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The Fundraise Shares are only available to qualified investors for the purposes of the Prospectus Regulation Rules or otherwise in circumstances not resulting in an offer of transferrable securities to the public under section 102B of FSMA. Therefore, in accordance with section 85 and schedule 11A of FSMA, this document is not, and is not required to be, a prospectus for the purposes of the Prospectus Regulation Rules and has not been prepared in accordance with the Prospectus Regulation Rules.

Accordingly, this document has not been, and will not be, reviewed or approved by the Financial Conduct Authority of the United Kingdom pursuant to section 85 and 87 of FSMA, the London Stock Exchange or any other authority or regulatory body and has not been approved for the purposes of section 21 of FSMA.

Application will be made for the new Ordinary Shares to be admitted to trading on the AIM market of the London Stock Exchange ("AIM"). AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the Financial Conduct Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. **This document does not comprise an admission document under the AIM Rules and the London Stock Exchange has not itself examined or approved the contents of this document. The rules applicable to AIM are less demanding than those applicable to the Official List of the Financial Conduct Authority. It is emphasised that no application is being made for admission of the new Ordinary Shares to the Official List of the Financial Conduct Authority. The new Ordinary Shares will not be dealt on any recognised investment exchange and no application for admission to trading on a recognised investment exchange will be made.**

It is expected that admission of the Firm Placing Shares will become effective and dealings in the Firm Placing Shares will commence on AIM at 8.00 a.m. on or around 2 June 2021.

Subject to, *inter alia*, the passing of the Resolutions at the General Meeting, it is expected that admission of the Conditional Placing Shares, the Broker Option Shares and the PrimaryBid Offer Shares will become effective and dealings in the Conditional Placing Shares, the Broker Option Shares and the PrimaryBid Offer Shares will commence on AIM at 8.00 a.m. on 17 June 2021. It is expected that admission of any Consideration Shares will occur following completion of the respective Acquisitions.



Mattioli Woods plc

(Incorporated in England and Wales with company number 03140521)

Proposed Fundraise to raise approximately £110 million and Broker Option

Proposed Acquisitions of Maven Capital Partners UK LLP and LWMG Topco Limited (the holding company of Ludlow Wealth Management Group Ltd)

and

Notice of General Meeting

Nominated Advisor, Joint Broker and Joint Bookrunner: Canaccord Genuity Limited

Joint Broker and Joint Bookrunner: Nplus1Singer Capital Markets Limited

You are recommended to read the whole of this document but your attention is drawn, in particular, to the letter from the Chairman of the Company which is set out on pages 12 to 28 of this document. This letter recommends that you vote in favour of the Resolutions to be proposed at the General Meeting.

The Company and the Directors accept individual and collective responsibility for the information contained in this document including individual and collective responsibility for compliance with the AIM Rules. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and this document makes no omission likely to affect the import of such information.

A notice convening the General Meeting, to be held at 11:00 a.m. on 16 June 2021 at the offices of the Company at 1 New Walk Place, Leicester LE1 6RU, is set out at the end of this document. As a result of the ongoing nature of the COVID-19 pandemic, and in line with the UK Government's restrictions and guidelines on public gatherings, the Board has decided to hold the General Meeting as a closed meeting with only the requisite Company personnel who are also Shareholders attending to enable the formal business of the General Meeting to be conducted. As a result, shareholders should not attend the General Meeting in person. However, they are strongly encouraged to submit their votes in advance, as well as any questions on the business to be transacted at the General Meeting, as set out on page 27 of this document. All valid proxy votes, whether submitted electronically or in hard copy form, will be included in the poll to be taken at the General Meeting and the results of the Meeting will be published on the Company's website following the Meeting. A Form of Proxy for use in respect of the General Meeting is enclosed with this document. To be valid, Forms of Proxy should be completed, signed and returned in the enclosed addressed envelope so as to be received by Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL as soon as possible but, in any event, so as to be received not later than 48 hours before the time of the General Meeting (excluding any day which is not a Business Day), being 11:00 a.m. on 14 June 2021.

On Admission the new Ordinary Shares will rank *pari passu* in full for all dividends and other distributions declared, made or paid on the Ordinary Shares after Admission and will rank *pari passu* in all respects with the existing Ordinary Shares.

The new Ordinary Shares described in this document have not been, and will not be, registered under the Securities Act or under the securities laws of any state of the United States. The new Ordinary Shares may not be taken up, offered, sold, resold, delivered, or distributed directly or indirectly, through CREST or otherwise, within or from the United States or any of the other Prohibited Jurisdictions or to, or for the account of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of such jurisdictions or to any person in any country or territory where to do so would or might contravene local securities laws or regulations except pursuant to an applicable exemption. There will be no public offer of the new Ordinary Shares in the United States. The new Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any US regulatory authority, nor have any of the foregoing authorities passed up on or endorsed the merits of the offering of the new Ordinary Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

In addition, offers, sales or transfers of the new Ordinary Shares in or into the United States for a period of time following completion of the Fundraise by a person (whether or not participating in the Fundraise) may violate the registration requirement of the Securities Act.

Furthermore, the new Ordinary Shares have not been and will not be registered under the applicable laws of any of Australia, Canada, New Zealand, the Republic of Ireland, the Republic of South Africa or Japan and, consequently, may not be offered or sold to any national, resident or citizen of those jurisdictions.

All persons, including nominees, custodians and trustees, must observe these restrictions and may not send or distribute this document, into the United States or any other Prohibited Jurisdiction.

The distribution of this document in or into jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe such restrictions. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. Subject to certain exceptions, this document is not for release, publication or distribution, directly or indirectly, in or into the United States, Australia, Canada, New Zealand, the Republic of Ireland, the Republic of South Africa, Japan or any jurisdiction into which the publication or distribution would be unlawful.

Copies of this document are available, free of charge, from the registered office of the Company at 1 New Walk Place, Leicester LE1 6RU and on the Company's website www.mattioli-woods.com.

Canaccord Genuity is authorised and regulated by the Financial Conduct Authority and is acting exclusively as nominated adviser to the Company for the purposes of the AIM Rules and as Joint Broker and Joint Bookrunner to the Company in connection with the Placing and the Broker Option. Canaccord Genuity is not, and will not be, responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Placing and the Broker Option or the contents of this document or any other matter referred to in this document. No representation or warranty, express or implied, is made by Canaccord Genuity as to any of the contents of this document, and Canaccord Genuity has not authorised the contents of any part of this document and accepts no liability whatsoever for the accuracy of any information or opinions contained in this document or for the omission of any material information from this document for which the Company and the Directors are solely responsible. Nothing in this paragraph shall serve to exclude or limit any responsibilities which Canaccord Genuity may have under FSMA or the regulatory regime established under FSMA.

N+1 Singer is authorised and regulated by the Financial Conduct Authority and is acting as Joint Broker and Joint Bookrunner to the Company in connection with the Placing and the Broker Option. N+1 Singer is not, and will not be, responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Placing and the Broker Option or the contents of this document or any other matter referred to in this document. No representation or warranty, express or implied, is made by N+1 Singer as to any of the contents of this document, and N+1 Singer has not authorised the contents of any part of this document and accepts no liability whatsoever for the accuracy of any information or opinions contained in this document or for the omission of any material information from this document for which the Company and the Directors are solely responsible. Nothing in this paragraph shall serve to exclude or limit any responsibilities which N+1 Singer may have under FSMA or the regulatory regime established under FSMA.

No person has been authorised to give any information or make any representation other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been so authorised. The delivery of this document shall not, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in it is correct as of any subsequent time.

Cautionary note regarding forward-looking statements

This document contains statements about the Company that are or may be deemed to be “forward-looking statements”.

All statements, other than statements of historical facts, included in this document may be forward-looking statements. Without limitation, any statements preceded or followed by, or that include, the words “targets”, “plans”, “believes”, “expects”, “aims”, “intends”, “will”, “may”, “should”, “anticipates”, “estimates”, “projects”, or words or terms of similar substance or the negative of those words or terms, are forward-looking statements. Forward-looking statements include, without limitation, statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects and (ii) business and management strategies and the expansion and growth of the operations of the Company.

These forward-looking statements are not guarantees of future performance. These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of any such person, or industry results, to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of such persons and the environment in which each will operate in the future. Investors should not place undue reliance on such forward-looking statements and, save as is required by law or regulation (including to meet the requirements of the AIM Rules, the City Code, the Prospectus Regulation Rules and/or FSMA), the Company does not undertake any obligation to update publicly or revise any forward-looking statements (including to reflect any change in expectations with regard to those statements or any change in events, conditions or circumstances on which any such statement is based). All subsequent oral or written forward-looking statements attributed to the Company or any persons acting on its behalf are expressly qualified in their entirety by the cautionary statement above. All forward-looking statements contained in this document are based on information available to the Directors at the date of this document, unless some other time is specified in relation to them, and the posting or receipt of this document shall not give rise to any implication that there has been no change in the facts set forth in this document since such date.

CONTENTS

	Page
DIRECTORS, SECRETARY, REGISTERED AND HEAD OFFICE AND ADVISERS	5
KEY STATISTICS.....	6
EXPECTED TIMETABLE OF PRINCIPAL EVENTS.....	7
DEFINITIONS	8
PART I – LETTER FROM THE CHAIRMAN	12
PART II – RISK FACTORS.....	28
NOTICE OF GENERAL MEETING.....	41

DIRECTORS, SECRETARY, REGISTERED AND HEAD OFFICE AND ADVISERS

Directors	Joanne Carolyn Lake – Non-Executive Chairman Ian Thomas Mattioli MBE – Chief Executive Officer Ravi Singh Tara – Chief Financial Officer Iain Andrew McKenzie – Chief Operating Officer Anne Margaret Gunther – Non-Executive Director David Graham Kiddie – Non-Executive Director Edward Stephen Knapp – Non-Executive Director Martin John Reason – Non-Executive Director
Company Secretary	Petershill Secretaries Limited Cornwall Court 19 Cornwall Street Birmingham B3 2DT
Registered and Head Office	1 New Walk Place Leicester LE1 6RU
Nominated Adviser, Joint Broker and Joint Bookrunner	Canaccord Genuity Limited 88 Wood Street London EC2V 7QR
Joint Broker and Joint Bookrunner	Nplus1 Singer Capital Markets Limited One Bartholomew Lane London EC2N 2AX
Solicitors to the Company	Walker Morris LLP 33 Wellington Street Leeds LS1 4DL
Solicitors to the Nominated Adviser, Joint Brokers and Joint Bookrunners	Travers Smith LLP 10 Snow Hill London EC1A 2AL
Registrars	Link Group 10 th Floor Central Square 29 Wellington Street Leeds LS1 4DL

KEY STATISTICS

Issue Price per new Ordinary Share under the Placing, the Broker Option and the Primary Bid Offer	660 pence
Number of existing Ordinary Shares	28,251,059
Number of Firm Placing Shares to be issued pursuant to the Firm Placing	2,800,800
Number of Conditional Placing Shares to be issued pursuant to the Conditional Placing	13,757,512
Number of PrimaryBid Offer Shares to be issued pursuant to the PrimaryBid Offer	108,355
Number of Broker Option Shares to be issued pursuant to the Broker Option	up to 303,030
Number of Consideration Shares to be issued pursuant to the Acquisitions	5,325,705
Proceeds of the Fundraise (before expenses) (prior to exercise of the Broker Option)	£110 million
Estimated net proceeds of the Fundraise (prior to exercise of the Broker Option) ⁽¹⁾	£104.5 million
Number of new Ordinary Shares to be issued pursuant to the Fundraise prior to the exercise of the Broker Option	16,666,667
Maximum number of new Ordinary Shares to be issued pursuant to the Fundraise, if the Broker Option is exercised in full	16,969,697
Maximum Fundraise Shares as a percentage of the Enlarged Share Capital	33.6 per cent.
Maximum Fundraise Shares and Consideration Shares (in aggregate) as a percentage of the Enlarged Share Capital	44.1 per cent.
Number of Ordinary Shares in issue following admission to AIM of the Maximum Fundraise Shares and the Consideration Shares	50,546,461

