be earnings enhancing in the first full year of ownership.

In the year ended 31 December 2015, MC Trustees generated a profit before taxation of £0.4 million on revenues of £1.6 million. At 31 December 2015 MC Trustees' net assets were £0.3 million.

The total consideration comprises:

- An initial consideration of £1.2 million (subject to adjustment for the value of net assets acquired), comprising £0.95 million in cash plus 38,081 new ordinary shares of 1 pence each in Mattioli Woods ("the Consideration Shares"), which are valued at £0.25 million based on the closing price of a Mattioli Woods share on 7 September 2016; and
- Deferred consideration of up to £1.0 million payable in cash in the two years following completion, subject to certain financial targets being met based on growth in earnings before interest, tax, depreciation and amortisation generated during that period.

Payment of the initial cash consideration, deal costs and estimated net asset adjustment resulted in a cash outflow at completion of £1.38 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 14 September 2016.

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 25,275,140. Mattioli Woods does not hold any Ordinary Shares in Treasury.

The above figure of 25,275,140 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 has 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.

In addition to the acquisition of MC Trustees, the Company has reached agreement in principle, subject to contract, to acquire MC Holdings (Malta) Limited and its subsidiary (together "MC Malta") for a total consideration of up to £0.6 million payable partly in cash and partly through the issue of new Ordinary Shares. MC Malta operates Qualifying Recognised Overseas Pension Schemes ("[QROPS](#)"), providing pension arrangements suitable for expatriates from the UK or people who have earned a pension in the UK and now live abroad.

The acquisition of MC Malta is subject to agreement of legally binding documentation and will be conditional upon approval of the proposed transaction by the Malta Financial Services Authority.

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

"This acquisition is another important step forward for Mattioli Woods, as we continue to expand our operations. MC Trustees is a great fit culturally and strategically, serving a similar client base to our existing business, while complementing our current operations in the East Midlands".

"The MC Trustees team has a proven ability to win high-quality new business and the transaction gives us an exciting new distribution channel for Mattioli Woods' services. I believe this will strengthen our position in a market that is continuing to consolidate."

Martin Cadman, MC Trustees' Managing Director, added:

"We are excited to become part of the Mattioli Woods group and believe this transaction benefits our clients, employees and partners."

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