Notes:

(1) Net proceeds are stated after deduction of estimated total expenses of approximately £5.5 million.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Announcement of the Acquisitions and the Fundraise	26 May 2021
Expected date for First Admission and commencement of dealings in the Firm Placing Shares on AIM	2 June 2021
Last time for submission of orders through the Joint Bookrunners for the Broker Option	4:45 p.m. on 2 June 2021
Expected date for CREST accounts to be credited in respect of the Firm Placing Shares to be held in uncertificated form	2 June 2021
Latest time and date for receipt of Forms of Proxy	11:00 a.m. on 14 June 2021
General Meeting	11:00 a.m. on 16 June 2021
Results of the General Meeting announced through a Regulatory Information Service	16 June 2021
Expected date for Second Admission and commencement of dealings in the Conditional Placing Shares, the Broker Option Shares and the PrimaryBid Offer Shares on AIM	17 June 2021
Expected date for CREST accounts to be credited in respect of the Conditional Placing Shares, the Broker Option Shares and the PrimaryBid Offer Shares to be held in uncertificated form	17 June 2021
Expected date for the despatch of definitive certificates in respect of the Fundraise Shares to be held in certificated form	by 25 June 2021

Notes:

- (1) All times referred to in this document are, unless otherwise stated, references to London, United Kingdom time.
- (2) Each of the times and dates above are indicative only and are subject to change. If any of the above times and/or dates change, the revised times and/or dates will be notified by the Company to Shareholders by announcement through a Regulatory Information Service.
- (3) If you have any questions relating to the action you should take in relation to the General Meeting, please telephone the Company Secretary on the following number: +44 (0)7702 697 658. Please note that for legal reasons this helpline will only be able to provide practical information and will not provide advice on the merits of the business of the General Meeting or give any financial or taxation advice. For financial and taxation advice you will need to consult an independent adviser.
- (4) Completion of the Acquisitions is conditional upon the successful completion of the Conditional Placing, the Broker Offer and the PrimaryBid Offer (the completion of each of which is conditional on the passing of the Resolutions). Completion of the Ludlow Wealth Management Acquisition is also conditional upon FCA approval of the change in control of Ludlow Wealth Management Group Ltd.; the application to the FCA for approval is currently in process and may be received either before or after Second Admission has occurred (FCA approval of change in control of Maven having already been obtained).

DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise:

“Acquisitions”	the Maven Acquisition and the Ludlow Wealth Management Acquisition
“Admission”	First Admission and/or Second Admission (as the context requires)
“AIM”	AIM, a market operated by the London Stock Exchange
“AIM Rules”	the AIM Rules for Companies published by the London Stock Exchange (as amended from time to time) governing admission to and the operation of AIM
“AuA”	assets under advice
“AuM”	assets under management
“Board” or “Directors”	the directors of the Company whose names are set out on page 12 of this document, or any duly authorised committee of the directors
“Broker Option”	the option granted by the Company to the Joint Brokers to subscribe for up to 303,030 new Ordinary Shares in aggregate at the Issue Price as described in this document and on the terms set out in the Placing Agreement
“Broker Option Shares”	the new Ordinary Shares which are the subject of the Broker Option
“Business Day”	any day (excluding Saturdays and Sundays) on which banks are open in the City of London for the conduct of normal banking business
“Canaccord Genuity”	Canaccord Genuity Limited of 88 Wood Street, London, EC2V 7QR, nominated adviser to the Company for the purposes of the AIM Rules and Joint Broker and Joint Bookrunner to the Company in connection with the Placing and the Broker Option
“certificated” or “in certificated form”	a share or other security not held in uncertificated form (that is, not in CREST)
“City Code”	the City Code on Takeovers and Mergers issued by the Takeover Panel, as amended from time to time
“Closing Price”	the middle market closing price of an Ordinary Share as derived from the Daily Official List of the London Stock Exchange
“Companies Act” or the “Act”	the Companies Act 2006, as amended
“Company” or “Mattioli Woods”	Mattioli Woods plc, a company incorporated in England and Wales with registered number 03140521
“Conditional Placing”	the placing by the Joint Bookrunners as agents on behalf of the Company of the Conditional Placing Shares pursuant to the terms of the Placing Agreement
“Conditional Placing Shares”	13,757,512 new Ordinary Shares which have been conditionally placed at the Issue Price pursuant to the Conditional Placing on the terms of the Placing Agreement
“Consideration Shares”	the 4,545,455 new Ordinary Shares to be allotted and issued as part of the consideration for the Maven Acquisition (the “Maven Consideration Shares”) and the 780,250 new Ordinary Shares to

	be allotted and issued as part of the consideration for the Ludlow Wealth Management Acquisition (the “Ludlow Wealth Management Consideration Shares”)
“CREST”	the relevant system (as defined in the Regulations) in respect of which Euroclear UK & Ireland Limited is the operator (as defined in the Regulations)
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755)
“EBITDA”	earnings before interest, taxes, depreciation and amortisation
“Enlarged Group”	the Company and its subsidiaries following completion of the Acquisitions
“Enlarged Share Capital”	50,546,461 Ordinary Shares, being the enlarged issued share capital of the Company immediately following Admission of the Firm Placing Shares, the Conditional Placing Shares, the Broker Option Shares, the PrimaryBid Offer Shares and the Consideration Shares (assuming the Acquisitions are both completed, the Broker Option is exercised in full and no further Ordinary Shares are issued as a result of the exercise of any options under the Company’s share option schemes or otherwise)
“FCA”	the Financial Conduct Authority, including in its capacity as the competent authority for the purposes of Part VI of FSMA
“FSMA”	the Financial Services and Markets Act 2000, as amended
“Firm Placing”	the placing by the Joint Bookrunners as agents on behalf of the Company of the Firm Placing Shares pursuant to the terms of the Placing Agreement
“Firm Placing Shares”	2,800,800 new Ordinary Shares placed firm at the Issue Price pursuant to the Firm Placing on the terms of the Placing Agreement, such new Ordinary Shares to be allotted pursuant to the Company’s existing authorities to allot Ordinary Shares
“First Admission”	admission of the Firm Placing Shares to trading on AIM, becoming effective in accordance with the AIM Rules
“Form of Proxy”	the form of proxy for use by Shareholders in connection with the General Meeting, enclosed with this document
“Fundraise”	the Firm Placing, the Conditional Placing, the Broker Option and the PrimaryBid Offer, taken together
“Fundraise Shares”	the new Ordinary Shares to be issued pursuant to the Fundraise
“General Meeting”, “Meeting” or “GM”	the general meeting of the Company to be held at 11:00 a.m. on 16 June 2021 at 1 New Walk Place, Leicester LE1 6RU, notice of which is set out at the end of this document
“Group”	the Company and its subsidiaries
“IPO”	initial public offering
“Issue Price”	the price at which the Fundraise Shares are to be allotted and issued pursuant to the Fundraise, being 660 pence per new Ordinary Share
“Joint Bookrunners”	Canaccord Genuity and N+1 Singer and “Joint Bookrunner” means either of them
“Joint Brokers”	Canaccord Genuity and N+1 Singer and “Joint Broker” means either of them
“Link Group”	Link Group of 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL, registrars to the Company

“London Stock Exchange”	London Stock Exchange plc
“Ludlow Wealth Management”	LWGM Topco Limited, the holding company of Ludlow Wealth Management Group Ltd
“Ludlow Wealth Management Acquisition”	the proposed acquisition by the Company of the entire issued share capital of Ludlow Wealth Management
“Maven”	Maven Capital Partners UK LLP
“Maven Acquisition”	the proposed acquisition by the Company of all of the membership interests in Maven
“Maximum Fundraise Shares”	the Firm Placing Shares, the Conditional Placing Shares, the Broker Option Shares (assuming the Broker Option is exercised in full) and the PrimaryBid Offer Shares
“N+1 Singer”	Nplus1 Singer Capital Markets Limited of One Bartholomew Lane, London, EC2N 2AX, Joint Bookrunner and Joint Broker to the Company in connection with the Placing and the Broker Option
“new Ordinary Shares”	the Firm Placing Shares, the Conditional Placing Shares, the Broker Option Shares, the PrimaryBid Offer Shares and the Consideration Shares (as the context requires)
“Notice of General Meeting”	the notice convening the General Meeting set out at the end of this document
“Ordinary Shares”	ordinary shares of £0.01 each in the capital of the Company
“Placing”	the Firm Placing and the Conditional Placing
“Placing Agreement”	the conditional agreement dated 26 May 2021 between the Company, Canaccord Genuity and N+1 Singer relating to the Placing and the Broker Option, further details of which are set out in this document
“Placing Shares”	together, the Firm Placing Shares and the Conditional Placing Shares
“PrimaryBid”	PrimaryBid Limited, a company incorporated in England and Wales with registered number 08092575, and which is authorised and regulated by the FCA with registered number 779021
“PrimaryBid Offer”	the retail offer of new Ordinary Shares at the Issue Price by the Company via PrimaryBid as described in the PrimaryBid Offer Announcement
“PrimaryBid Offer Announcement”	the announcement issued by the Company on 26 May 2021 setting out the terms of the PrimaryBid Offer
“PrimaryBid Offer Shares”	the new 108,355 Ordinary Shares which have been conditionally subscribed for pursuant to the PrimaryBid Offer
“Prohibited Jurisdiction”	the United States, Australia, Canada, New Zealand, the Republic of Ireland, the Republic of South Africa, Japan and any other jurisdiction in which an offer to sell or issue or a solicitation of an offer to buy or subscribe for the Fundraise Shares is or may be unlawful
“Prospectus Regulation Rules”	the prospectus regulation rules made by the FCA under section 73A of FSMA
“Regulations”	the Uncertificated Securities Regulations 2001 (S1 2001 No. 3755) as amended from time to time

“Regulatory Information Service”	a service approved by the FCA for the distribution to the public of regulatory announcements and included within the list maintained on the FCA’s website
“Resolutions”	the resolutions to be proposed at the General Meeting as set out in the Notice of General Meeting
“Second Admission”	admission of the Conditional Placing Shares, the Broker Option Shares and the PrimaryBid Offer Shares to trading on AIM becoming effective in accordance with the AIM Rules
“Securities Act”	United States Securities Act of 1933, as amended
“SIPP”	self-invested personal pensions
“Shareholders”	holders of Ordinary Shares
“SSAS”	small self-administered pension schemes
“uncertificated” or “in uncertificated form”	recorded on the register of members of the Company as being held in uncertificated form in CREST and title to which, by virtue of the Regulations, may be transferred by means of CREST
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland
“United States” or “US”	the United States of America, its territories and possessions, any State of the United States and the District of Columbia
“US Securities and Exchange Commission”	the independent regulatory agency of the US government that administers various US federal statutes that regulate the US securities markets
“VCT”	venture capital trust
“£” or “pounds sterling” or “pence”	UK pounds sterling, the lawful currency of the United Kingdom

PART I
LETTER FROM THE CHAIRMAN
Mattioli Woods plc

(Incorporated in England and Wales with company number 03140521)

Directors:

Joanne Carolyn Lake – Chairman
Ian Thomas Mattioli MBE – Chief Executive Officer
Ravi Singh Tara – Chief Financial Officer
Iain Andrew McKenzie – Chief Operating Officer
Anne Margaret Gunther – Non-Executive Director
David Graham Kiddie – Non-Executive Director
Edward Stephen Knapp – Non-Executive Director
Martin John Reason – Non-Executive Director

Registered Office:
1 New Walk Place
Leicester
LE1 6RU

27 May 2021

Dear Shareholder

Proposed Fundraise to raise approximately £110 million and Broker Option
Proposed Acquisitions of Maven and Ludlow Wealth Management
and
Notice of General Meeting

Dear Shareholder

1. Introduction

The Company announced on 26 May 2021 that it has entered into a conditional agreement to acquire Maven for an aggregate maximum consideration of up to £100.0 million (including, subject to certain conditions being satisfied, up to £20.0 million of deferred consideration), comprised of a combination of cash and new Ordinary Shares, and a conditional agreement to acquire Ludlow Wealth Management for total consideration and other deferred payments of up to £43.5 million (including deferred consideration of up to £6.4 million in cash plus up to £1.0 million of bonuses payable to non-shareholder employees).

Mattioli Woods also announced its intention to conduct an equity fundraising (i) to raise gross proceeds of approximately £110.0 million, and (ii) by making available an additional Broker Option, in each case at a fixed issue price of 660 pence per new Ordinary Share, to fund the cash elements of the Acquisitions and the Company's recent and near-term acquisition pipeline, as well as maintaining a regulatory capital surplus and for general working capital purposes.

The purpose of this document is to give you further information concerning the Acquisitions and the Fundraise and to convene a General Meeting of the Company at which the Resolutions will be proposed relating to the Fundraise.

2. Background on the Company

Mattioli Woods is a diversified specialist wealth and asset management business. Its core proposition integrates asset management and financial planning to serve the market sector predominantly consisting of the mass affluent, high net worth individuals and above, including controlling directors and owner-managers, professionals, executives and affluent retirees. Its comprehensive range of employee benefit services is particularly suitable for medium-sized to larger corporates.

The Group's broader wealth management proposition has grown from its strong pensions advisory and administration expertise, with a client base of over 11,000 self-invested personal pensions ("SIPP") and small self-administered pension schemes ("SSAS") throughout the UK. As at 30 November 2020, the Group's assets under management, administration and advice totalled over £10.6 billion, with income derived from four key service lines:

- pension consultancy and administration;
- investment and asset management;
- employee benefits; and
- property management.

The Group's strategic vision for continued growth is focussed on:

- new client wins and greater integration across the value-chain for existing clients;
- enhancing the Group's investment proposition;
- further investment in developing the Group's digital platform and client portal;
- simplifying administration processes and improved productivity; and
- accelerating growth through strategic acquisitions.

The Group has a proven track record of successful integration and realising synergies, having completed 28 earnings enhancing transactions since its IPO, maintaining an average return of invested equity of 20+ per cent⁽¹⁾.

The Group benefits from a resilient operating model, with over 90 per cent. of revenue being recurring⁽²⁾, the majority of which represents fee based revenues.

Notes:

(1) Return on invested equity to 31 May 2020, calculated as Cash PBT divided by equity less intangibles at book value plus intangibles at consideration paid. Cash PBT defined as profit before taxation, amortization and impairment of intangibles, share based payments, profit/(loss) on disposals and acquisition-related costs.

(2) Recurring revenues in H1 2021 of 94.3 per cent. Annual pension consultancy and administration fees; ongoing adviser charges; level and renewal commissions; banking income; property, discretionary portfolio and other annual management charges.

3. The Maven Acquisition

Acquisition

The Company has conditionally agreed to acquire all the membership interests in Maven, for an aggregate maximum consideration of up to £100.0 million (including, subject to certain conditions being satisfied, up to £20.0 million of deferred consideration), comprised of a combination of cash and new Ordinary Shares. Further details outlining the terms of the Maven Acquisition are set out in paragraph 7 below.

The Maven Acquisition is expected to be earnings enhancing in the first full year of ownership following completion and, in addition, the Company expects to realise significant revenue synergies.

Information on Maven

Maven is one of the UK's leading private equity and alternative asset managers, providing funding options to SMEs (later stage private companies, normally with an enterprise value of up to £25 million pre investment), and offering investment opportunities in VCTs, private equity and property. The owner-led business comprises 12 partners, with a regionally based team of 91 investment executives and support professionals. Maven operates across 10 offices in Glasgow, Edinburgh, Manchester, Birmingham, London, Newcastle, Bristol, Nottingham, Durham and Reading.

Maven and its indirect subsidiary company Maven Property Investments Limited ("MPIL") are authorised and regulated by the FCA as Alternative Investment Fund Managers ("AIFMs"). Maven Capital Investments Limited ("MCIL"), a direct subsidiary of Maven, is an investment holding company with co-investment commitments into a number of regional funds. MCIL also

generates management fees from property deals. MPIL is a subsidiary of MCIL and is the regulated manager for property deals and generates monitoring and accounting fees from those transactions

Maven manages approximately £772 million in assets under management (“AuM”), comprising:

- Four evergreen VCTs, listed on the London Stock Exchange, providing growth capital for UK-based younger companies;
- Seven regional funds, providing equity and debt growth capital for SMEs in specific UK regions;
- an MBO fund, supporting management buyouts in the UK smaller and lower mid-market; and
- Maven Investor Partners (“MIP”), funding individual private equity and property deals, on a deal by deal basis:
 - equity capital for smaller management buy-out transactions of later stage SMEs across the UK; and
 - equity capital for the development of hotels, purpose-built student accommodation, offices, residential construction and strategic land transactions.

Maven primarily generates revenue from management fees and a General Partner’s Priority Share which are annual management charges generated on the VCTs, regional funds, MBO fund and MIP deals.

Performance fees may be generated on the VCT funds based on increases in net asset value and is structured as carried interest MIP deals.

Other income is generated from director and monitoring fees, third party administration and investment income.

Revenue and fund split	Fees⁽²⁾ (year ended March 2020)	AuM⁽¹⁾ (31 March 2021)
VCT	£6.3m	£255m
Regional funds	£4.5m	£233m
MBO fund.....	£1.8m	£94m
Investor partners – property	£1.7m	£109m
Investor partners – private equity	£1.5m	£82m
Other income	£2.9m	—
Total	£18.7m	£772m

Notes:

(1) Includes £125 million of undrawn, committed funds available to invest on behalf of the Maven UK Regional Buyout Fund, regional private equity and debt funds, and £50 million of unregulated property projects where Maven acts as asset manager under the terms of a service agreement with a third party investor. AuM includes £40 million raised by two VCT offers for subscription that closed on 24 March 2021 and 1 April 2021 respectively. Figures may not add due to rounding.

(2) Revenue for the year ended 31 March 2020.

In the year ended 31 March 2020, Maven generated revenue of £18.7 million. EBITDA for the period was £7.1 million, with an associated adjusted EBITDA margin of 38 per cent. As at 31 March 2020, Maven had gross assets of £10.6 million, net assets of £7.3 million. Maven benefits from a high proportion of recurring revenues (83 per cent. in the year ended 31 March 2020), is cash generative, and its margins can be increased through performance fees. In addition, there is significant embedded value in the carried interests in the existing Maven Investor Partners’ investments being acquired. Management expects profit growth for Maven in each of the two years ending 31 March 2021 and 2022.

Summary financial information for Maven^{(1), (2)}

	Year ending 31 March 2018 (£m)	Year ending 31 March 2019 (£m)	Year ending 31 March 2020 (£m)
Revenue before performance fees	16.4	17.4	17.6
Performance fees	1.2	2.2	1.1
Revenue	17.6	19.6	18.7
Administrative expenses ⁽³⁾	(9.1)	(10.6)	(11.3)
Fair value loss on investments	—	(0.1)	(0.3)
EBITDA	8.5	8.9	7.1
EBITDA margin	48 per cent	45 per cent	38 per cent
Depreciation	(0.1)	(0.0)	(0.1)
Net finance income	(0.0)	(0.0)	(0.0)
Profit before tax.....	8.5	8.9	7.1
Net assets	8.1	6.9	7.3

Notes:

(1) Figures as reported in consolidated financial statements of Maven Capital Partners UK LLP for each of the three years ended 31 March 2020.

(2) Figures may not add due to rounding.

(3) Includes members' remuneration charged as an expense.

Rationale for the Maven Acquisition

Maven's service offering, inherent profitability and ability to extend existing and win new investment mandates, coupled with the potential to enhance projected returns through the delivery of material performance-related fees, makes this a significant acquisition that is well aligned to Mattioli Woods' stated strategic ambitions.

Strategic

- Opportunity to add scale through the addition of over £770 million in AuM;
- Complements Mattioli Woods's existing team with Maven's regionally-based, experienced investment team of 53 staff, adding private equity and additional property investment expertise;
- Offers Maven audience with Mattioli Woods wealth management clients, increasing distribution for its listed VCTs and individual private equity and property deals; and
- Enhances investment proposition and product range available to existing and prospective clients through the Enlarged Group.

Synergies

- Potential revenue synergies from engagement of Maven's professional clients with a broader range of products and services;
- Offers Mattioli Woods' clients access to new investment solutions, adding to Mattioli Woods' existing offerings through Amati, Custodian REIT, MW Structured Products Fund and alternative investment strategies;
- Synergies with the Company's Subsidiary Custodian Capital;
- Opportunity to consolidate offices in a number of locations without any intended changes to underlying personnel; and
- Expected revenue and cost synergies of at least £1.0 million when fully realised.

Financial

- Recurring revenue and strong margins with low capital intensity;
- Opportunity to enhance shareholder returns through performance fees;
- Cross-selling revenue and cost synergies already identified; and
- Demonstrated ability of Maven consistently to raise funds.

4. The Ludlow Wealth Management Acquisition

Acquisition

The Company has conditionally agreed to acquire the entire issued share capital of Ludlow Wealth Management, for an aggregate consideration and other deferred payments of up to £43.5 million on a cash-free, debt-free basis as at the agreed “locked-box” balance sheet date of 30 September 2020. The amount payable in respect of the Ludlow Wealth Management Acquisition includes, subject to the satisfaction of certain performance conditions following completion of the Ludlow Wealth Management Acquisition, up to £6.4 million of deferred contingent consideration and up to £1.0 million of bonuses payable to non-shareholder employees. In addition, in accordance with the locked box adjustment mechanism, in respect of the period commencing on the locked box date of 30 September 2020 and ending on the date of completion of the Ludlow Wealth Management Acquisition, the Company will pay to the sellers of Ludlow Wealth Management an amount in respect of the estimated cash profits of Ludlow Wealth Management during such post-locked box date period calculated at a daily rate of £6,173.24 for the total number of days during such period. The consideration for the Ludlow Wealth Management Acquisition will be satisfied by of a combination of cash and new Ordinary Shares. Further details outlining the terms of the Ludlow Wealth Management Acquisition are set out in paragraph 7 below.

Ludlow Wealth Management’s experienced management team will be retained by Mattioli Woods following the Ludlow Wealth Management Acquisition, which is expected to be earnings enhancing in the first full year of ownership. In addition, the Company expects to realise revenue and cost synergies from first full year onwards, including investment in Mattioli Woods’ discretionary portfolio management service and alternative investment strategies by certain of Ludlow Wealth Management’s clients.

Information on Ludlow Wealth Management

Established in 1993, Ludlow Wealth Management is one of the largest providers of investment, financial planning, and pension advice in the North West of England. Ludlow Wealth Management has 61 employees, including 22 advisers operating from offices in Fylde, Preston, Burnley, Liverpool and Southport.

Ludlow Wealth Management manages £1,622 million of assets under advice (“AuA”) for 3,371 clients, with an average of £74 million AuA per adviser and an average client size of £0.48 million AuA. Ludlow Wealth Management has delivered growth, organically and by acquisition, completing 16 acquisitions in the last 12 years, adding £588 million of AuA and £2.4 million of recurring income. Ludlow Wealth Management currently outsources investment management.

In the year ended 30 September 2020, Ludlow Wealth Management generated revenue of £9.4 million, of which 91 per cent. was recurring. Adjusted EBITDA for the period was £3.3 million (adding back monitoring and directors’ fees incurred to oversee private equity investment in business), with an associated adjusted EBITDA margin of 35 per cent. and a high cash conversion. As at 30 September 2020, Ludlow Wealth Management had gross assets of £16.8 million and net liabilities of £0.5 million (including net debt of £13.7 million). Ludlow Wealth Management has maintained momentum despite adverse market conditions and management expects material profit growth for the year ending 30 September 2021.

Summary financial information for Ludlow Wealth Management⁽¹⁾

	Year ending 30 September 2018 (£m)	Year ending 30 September 2019 (£m)	Year ending 30 September 2020 (£m)
Revenue	7.8	8.3	9.4
Administrative expenses.....	(5.7)	(5.6)	(6.2)
Normalisation adjustments ⁽²⁾	0.3	0.1	0.1
Adjusted EBITDA	2.4	2.7	3.3
Adjusted EBITDA margin	31 per cent	33 per cent	35 per cent
Depreciation and amortisation.....	(0.9)	(1.1)	(1.4)
Net finance costs.....	(1.3)	(1.2)	(1.2)
(Loss)/profit before tax.....	(0.1)	0.3	0.7
Net assets ⁽³⁾	(0.7)	(0.7)	(0.5)

Notes:

(1) Figures as reported in consolidated financial statements of LWMG Topco Limited (holding company of Ludlow Wealth Management Group Ltd) for each of the three years ended 30 September 2018, 2019 and 2020. Figures may not add due to rounding.

(2) Adding back monitoring and directors' fees incurred to oversee private equity investment in business each year, plus £280,000 of acquisition-related costs and £115,000 of one-off revenue in 2018.

(3) Net assets of Ludlow Wealth Management Wealth Management Group Ltd were £4.2 million, £7.8 million and £8.7 million at 30 September 2018, 2019 and 2020 respectively.

Ludlow Wealth Management Group Ltd is authorised and regulated by the FCA in respect of a number of regulated activities.

Rationale for the Ludlow Wealth Management Acquisition

The Ludlow Wealth Management Acquisition is in line with the Company's strategy to accelerate growth, alongside continuing to focus on organic growth. In particular:

Strategic

- Opportunity to acquire a leading financial planning business with over £1.6 billion of AuA;
- Gains critical mass in the North West of England through Ludlow Wealth Management's team of 22 financial advisers operating across offices in five locations, extending distribution for existing and new Mattioli Woods' client services;
- Provides a hub for further acquisitions to take advantage of significant consolidation opportunity; and
- Adds an experienced adviser team, with average age of 43 and average tenure of 11 years (average age of a financial adviser in the UK is 58 years old (source: Quilter))

Synergies

- Potential revenue synergies from the distribution of Mattioli Woods' bespoke investment products (including discretionary portfolio management), specialist pension consultancy, Employee Benefits services and alternative investment strategies to Ludlow Wealth Management's client base;
- Opportunity for elimination of duplicated costs and opportunity to realise economies of scale;
- Strong cultural fit, with advice-led client-centric ethos, aligned with Mattioli Woods' approach; and
- Expected revenue and cost synergies of at least £1.0 million when fully realised.

Financial

- Further strengthens the earnings quality of Mattioli Woods, with high levels of recurring income (c. 90 per cent);
- Expected to be earnings accretive in first full year of ownership following completion;
- Competitive client total expense ratios;

- Resilient business model, with net inflows through the Covid-19 pandemic in the year to 30 September 2020; and
- Well established joint venture and introducer agreements in place with a number of professional services firms.

5. Financial effects of the Acquisitions

The Acquisitions will result in a material increase in the financial and operational scale of the Group, by broadening its range of products and services and increasing its distribution capability. The Acquisitions will provide the Group with a broader platform from which to drive organic growth and progress towards its strategic goals.

On a historical *pro forma* basis and prior to achieving expected synergies and execution of the growth plan, the Acquisitions will add over £28 million to revenue, further diversifying the revenue mix, while retaining a high proportion of recurring revenues and offering the opportunity to realise significant revenue and cost synergies. Adjusted EBITDA will increase by over £10 million, on a historical *pro forma* basis with attractive and sustainable margins prior to the realisation of expected synergies for Ludlow Wealth Management, Maven and the Enlarged Group collectively.

The table below illustrates the AuM and total client assets of the Enlarged Group, highlighting the meaningful progress towards the Group's strategic goals that the Acquisitions offer:

	Mattioli Woods as at 30 November 2020 (£bn)⁽¹⁾	Enlarged Group following recent acquisitions (£bn)⁽²⁾	Enlarged Group (£bn) following completion of the Acquisitions⁽³⁾
AuM	10.6	11.2	13.6
AuM/AuA	5.3	6.0	7.6
Total client assets	3.3	3.5	4.3

Notes:

(1) Mattioli Woods at 30 November 2020 (includes Hurley Partners).

(2) *Pro forma* figures comprising Mattioli Woods (per note above) plus client assets of the EPUT administration business of BDO Northern Ireland, Montagu, Pole Arnold Financial Management and Caledonia Asset Management as reported on acquisition.

(3) *Pro forma* figures (per note above) following completion of Maven and Ludlow Wealth Management Acquisitions.

The table below shows illustrative historical *pro forma* financial information for the Enlarged Group

2020 financial years⁽¹⁾	Mattioli Woods (£m)	Recent acquisitions (£m)	Maven (£m)	Ludlow Wealth Management (£m)	<i>Pro forma</i> (£m)
Revenue	58.4	9.7	18.7	9.4	96.2
Adjusted EBITDA ⁽²⁾	18.9	2.5	7.1	3.3	31.8
<i>Adjusted EBITDA margin</i>	<i>32 per cent</i>	<i>26 per cent</i>	<i>38 per cent</i>	<i>35 per cent</i>	<i>33 per cent</i>
Depreciation and amortisation ⁽³⁾	(5.0)	(0.1)	(0.1)	(1.4)	(6.5)
Adjusted profit before tax	13.4	2.4	7.1	0.7	23.6

Notes:

(1) Year end of 31 May for Mattioli Woods; 30 April for Hurley Partners, 31 March for EPUT administration business of BDO Northern Ireland, Pole Arnold Financial Management and Maven; 31 July for Montagu, 31 December for Caledonia Asset Management and 30 September for Ludlow Wealth Management. Figures may not add due to rounding.

(2) Adding back acquisition-related costs, plus monitoring and directors' fees incurred to oversee private equity investment in Ludlow Wealth Management. Mattioli Woods' adjusted EBITDA positively impacted by one-off response to COVID-19, with £2.4 million reduction in bonuses, £0.3 million of managed cost savings and £0.1 million reduction in directors' salaries.

(3) Excludes amortisation of separately identifiable intangibles to be recognised on consolidation of the recent acquisitions, Maven and Ludlow Wealth Management.

6. Reasons for the proposed Fundraise and use of proceeds

Rationale for the Fundraise and use of proceeds

The Directors believe that the proposed Fundraise will enable the Company to make significant progress towards its recently articulated medium-term goals of £300 million revenue, £30 billion of client assets and £100 million of EBITDA, by funding the Acquisitions and providing the flexibility for the Company to fund its near-term acquisition pipeline, as well as maintaining a surplus on the Enlarged Group's regulatory capital requirements.

The Company currently intends to use the net proceeds of the Fundraise as outlined below:

- £60 million to fund the cash component of the initial consideration for the Maven Acquisition, and also to fund part of the deferred consideration which is payable in cash in respect of the Maven Acquisition, if certain performance criteria are met;
- £26 million to fund the cash component of the initial consideration for the Ludlow Wealth Management Acquisition, and also to fund part of the deferred Consideration which is payable in cash in respect of the Ludlow Wealth Management Acquisition, if certain performance criteria are met; and
- Residual net proceeds for recent and near-term acquisition pipeline, maintaining regulatory capital surplus and for general working capital purposes.

The estimated total transaction expenses of the Fundraise, and of the Maven and Ludlow Wealth Management acquisitions is £5.5 million (including stamp duty and VAT).

Pipeline

The Company has an attractive near-term pipeline of acquisition opportunities. The Board believes that these targets present strong cultural fits, provide high earnings visibility owing to a high proportion of recurring revenues and, if these opportunities are completed, they would be expected to be earnings accretive in the first full year of acquisition. The pipeline acquisitions would extend the Group's geographical footprint, broaden its distribution capability and, as a consequence, be expected to deliver clear revenue synergies with the Company's existing investment proposition and other existing service offerings.

Target	Description	Headline price ⁽¹⁾ (£m)	Initial (£m)	Contingent deferred (£m)	Revenue ⁽²⁾ (£m)	EBITDA ⁽²⁾ (£m)	AuA ⁽³⁾ (£m)	Status
A	Financial planning and wealth management business working with private clients	1.8	0.9	0.9	0.7	0.3	83	Signed heads of terms with due diligence in progress
B	Investment led wealth management business, opportunity to extend geographic footprint into new strategic location	2.5	2.5	—	0.7	0.4	128	Signed heads of terms
C	Chartered financial planner providing wealth management to individuals and families, and employee benefits advice to corporates	4.7	2.0	2.7	1.0	0.7	96	Signed heads of terms
D	SSAS and SSIPP administrator	3.0	2.0	1.0	2.0	0.8	1,662	Finalising heads of terms

Notes:

(1) On a cash-free, debt-free basis.

(2) Revenue and EBITDA as reported in the most recent statutory accounts for target.

(3) Assets under advice or administration per relevant target's management.

Regulatory capital requirement

The Group's regulatory capital requirement has increased in recent years, with its increasing scale driven by both organic and acquired growth. As the Group makes acquisitions, its regulatory capital is reduced due to the requirement for intangible assets arising on acquisition to be deducted from Core Equity Tier 1 ("CET1") Capital.

In January 2022, following the anticipated introduction of the Investment Firm Prudential Regime ("IFPR") it is estimated that the Group's CET1 Capital will be reduced by circa £2.5 million due to the removal of the reliefs on deduction of deferred tax assets and significant investments in financial services entities.

7. Key terms of the Acquisitions

The Maven Acquisition

The total consideration of up to £100.0 million for the Maven Acquisition is comprised of initial consideration and contingent deferred consideration as follows:

- 1) subject to any post-completion net asset adjustments, initial consideration of £80.0 million (calculated on the basis that Maven has £2.0 million of net assets at completion of the acquisition of Maven) is payable on completion of the Maven Acquisition to be satisfied as to £50.0 million in cash and £30.0 million in new Ordinary Shares; plus
- 2) deferred consideration of up to £20.0 million payable in cash contingent upon future EBITDA performance of Maven in the first four years post completion.

Completion of the Maven Acquisition is conditional upon the admission of the Conditional Placing Shares, the Primary Bid Shares and the Broker Option Shares to trading on AIM becoming effective. If the approval of shareholders of the Company to the issue of new Ordinary Shares pursuant to the Conditional Placing, the Primary Bid Offer and the Broker Option is not obtained and/or admission to AIM of such new Ordinary Shares does not become effective on or before 30 June 2021 (or such later date as may be agreed between the Company and the Maven sellers) and, as a consequence, the acquisition of Maven does not complete, the Company has agreed to pay to the Maven sellers an amount of up to £250,000 (plus VAT) in respect of their aborted transaction costs. Under the terms of the agreement for the acquisition of Maven, the Company has the right to terminate the agreement in certain circumstances including where, prior to completion of the Maven Acquisition, there has been a material breach by the sellers of Maven of certain provisions of that agreement or there has been a material adverse change in the regulatory position of Maven.

The Consideration Shares to be issued pursuant to the terms of the Maven Acquisition, being 4,545,455 new Ordinary Shares, will be allotted on completion of the Maven Acquisition (subject only to admission of such shares to trading on AIM becoming effective) and will, when issued, rank *pari passu* in all respects with the existing Ordinary Shares, including the right to receive any dividend or other distribution declared, made or paid after their admission to AIM. The number of Consideration Shares to be issued in relation to the Maven Acquisition has been calculated by reference to the Issue Price.

The Consideration Shares relating to the Maven Acquisition will be subject to a 12-month lock-in period following completion of the Maven Acquisition during which period the sellers of Maven will not be able to dispose of any interest in those Consideration Shares, save in circumstances which are customarily permitted. Following the initial 12 month lock-in period, the sellers of Maven will be released from the lock-in in respect of, and become free to dispose of, 25 per cent of the Maven Consideration Shares in each of the three years following the first anniversary of completion.

Ian Mattioli, in respect of the Ordinary Shares in the Company in which he and his connected persons are beneficially interested, comprising 3,372,622 Ordinary Shares representing 11.94 per cent. of the issued share capital of the Company, has given an irrevocable undertaking to vote in favour of the Resolutions at the General Meeting.

The Ludlow Wealth Management Acquisition

The Company has conditionally agreed to acquire Ludlow Wealth Management for an aggregate consideration and other deferred payments as follows:

- 1) on completion of the Ludlow Wealth Management acquisition,
 - a. the Company has agreed to pay an amount of £36.1 million, calculated on a cash free, debt free basis as at the agreed “locked box” balance sheet date of 30 September 2020 and which will be satisfied as follows:
 - i. an aggregate amount of £30.3 million will be payable in cash on completion of the Ludlow Wealth Management acquisition in respect of consideration for the acquisition of Ludlow Wealth Management and repayment of indebtedness and borrowings of Ludlow Wealth Management; and
 - ii. £5.8 million will be satisfied by the issue of new Ordinary Shares to certain individual sellers who are members of the Ludlow Wealth Management management team; and, in addition
 - b. in accordance with the locked boxed adjustment mechanism, in respect of the period commencing on the locked box date of 30 September 2020 and ending on the date of completion of the Ludlow Wealth Management Acquisition, the Company has agreed to pay to the sellers of Ludlow Wealth Management an amount in respect of the estimated cash profits of Ludlow Wealth Management during such post-locked box date period calculated at a daily rate of £6,173.24 for the total number of days during such period; and
- 2) following Ludlow Wealth Management Completion and subject to the satisfaction of certain performance conditions, up to £6.4 million of deferred consideration and up to £1.0 million of bonuses payable to non-shareholder employees of Ludlow Wealth Management, in each case, payable in cash and calculated on the basis of (a) the amount of the adjusted EBITDA of Ludlow Wealth Management for the 12 months ending 30 September 2023 multiplied by 8.25 less (b) the initial consideration and less (c) the aggregate value of all consideration paid or payable by Mattioli Woods, in respect of any eligible acquisition of any company or business that is integrated into Ludlow Wealth Management and which completes between the date of completion of the Ludlow Wealth Management Acquisition and 30 September 2023.

Completion of the Ludlow Wealth Management Acquisition is conditional upon (i) the admission of the Conditional Placing Shares, the PrimaryBid Shares and the Broker Option Shares to trading on AIM becoming effective and (ii) FCA approval of the change of control of Ludlow Wealth Management (the application to the FCA for approval of which is currently in process and may be received either before or after Second Admission has occurred).

The Company has agreed to use its commercially reasonable endeavours to procure the satisfaction of the conditions to completion of the acquisition of Ludlow Wealth Management on or before 31 August 2021 (or such later date as may be agreed between the parties) and, if such conditions are not satisfied and the Company is in breach of its obligation to use commercially reasonable endeavours to procure the satisfaction of such conditions, the Company has agreed to pay to the sellers of Ludlow Wealth Management an amount of up to £340,000 in respect of their aborted transaction costs. Under the terms of the agreement for the acquisition of Ludlow Wealth Management, the Company has the right to terminate the agreement in certain circumstances including where, prior to completion of the acquisition, there has been a material breach by the sellers of Ludlow Wealth Management of certain provisions of that agreement or there has been a material adverse change in the regulatory position of Ludlow Wealth Management.

The Consideration Shares relating to the Ludlow Wealth Management Acquisition, being 780,250 new Ordinary Shares, will be allotted on Ludlow Wealth Management Completion subject only to admission of such shares to trading on AIM becoming effective and will, when issued, rank *pari passu* in all respects with the existing Ordinary Shares, including the right to receive any dividend or other distribution declared, made or

paid after their admission to AIM. The number of Consideration Shares to be issued in relation to the Ludlow Wealth Management Acquisition has been calculated by reference to the average closing mid-price of an Ordinary Share for the 10 days prior to the date on which the purchase agreement for the Ludlow Wealth Management Acquisition was entered into.

The Consideration Shares relating to the Ludlow Wealth Management Acquisition will be subject to a 12-month lock-in period following completion of the Ludlow Wealth Management Acquisition during which period the individual sellers of Ludlow Wealth Management to whom the Ludlow Wealth Management Consideration Shares will be allotted and issued will not be able to dispose of any interest in those Consideration Shares, save in circumstances which are customarily permitted. Following the initial 12 month lock-in period, the relevant individuals may only dispose of up to 25 per cent of the Ludlow Wealth Management Consideration Shares in each of the two years following the first anniversary of completion.

8. Details of the Fundraise

The Company is undertaking the Fundraise at the Issue Price:

- On 26 May 2021, the Company announced that it had conditionally raised gross proceeds of £110 million, before expenses, by way of:
 - the Firm Placing, raising £18.5 million before expenses through the proposed issue of 2,800,800 new Ordinary Shares;
 - the Conditional Placing, conditionally raising £90.8 million before expenses through the issue of 13,757,512 new Ordinary Shares;
 - the PrimaryBid Offer, conditionally raising £0.7 million before expenses, through the proposed issue of 108,355 new Ordinary Shares; and
- by way of the Broker Option and the issue of Broker Option Shares, such Broker Option being exercisable until approximately 4:45 p.m. on 2 June 2021.

The Issue Price of 660 pence per Fundraise Share represents a discount of 10.2 per cent. to the middle market closing price of an Ordinary Share of 735 pence on 25 May 2021 (being the last practical date prior to the publication of the announcement of the Acquisitions and the Fundraise made on 26 May 2021).

Canaccord Genuity is acting as Nomad, Joint Bookrunner and Joint Broker, and N+1 Singer is acting as Joint Bookrunner and Joint Broker, in connection with the Firm Placing, the Conditional Placing and the Broker Option.

The Firm Placing and the Conditional Placing

The Firm Placing and the Conditional Placing were conducted through an accelerated bookbuilding process (the "Bookbuild") which commenced and closed on 26 May 2021.

The Broker Option

The Company has granted the Broker Option to Canaccord Genuity and N+1 Singer in order to enable Canaccord Genuity and N+1 Singer to deal with any additional demand under the Placing in the event that requests to participate in the Placing are received from institutional and certain other permitted investors are received prior to 4:45 p.m. on 2 June 2021. The primary purpose of the Broker Option is to facilitate demand from those investors who were unable to participate in the Firm Placing, the Conditional Placing and/or the PrimaryBid Offer. The Broker Option is exercisable by Canaccord Genuity and N+1 Singer any number of times up to the time and date stated above.

Any Broker Option Shares issued pursuant to the exercise of the Broker Option will be issued on the same terms and conditions as the Conditional Placing Shares. Orders from investors pursuant to the Broker Option to either of Canaccord Genuity or N+1 Singer will only be accepted from institutional investors or private client brokers.

The Broker Option may be exercised by each of Canaccord Genuity and N+1 Singer in its absolute discretion, but there is no obligation on either of Canaccord Genuity or N+1 Singer to exercise the Broker Option or to seek to procure subscribers for any Broker Option Shares pursuant to the Broker Option. The maximum number of new Ordinary Shares which may be issued pursuant to the exercise of the Broker Option is 303,030. If the Broker Option is exercised, the expected date of admission of the Broker Option Shares to trading on AIM will be 17 June 2021.

PrimaryBid Offer

The PrimaryBid Offer provided retail investors with an opportunity to participate in the Fundraise alongside institutional investors. PrimaryBid conducted an offer for subscription on behalf of the Company. The PrimaryBid Offer was made on the terms outlined in the announcement made on 26 May 2021 regarding the PrimaryBid Offer and its terms.

The PrimaryBid Offer is conditional upon (amongst other things), the passing of the Resolutions at the General Meeting, the Placing Agreement not having been terminated and Second Admission occurring on or before 17 June 2021 (or such later date and/or time as the Joint Bookrunners and the Company may agree, being no later than 30 June 2021).

The Joint Bookrunners are playing no role in connection with the PrimaryBid Offer.

Admission and Settlement

The issue of new Ordinary Shares in connection with the Conditional Placing, the Broker Option and the PrimaryBid Offer will be made on a non pre-emptive basis and is conditional upon, *inter alia*, the passing of the Resolutions at the General Meeting and also upon the admission to AIM of the Conditional Placing Shares, the Broker Option Shares and the PrimaryBid Offer Shares becoming effective. The Firm Placing is not conditional upon the Conditional Placing or the PrimaryBid Offer taking place or the Broker Option being exercised or on any shareholder approval. The General Meeting is to be convened for 11:00 a.m. on 16 June 2021.

The Fundraise is not conditional on the completion of the Acquisitions. The Acquisitions are conditional on the Firm Placing and the Conditional Placing being completed. The Ludlow Wealth Management Acquisition is conditional on FCA approval of the change of control of Ludlow Wealth Management, which approval may be received either before or after Second Admission. If, after the Fundraise has completed, either of the Acquisitions does not complete (because it fails to become unconditional (in the case of the Ludlow Wealth Management Acquisition) or it is terminated in accordance with its terms) the Company's intention would be to deploy the capital raised but not used in relation to other potential acquisitions and for general working capital purposes.

The new Ordinary Shares to be issued in connection with the Firm Placing, the Conditional Placing, the Broker Option and the PrimaryBid Offer will, when issued, rank *pari passu* with the existing Ordinary Shares, including the right to receive future dividends.

Application has been made to the London Stock Exchange for the admission of the Firm Placing Shares to trading on AIM. First Admission is expected to be effective on or around 8.00 a.m. on 2 June 2021 (or such later date as the Company and the Joint Bookrunners may agree, being no later than 30 June 2021).

Application will be made to the London Stock Exchange for the admission of the Conditional Placing Shares, the Broker Options Shares and the PricingBid Offer Shares. Assuming that, *inter alia*, the Resolutions are passed, it is expected that admission of the Conditional Placing Shares, the Broker Option Shares and the PrimaryBid Offer Shares will become effective on or around 17 June 2021 (or such later date as the Company and the Joint Bookrunners may agree, being no later than 30 June 2021).

Admission of the Consideration Shares to be issued in relation to the Maven Acquisition will take place following completion of the Maven Acquisition and Admission of the Consideration Shares to be issued in relation to the Ludlow Wealth Management Acquisition will become effective following completion of the Ludlow Wealth Management Acquisition.

The Placing Agreement

The Joint Bookrunners are acting as joint bookrunners in connection with the Placing and the Broker Option and have entered into the Placing Agreement with the Company under which, on the terms and subject to the conditions set out in the Placing Agreement, the Joint Bookrunners, as agents for and on behalf of the Company, have severally (and not jointly or jointly and severally) agreed to use their respective reasonable endeavours to procure placees for the Placing Shares at the Issue Price. Neither the Placing nor the Broker Option is being underwritten by the Joint Bookrunners or any other person.

The final number of Firm Placing Shares and Conditional Placing Shares has been confirmed following the completion of the Bookbuild in a share placing supplement agreed between the Bookrunners and the Company. The number of Broker Option Shares (if any) to be issued will be announced following the exercise (or expiry) of the Broker Option.

The Placing Shares will, when issued, be credited as fully paid up and will be issued subject to the Company's articles of association and rank *pari passu* in all respects with the existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid on or in respect of the Ordinary Shares after the respective dates of issue of the Placing Shares, and will on issue be free of all claims, liens, charges, encumbrances and equities.

Under the terms of the Placing Agreement, the Joint Bookrunners have the right in certain circumstances to terminate the Placing Agreement and their respective obligations to procure placees for the Placing Shares (to the extent that such obligations have not already been performed prior to such termination). The rights of termination include the right of the Joint Bookrunners to terminate the Placing Agreement in customary circumstances such as the occurrence of a material adverse change in financial markets.

In consideration for their services in relation to the Placing, the Broker Option and Admission and conditional upon completion of the Placing, the Joint Bookrunners will be paid a commission based on the aggregate value of the Placing Shares and Broker Option Shares at the Issue Price.

Effect of the Fundraise and the issue of the Consideration Shares

Following completion of the Fundraise (on the assumption the Broker Option is exercised in full) and completion of the Acquisitions, and assuming no further exercise of options under the Company's share option schemes, the Enlarged Share Capital is expected to comprise 50,546,461 Ordinary Shares. On this basis, the Fundraise Shares will represent approximately 33.6 per cent. of the Enlarged Share Capital, and the Fundraise Shares and the Consideration Shares will represent in aggregate approximately 44.1 per cent. of the Enlarged Share Capital.

The Fundraise Shares will, when issued and fully paid, rank *pari passu* in all respects with the existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after First Admission and Second Admission respectively.

9. Director participation and Intentions

Certain Directors and PDMRs of the Company, including Ian Mattioli, Chief Executive Officer of Mattioli Woods, have subscribed for, in aggregate, 236,364 of the Firm Placing Shares and the Conditional Placing Shares, contributing in aggregate approximately £1.6 million.

Ian Mattioli also intends to exercise options over 137,840 Ordinary Shares, which are held pursuant to the Mattioli Woods 2010 Long Term Incentive Plan.

10. Allotment authorities and General Meeting

Allotment Authorities

The Directors have a pre-existing general authority to allot up to 9,336,419 Ordinary Shares. They also have a pre-existing authority to allot up to 1,400,400 Ordinary Shares for cash on a non-pre-emptive basis without statutory pre-emption rights applying and a further pre-existing authority to allot up to 1,400,400 Ordinary Shares for cash on a non-pre-emptive basis to

finance or refinance acquisitions or other capital investments. The Company intends to use these pre-existing authorities to the extent required to allot and issue the Firm Placing Shares conditional, *inter alia*, on First Admission, and to allot and issue the Consideration Shares.

The issue of the Conditional Placing Shares, the Broker Option Shares and the PrimaryBid Offer Shares will require further Shareholder authorities to be sought and granted.

General Meeting

A General Meeting will therefore be held on 16 June 2021 at 11:00a.m. at 1 New Walk Place, Leicester LE1 6RU. The General Meeting has been convened for Shareholders to consider and, if thought fit, to pass the three Resolutions set out in the Notice of General Meeting. As a result of the ongoing nature of the COVID-19 pandemic, and in line with the UK Government's restrictions and guidelines on public gatherings, the Board has decided to hold the General Meeting as a closed meeting with only the requisite Company personnel who are also Shareholders attending to enable the formal business of the General Meeting to be conducted. As a result, Shareholders should not attend the General Meeting in person. Whilst Shareholders will not be able to attend the General Meeting, we strongly encourage you to vote in advance of the Meeting by following the instructions in paragraph 12 below, and to submit any questions you may have regarding the business to be transacted at the Meeting. We will publish the results of the General Meeting (together with answers to any questions which are submitted to the Company prior to the Meeting) on our website following the Meeting.

The situation regarding COVID-19 is constantly evolving, and the UK Government may change current restrictions or implement further measures relating to the holding of general meetings during the affected period. Any changes to the General Meeting will be communicated to Shareholders before the meeting through our website and, where appropriate, by announcement made by the Company to a Regulatory Information Service.

The first resolution to be proposed at the General Meeting will be proposed as an ordinary resolution to grant authority to authorise the Directors to allot Ordinary Shares up to an aggregate nominal amount of £141,688.97. This amount, will permit the allotment and issue of the Conditional Placing Shares, the Broker Option Shares and the PrimaryBid Offer Shares. The Directors currently intend only to make use of the authority remaining after the allotment and issue of the Conditional Placing Shares, the Broker Option Shares and the PrimaryBid Offer Shares to issue Ordinary Shares in connection with the grant of share-based payments or options to the Directors of the Company and employees of the Group, to issue Ordinary Shares as consideration in connection with any further acquisitions of companies or businesses which the Company may wish to make (other than the Acquisitions) and in connection with the offer for subscription or placing with investors of Ordinary Shares to additionally raise funds for any further such acquisitions or otherwise as may be necessary to satisfy the working capital requirements of the Group.

The second Resolution will be proposed as a special resolution to authorise the Directors otherwise to allot and issue a maximum of 14,168,897 new Ordinary Shares for cash on a non-pre-emptive basis. This authority will permit the allotment and issue of the Conditional Placing Shares, the Broker Option Shares and the PrimaryBid Offer Shares.

The authorities to be granted pursuant to the Resolutions shall expire on the date of the next annual general meeting of the Company.

11. Current trading

As anticipated, revenue in the first half of the current financial year was slightly lower than in the equivalent period last year owing to the adverse impact of weaker financial markets and the suspension of certain statutory requirements for pension schemes resulting in lower fee-based revenues. However, continued cost management and the positive contribution of The Turris Partnership and Hurley Partners for part of the period more than offset the impact of reduced revenues on adjusted EBITDA.

With a Brexit trade deal, the Directors expected an increase in investment activity in the second half of the current financial year, which together with positive investment performance has driven sustained inflows into the Group's discretionary portfolio management services.

Despite much press speculation about changes to the current capital gains tax and inheritance tax regimes, the focus of the March 2021 budget was the “road to recovery” and since Mattioli Woods’ interim results announcement in February 2021 the Group has continued to see increased client activity and improved billing recoveries in its core pension business.

The Group continues to progress its strategic initiatives and has partnered with the Tiller Group to enhance its client proposition through developing a streamlined digital investment solution for our discretionary investment management service. In January 2021, the Company was pleased to announce the acquisition of the Exempt Property Unit Trust (“EPUT”) administration business of BDO Northern Ireland which complements the Group’s core SSAS and SIPP proposition, and the acquisition of Montagu Limited, specialising in the provision of fee-based financial planning advice.

The subsequent acquisitions of Pole Arnold Financial Management and Caledonia Asset Management completed in April 2021 further build on the Group’s long track record of successful acquisitions.

The Group remains committed to its culture of putting clients first and to delivering its ambitious growth plans for the business. The Group’s trading outlook for the current financial year remains in line with management’s expectations and the Group remains well-positioned to deliver sustainable shareholder returns.

As at 30 April 2021, the Group had net cash of £16.7 million (cash balances at bank of £18.0 million less uncleared payments). The Group estimates that acquisition-related costs in the current financial year (that is, year ending 31 May 2021 and including the acquisition costs of the acquisitions completed during such year and certain acquisition costs of the Maven and Ludlow Wealth Management acquisitions) will be £1.6 million and that estimated total transaction expenses of the Fundraise and of the Maven and Ludlow Wealth Management acquisitions are £5.5 million (including stamp duty and VAT).

12. Action to be taken

Please check that you have received a Form of Proxy for use in respect of the General Meeting which is reply-paid (in the UK only).

You are asked to complete the Form of Proxy in accordance with the instructions printed on it and return it by post to the Company’s registrars, Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL as soon as possible and in any event not later than 11:00 a.m. on 14 June 2021 (or, in the case of an adjournment of the General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting (excluding any part of a day that is not a Business Day)).

Shareholders who hold Ordinary Shares in CREST may vote using the CREST proxy voting service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes to the Notice of General Meeting). Proxies submitted via CREST must be received by the Company’s agent, Link Group (ID RA10), by no later than 11:00 a.m. on 14 June 2021 (or, in the case of an adjournment, not later than 48 hours before the time fixed for the holding of the adjourned meeting).

Appointing a proxy in accordance with the instructions set out above will enable your vote to be counted at the General Meeting. In light of the restricted attendance requirements that apply to the General Meeting, we strongly recommend that you appoint the Chairman of the Meeting as your proxy for the purpose of the Meeting. If a Shareholder appoints a person other than the Chairman of the General Meeting as their proxy, that person will not be able to attend the General Meeting nor vote.

If you are in any doubt as to the action you should take, you should immediately seek your own personal financial advice from an appropriately qualified independent professional adviser.

13. Risk Factors

Your attention is drawn to the Risk Factors set out in Part II of this document. Shareholders are advised to read this document in its entirety and should not rely solely on the summary information presented in this Part I.

14. Recommendation

The Board believes the Acquisitions and the Fundraise to be in the best interests of the Company and its shareholders as a whole. Accordingly, the Board unanimously recommends that shareholders of the Company vote in favour of the Resolutions to be proposed at the General Meeting, as the Directors intend to do in respect of their own beneficial holdings amounting, in aggregate, to 3,383,750 Ordinary Shares and representing approximately 11.98% per cent. of the Company's existing Ordinary Share capital.

As referenced at paragraph 7 above, Ian Mattioli, in respect of the Ordinary Shares in the Company in which he and his connected persons are beneficially interested, comprising 3,372,622 Ordinary Shares and representing approximately 11.94 per cent. of the Company's existing issued Ordinary Share capital has given an irrevocable undertaking to vote in favour of the Resolutions at the General Meeting.

Yours sincerely

Joanne Lake
Chairman

PART II

RISK FACTORS

An investment in Ordinary Shares may not be suitable for all recipients of this document and involves a number of risks. Prospective investors should carefully consider the risks associated with any investment in securities including, in particular, the Ordinary Shares, as well as the Group's business and the industry in which it operates, together with all other information in this document including, in particular the risk factors set out below before making a decision to invest in the Company. Accordingly, you are strongly recommended to consult an investment adviser authorised under FSMA if you are in the United Kingdom or, if not, another appropriately authorised independent financial adviser, who specialises in the acquisition of shares and other securities, before making a decision to invest. A prospective investor should consider carefully whether an investment in the Company is suitable for him/her in the light of his/her personal circumstances and the financial resources available to him/her.

This Part II contains what the Directors believe, in addition to the usual risks associated with an investment in a business, to be the principal risk factors associated with an investment in the Company and the additional risks which may arise in connection with the Acquisitions and the Fundraise. These risk factors do not purport to be a complete list or explanation of all the risks involved in investing in the Ordinary Shares or that may affect the Group's business and these risk factors are not set out in any particular order of priority. There may be additional risks that the Directors currently consider not to be material or of which they are currently unaware.

If any of the circumstances identified in this Part II were to materialise, the Group's business, financial condition and operating results could be materially affected. In addition, the Group's performance is likely to be affected by changes to the market and/or economic conditions and/or legal, accounting, regulatory and tax requirements currently unknown by the Company. Investors should note that the trading price of the Ordinary Shares could decline due to any of these risks and investors may lose all or part of their investment.

There can be no certainty that the Company will be able to implement the strategy set out in this document successfully. No representation is or can be made as to the future of the Company or the Group and there can be no assurance that the Company will achieve its objectives.

1. Industry risks relating to the Company and the Group

1.1. *Changes in market conditions and poor investment performance*

Difficult global market conditions, or a recession could materially reduce the Group's assets under management, administration and advice due to a reduction in the value of the underlying assets, fund outflows or the inability to attract new funds, in each case reducing the fee income receivable by the Group. The global market and economic climate may deteriorate due to many factors beyond the control of the Group, including global epidemics or pandemics, rising interest rates or inflation, terrorism, armed conflicts or political uncertainty.

In addition, volatility in the investment markets may adversely affect trading and/or the value of the Group's assets under management, administration and advice, which in turn could have an adverse impact on the Group's revenues. The market prices and values of publicly traded securities of companies and collective investment schemes in which the Group's clients have investments and/or, in the case of private equity investments, use as valuations for comparable investee companies may be volatile and are likely to fluctuate due to a number of factors beyond the Group's control, including actual or anticipated fluctuations in the quarterly and annual results of such companies or of other companies in the industries in which they operate, market perceptions concerning the availability of additional securities for sale, general economic, social or political developments, industry conditions, changes in government regulation, changes in the tax treatment of the underlying private or public companies or for investors in the debt and equity of such companies including (without limitation) changes in withholding tax rules, shortfalls in operating results from levels forecast by securities analysts,

the general state of the securities markets and other material events, such as significant management changes, re-financings, acquisitions and disposals.

The investment performance and returns the Group achieves will vary over time and this variance may be significant. The opportunities and general market conditions from which the Group has benefitted may not sustain or repeat themselves.

1.2. Changing markets and increased competition

The Group operates in a highly competitive environment with evolving characteristics and trends. The market for investment opportunities and investors is very competitive. Identifying and completing investment opportunities involves a high degree of uncertainty. The Group competes for clients and investors in a highly fragmented market populated by a large number of advisers and investment and asset managers.

Some of the Group's competitors and potential competitors may have, in certain markets, larger customer bases, more established name recognition and greater financial, marketing, technology and personnel resources than the Group might have, or may be able to offer services that are disruptive to current market structures and assumptions.

In addition, new or existing competitors could gain access to markets or products in which the Group currently enjoys a competitive advantage. Competitors may have a greater ability to offer new services, or existing services to more diverse customers. This may erode the Group's market share. Even if new or existing competitors do not significantly erode the Group's market share, they may offer their services on a cheaper or otherwise more attractive basis and the Group may then be required to reduce its charges to remain competitive, which could have a material adverse effect on its profitability.

The Group's continued success depends on its ability to attract, train and retain highly skilled professionals and other key personnel. The Group currently competes with competitors for personnel. The effect of such competition can be to increase personnel costs significantly or can result in the loss of capability, customer relationships and expertise to competitors through the loss of personnel to competitors.

1.3. Evolving technology

The Group needs to maintain the computer and communications systems and networks that the Group currently operates. The Group's technology could become obsolete or ineffective if it is unable to develop its systems to accommodate changing client needs, new products and the emergence of new industry standards. Its failure to maintain these systems and networks adequately could have a material effect on the performance and reliability of such systems and networks, which in turn could materially harm its business.

Any upgrades or expansions in technology and the use of technology may require significant expenditure of funds. In the longer term, the Group may not have sufficient funds to update and expand its systems adequately, and any upgrade or expansion attempts may not be successful and may not be accepted by the marketplace and its customers. Any failure by the Group to update and expand its systems and technology adequately or to adapt its systems and technology to evolving customer demands or emerging industry standards would have a material effect on the Group's ability to compete effectively which could reduce its revenue and profitability.

1.4. Regulatory risk

The Group operates in a highly regulated industry and is subject to laws and regulations enacted by supra-national, national, regional and local governments and regulatory bodies, including laws and regulations concerning the operation of financial advisory and asset management businesses generally, regulatory capital requirements, anti-bribery and anti-money laundering laws and regulation, securities laws regulating the raising of capital from investors and laws and regulations governing certain primary markets in which the Group's funds operate.

The Group may be adversely affected as a result of new or revised legislation or regulations or by changes in the interpretation or enforcement of existing laws and regulations. Failure to establish and maintain effective compliance and reporting systems in relation to applicable

laws, rules and regulations may increase the risk that the Group could breach applicable laws, rules and regulations, thereby exposing it to the risk of litigation and investigations and possible sanctions by regulatory agencies.

In addition, changing regulation may also impact the activities of the Group or its customers, including through increased capital requirements, which may cause a reduction in overall trading activity or increased costs in certain markets which, in turn, may reduce the Group's revenue.

The inability of the Group to adapt or deliver services that are compliant with any new regulations could adversely affect its competitive position significantly and therefore reduce the revenue and profitability of the Group. To date, the Group has needed to incur certain costs to comply with new regulations, and even if it is successful in adapting its services to new regulations, the costs of making those adaptations or otherwise complying with those regulations may significantly increase the cost base of the Group. There is also a possibility that further regulations and reforms may be introduced that may adversely affect the role of the Group or may introduce requirements or rules that the Group is unable to meet. On completion of the acquisitions of Maven and Ludlow Wealth Management and as part of the Group's post-completion integration procedures, the Group will align the compliance policies and procedures of Maven and Ludlow Wealth Management with those of the Group.

Advice in relation to defined benefit pension transfers

In particular, the activities of firms advising pension scheme members on whether or not to transfer their defined benefit ("DB") pension to a defined contribution scheme have faced increasing regulatory scrutiny in recent years, with the FCA conducting an industry wide review of the advice being provided on transfers from DB schemes since October 2015 (the "Review"). Over this period the FCA has taken several steps to address the risks associated with DB transfers and to improve the quality of DB transfer advice. Despite these interventions, the FCA has stated that it considers the proportion of DB members who seek advice and then go on to transfer their benefits to be too high and the FCA therefore introduced new rules which came into force on 1 October 2020 intended to improve the quality of defined benefit transfer advice. As previously reported, following consideration of the increasing costs of professional indemnity insurance, additional regulatory controls and the resources the Group would have had to dedicate to this small part of its business, the Group stopped giving pension transfer advice to individuals with safeguarded or defined benefits in 2018. As previously announced in June 2018, the Group has been in dialogue with the FCA during the Review and the Board does not expect the impact on the Group's financial performance of the decision in 2018 to stop giving pension transfer advice to individuals with safeguarded or defined benefits or of the Review to be material. The Board expects increased regulatory scrutiny on DB transfers to continue, with further regulation a possibility.

Unregulated introducers

Recent case law in the UK (*Adams v Options UK Personal Pensions LLP* (formerly *Carey Pensions (UK) LLP*) (the "Adams case") and in respect of which the UK Court of Appeal gave its judgment in April 2021) has focused on the scope of protection for consumers and the obligations of authorised persons operating SIPPs. The case concerned a SIPP operated by an authorised SIPP provider but where investments into that SIPP were facilitated by an unregulated introducer. The court determined that the SIPP agreement was unenforceable against the client and that the client was therefore entitled to unwind the arrangement and recover amounts invested in the SIPP and compensation to reflect losses suffered as a consequence.

The SIPP industry has faced a significant volume of complaints and claims for several years arising from facts similar to those in the Adams case. The judgment of the Court of Appeal in the Adams case therefore has potential significant consequences for the SIPP industry, including the Group.

The Group no longer accepts investments directly introduced by an unregulated introducer. Following the Court of Appeal's judgment in the Adams case, the Group is reviewing any investments that may have been introduced by unregulated third parties and its policies and procedures for dealing with such investments.

GDPR

The potential financial penalties for any breaches of security relating to proprietary information and sensitive or confidential data have been significantly increased since the EU General Data Protection Regulation (“GDPR”) came into force in May 2018. The GDPR (and, from 1 January 2021, the UK’s equivalent domestic legislation, which mirrors the key principles, rights and obligations of the GDPR (“UK GDPR”)) includes significant financial penalties of up to €20 million or four per cent. of annual worldwide turnover in the preceding financial year. Compensation claims against members of the Group may also be made by individuals whose privacy and personal data rights have been infringed. Whilst the Group has implemented policies designed to comply with the GDPR (and, from 1 January 2021, UK GDPR) (with such policies being subject to regular review), there can be no assurance that regulators will conclude that the Group is fully compliant with its obligations under the GDPR (and, from 1 January 2021, UK GDPR), and therefore in the event of any breach, the Group could be subject to regulatory action or financial penalties or compensation claims, which could also result in adverse publicity and reputational damage. Any such breaches, and the resulting costs and consequences, could have a material adverse effect on the Group’s business, financial condition and results of operations.

Money Laundering Regulations

Companies carrying out activities of the nature carried out by the Group, Ludlow Wealth Management and Maven are subject to obligations requiring them to identify and assess risks of money laundering and to complete various procedures relating to their clients and customers (including client risk assessments and client due diligence) in order to comply with relevant regulation including the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and guidance published by the Joint Money Laundering Steering Group and the FCA. Failure to comply with the regulation and guidance relating to money laundering risk compliance and/or to update on a periodic basis the procedures implemented to comply with the regulation and guidance may give rise to financial and other sanctions for the Group and persons in default. On completion of the acquisitions of Maven and Ludlow Wealth Management and as part of the Group’s post-completion integration procedures, the Group will align the compliance policies and procedures of Maven and Ludlow Wealth Management with those of the Group.

1.5. Changes in tax law

The Group currently benefits from UK Government policies aimed at encouraging personal savings through the application of tax relief or particular tax regimes to certain types of investment. Changes in taxation legislation and policy in the UK or overseas could affect investor sentiment, making investment generally, and specific types of investment products in particular, either more or less appealing. In particular, changes in tax legislation could reduce the attractiveness of long-term savings via pension schemes, particularly SSAs and SIPPs, which in time could have an adverse impact on the revenue that the Group derives from these products.

In particular, HM Revenue & Customs (“HMRC”) has alleged that incorrect procedures may have been followed by SIPP operators generally in respect of in specie contributions into SIPPs (that is, where non-cash assets such as property or shares are transferred into a SIPP) and, in such cases, is seeking to reclaim pension tax relief that has been claimed in respect of in specie contributions together with interest. This is an industry-wide issue and has been challenged by the sector as a whole. There are a number of tax relief claims made on behalf of the Group’s clients that have been challenged with assessment notices received or expected to be received. These assessments have been appealed, with proceedings stayed. Following a favourable ruling for HMRC in a case affecting another SIPP operator, the Directors consider it is possible some cost associated with this issue could be incurred by the Group but, given that the underlying tax liability is a liability of the affected client, the expectation is that any impact on the financial position of the Group will not be significant.

In addition, the Group is exposed to changes in taxation rates and regimes which may result in an increased proportion of the Group’s profit being paid in taxation or may result in parts of the Group’s activities becoming less profitable or unprofitable through the imposition of higher transaction taxes or indirect taxes borne by the Group or its customers. Although the

Directors believe that the Group's application and interpretation of tax laws, rules and regulations are appropriate, and the Group's tax estimates and methodologies are reasonable, tax authorities have become more assertive in their interpretation and enforcement of such laws, rules, and regulations over time, as tax authorities and governments are increasingly focused on ways to increase tax revenues. This has contributed to an increase in audit activity and more stringent interpretations by tax authorities. The Group may be required to modify its business practices to reduce its exposure to additional taxes going forward, any of which may have a material adverse effect on the Group's business, results of operations and financial condition.

2. Operational Risks relating to the Company and the Group

2.1. Damage to the Group's reputation

The Group operates in an industry where integrity and client trust and confidence are paramount. Any mismanagement or failure to satisfy fiduciary responsibilities, or the adverse publicity resulting from such activities or any allegation of such activities, could have a material adverse effect on the business, reputation and brand of the Group.

The Group has a responsibility to provide best advice in its provision of products and services to its clients. There is a risk that the Group fails to provide the required level of service to its clients (both existing and new) through the flawed design or mis-selling of products or services, or poor business conduct, resulting in client outcomes that do not meet their needs and circumstances.

There is a risk of reputational damage as a result of employee misconduct, failure to properly manage confidential information or conflicts of interest, fraud, improper practice, poor client service or poor advice.

The Group's ability to operate, to attract and retain customers and employees, or to raise appropriate financing or capital may be adversely affected as a result of its reputation becoming damaged. Clients will rely on the Group's integrity and probity. If the Group fails, or appears to fail, to deal promptly and effectively with issues that may give rise to reputational risk, its reputation and, in turn, its business prospects may be materially harmed.

Any failure by the Group to address these or any other issues which could adversely affect its reputation could result in losses of personnel and customers, a reduced ability to compete effectively, financial losses and potential litigation, regulatory actions and penalties against the Group.

2.2. Errors, breakdown or security breaches in respect of the Group's software or information and communication technology systems

The Group is reliant on the capacity and reliability of the communications, information and technology systems supporting its operations, including those owned and operated by third parties. Operational risks such as trading or operational errors or interruption of its financial, accounting, trading, compliance and other data processing systems could result in a disruption to the Group's business, liability to its clients, regulatory intervention or reputational damage, and, as a result, could have a material adverse effect on its business.

Serious or prolonged breaches, errors or breakdowns in the Group's software or information technology systems could negatively impact customer confidence. It could also breach contracts with customers and data protection laws, rendering the Group liable to disciplinary action by governmental and regulatory authorities, as well as to claims by clients.

The performance of the Group's computer and communications systems could deteriorate or fail for any number of reasons. These could include loss of power, human error, natural disasters, fire, sabotage, hardware or software malfunctions or defects, computer viruses, intentional acts of vandalism, customer error or misuse, lack of proper maintenance or monitoring and similar events.

Failure or deterioration of the communications and computer systems and facilities on which the Group relies may lead to significant financial losses, litigation or arbitration claims filed by or on behalf of its customers and regulatory sanctions. Any such failure could also have a negative effect on the Group's reputation.

2.3. *Sustaining growth by acquisition*

The Group has grown in the past and is pursuing further growth from the completion of the Acquisitions and further pipeline opportunities. This growth has placed, and planned growth (if successful) will continue to place, significant demands on the Group's legal, compliance, accounting, tax and operational infrastructure, and may increase related expenses.

Further, if in the future the Group is unable to identify or complete strategic acquisitions or to integrate them effectively this could negatively impact its growth strategy, which could have an adverse effect on the Group's business, financial condition and results of operations.

Even if the Group is able to identify and successfully complete an acquisition, it may encounter unexpected difficulties or incur unexpected costs associated with integrating and overseeing the operations of the new business or activities. Additionally, while the Group conducts a significant review and due diligence exercise in connection with its acquisitions (including the Acquisitions), this due diligence exercise may not reveal all relevant facts which may, in turn, impact the value attributed to such acquisition and, ultimately, the success of such acquisition.

In addition, the Group may be required continuously to develop its systems and infrastructure in response to the increasing sophistication of its markets and to address legal, accounting, regulatory and tax developments or requirements. The Group's future growth will depend in part on its ability to maintain an operating platform and management system sufficient to address its growth and may require the Group to incur significant additional expenses and to commit additional management and operational resources.

There can be no assurance that the Group will be able to manage its growth effectively or that it will be able to continue to grow in line with historic and expected rates and any failure to do so could have a material adverse effect on the Group's business, financial condition and results of operations.

2.4. *Higher risk investments*

The Group arranges and manages funding for investments in property and other alternative assets. The value of these investments is dependent on general economic conditions as well as on the specific conditions of the commercial property, residential property and other markets. These markets are cyclical in nature and relate, in turn, to the condition of the economy as a whole. Deteriorating economic conditions may therefore adversely affect the value of these assets. In addition, negative economic conditions might also have an adverse effect on specific assets and diminish the ability to realise these investments (either at acceptable values or at all). The Group cannot predict how economic conditions will develop.

Investment in the higher risk investments the Group arranges and manages is restricted to clients certified as "relevant persons". Relevant persons are primarily certified high net worth individuals within the meaning of Category 2 of the table contained in Chapter 4.12 of the FCA's Conduct of Business Sourcebook ("COBS"); or certified/self-certified sophisticated investors within the meaning of Category 9 of the table contained in COBS 12. All investors are advised that such higher risk investments are only suitable for investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses (which may be equal to the whole amount invested).

The UK and global economies have been impacted by COVID-19 and, there is the potential for clients to suffer a capital loss on certain of these higher-risk investments. In light of the prevailing economic conditions and in line with the Board's on-going review of the effectiveness of the Group's systems of internal control and risk management to ensure controls react to changes in the nature of the Group's operations, the Board is reviewing the systems and controls relating to this higher risk element of the business.

Pension schemes administered by the Group are permitted under HMRC rules to hold certain non-standard investments ("NSIs") within them. Such investments are considered to represent a higher level of risk compared to standard investments such as quoted equities. As high risk investments, NSIs are potentially far more volatile than standard investments and clients may look to the Group, as their pension provider, for compensation in the event that a NSI fails or suffers a significant decrease in value. Prior to being accepted as a qualifying investment by any pension schemes administered by the Group, all NSIs are screened to verify the

acceptability of such investments, and comment on the suitability of these investments must be provided by a regulated adviser. Any NSIs that are permitted are subject to annual review and monitoring.

2.5. Business continuity and operational resilience

In addition to the failure of IT systems, there is a risk of disruption to the business as a result of power failure, fire, flood, acts of terrorism, re-location problems and other problems.

Whilst the Group has disaster recovery and business continuity plans in place, these may not cover all activities within the Group or failures that may occur. If the Group's business continuity plans do not operate effectively, they may not be adequate to correct or mitigate the effects of any of the above eventualities.

2.6. Key personnel risk

The Group depends on the diligence, skill, judgement and business contacts of the Directors and other key personnel and the information, deal flow, relationships and revenue they generate during the normal course of their activities. The industry in which the Group operates requires highly qualified and experienced employees. The Company's future success depends on the continued service of the existing individuals and its ability to strategically recruit, retain and motivate new talented personnel. The market for qualified successful investment professionals is extremely competitive. There is a risk that the Group's employees could be approached and solicited by competitors of the Group or other organisations or could otherwise choose to leave the Group. The loss of, or inability to recruit and retain key personnel could have a material adverse effect on the Group's business, results of operations or financial condition.

2.7. Fraud risk

The Group, like others in the financial services industry, is susceptible to various forms of crime and misconduct, including theft, money laundering, tax evasion and fraud. The Group is also susceptible to such misconduct being engaged in by its employees, and the precautions the Group takes to detect and prevent employee misconduct may not always be effective.

There have been a number of highly publicised cases involving fraud or other misconduct by employees of financial services firms in recent years and various investigations have been conducted by the FCA in the United Kingdom. There is a risk that an employee defrauds either the Group or a client which may result in losses to the Group.

In addition, a third party could defraud either the Group or the Client, causing loss to the Group.

Were the Group to be a target of any such criminal activity or misconduct, it could suffer losses, incur fines, attract adverse publicity and/or suffer significant reputational damage.

2.8. Litigation or claims made against the Group

The Group is exposed to the risk of liability relating to litigation from clients or third parties and assurance that a claim or claims will not be covered by insurance or, if covered, will exceed the limits of available insurance coverage, or that any insurer will become insolvent and will not meet its obligations to provide the Group with cover. Action taken may be protracted, involve the expenditure of significant financial and managerial resources, and may ultimately not be successful, which may result in an adverse impact on the Group's financial position.

2.9. Reliance on third parties or outsourcing risk

Any regulatory breach or service failure on the part of an outsourced service provider could expose the Group to the risk of regulatory sanctions, fines, censure and other reputational damage.

2.10. Strategic risk

The risk that management will pursue inappropriate strategies or implement the Group's strategy ineffectively may have a material effect on the Group's ability to compete effectively, which could reduce its revenue and profitability.

2.11. Underwriting risk

When arranging new financial products for promotion to the Group's clients, the Group may need to guarantee a minimum aggregate investment to secure appropriate terms for the product.

If client investment made into a product that the Group has underwritten in this way is less than the amount the Group has underwritten, the Group may be required to purchase the underwritten element of the product which may result in an adverse impact on the Group's financial position.

2.12. Impact of Brexit

The UK voted in favour of withdrawing from the EU in a referendum on 23 June 2016 and on 31 January 2020 the UK formally ceased to be a member of the EU ("Brexit"). Upon its departure, pursuant to an agreement reached between the UK and the EU, a transition period came into effect until 31 December 2020, during which period EU law continued to be applicable to and in the UK. That transition period has now ended.

Notwithstanding the trade agreement concluded on 24 December 2020 between the EU and the UK governing certain aspects of their relationship after Brexit (the "UK – EU Trade and Cooperation Agreement"), Brexit is likely to result in ongoing political, legal and economic uncertainty in the UK and wider European markets. In particular, the economies of the UK and EU Member States, and individual businesses operating in one or more of those jurisdictions, may be adversely affected by the restrictions on the ability to provide cross-border services from the UK into the EU and vice versa; the introduction of non-tariff (and, in the future, potentially tariff) barriers; customs checks and/or duties, changes in tax (including withholding tax); restrictions on the movements of employees and restrictions on the transfer of personal data. There are likely to be changes in the legal rights and obligations of commercial parties across all industries, particularly in the services sector (including financial services), following the UK's exit from the EU despite the UK – EU Trade and Cooperation Agreement. Economic turbulence arising out of the changes in the relationship between the UK and EU, including under the terms of the UK – EU Trade and Cooperation Agreement could adversely affect the Group, the performance or value of the investments made by the Group's clients and the ability of the Group to fulfil its clients' investment objectives (especially where the clients' funds have been invested in businesses that have relied on access to the single market, that have benefited from harmonised regulation or whose value is otherwise affected adversely by the UK's future relationship with the EU).

The extent of the impact of Brexit on the Group will depend on the nature of the future relationship between the UK and the EU in relation to financial services and the extent to which the UK continues to apply laws that are based on EU regulation both in the short and long-term. Legal uncertainty and potentially divergent national laws and regulations following Brexit may increase compliance and operating costs for the Group.

2.13. Impact of COVID-19

The Group, and the financial services industry in general, have been subject to ongoing risks relating to the COVID-19 pandemic, which could have a material adverse effect on the Group's business and operations, and the Group may be exposed to such risks for an uncertain period of time.

While the Group has not experienced business interruption as a result of the restrictions put in place by the UK and other governments in response to the COVID-19 pandemic, it did implement business continuity and crisis management plans in response to the COVID-19 pandemic and related restrictions. As part of its response, employees have been, and may continue to be, required to work from home for extended periods and generally not able to travel, which has made, and may continue to make, interactions with clients more difficult. The ongoing impact of the COVID-19 pandemic may also result in increased employee sick-leave, serious illness or fatalities amongst the Group's employees (including key personnel) and may result in employees having less, or less effective, contact with control functions (such as risk and compliance) within the business.

The COVID-19 pandemic and restrictions put in place by the UK and other governments to contain it have also had an adverse impact on the UK and global economy generally and

financial markets in particular. The COVID-19 pandemic has had a significant adverse impact across many sectors in the UK and elsewhere, with businesses experiencing significant operational disruption (including in some cases temporary closure), severely depressed financial performance and increased risk of insolvency.

There can be no certainty how long it will be until the COVID-19 pandemic is brought fully under control and restrictions put in place by the UK and other governments completely removed or relaxed. In any case, the adverse impact of the pandemic on the economy and financial markets is likely to continue for a period after the pandemic is brought under control and restrictions lifted. Therefore, as a result of any of the above factors, the COVID-19 pandemic may, directly or indirectly, have a material adverse effect on the ability of the Group to conduct its operations which in turn could have a material adverse effect on the Group's business, financial condition and results of operations.

3. Financial Risks relating to the Company and the Group

3.1. Counterparty default

The Group's profitability and retained earnings may be materially adversely affected in the event of a significant default by any of its customers and counterparties and this could be exacerbated where it has a concentrated exposure to the counterparty or where the default arises from, or gives rise to further losses as a result of systemic risk.

The Group is also exposed to counterparty credit risk in respect of cash deposits held with financial institutions and to concentration risk in that it may have exposures with a counterparty arising through a number of different activities in a number of different regions and may also have cash deposits with the same counterparty.

3.2. Bank default

Should a bank with which the Group does business fail the Group could be significantly exposed and the failure could severely impact the Group.

3.3. Concentration risk

The Group is exposed to concentration risk, which is a component of credit risk, either arising from a lack of diversity in business activities or a geographical risk. In addition, consolidation among the Group's customers may cause revenue to be dependent on a smaller number of customers and may result in additional pricing pressure. In that event, the Group's revenue may be dependent on its continued good relationships with those customers to a material extent and any adverse change in those relationships could materially reduce the Group's revenue.

3.4. Liquidity risk

The Group requires financial liquidity to facilitate its operations. In addition to maintaining significant cash balances, the Group might require to access credit facilities provided by the Group's bankers. Any such credit facilities may impose certain operating and financial restrictions on the Group, and contain covenants that require the Group to maintain specified financial ratios and satisfy specified financial tests, that may limit how the Group conducts its business. In the longer term, the Group may be unable to renew credit facilities or raise additional financing and the withdrawal, non-renewal or a lack of access to credit facilities, whether as a result of market conditions, general market disruption or a failure by the Group itself, could severely impact the Group.

3.5. Interest rate risk

The Group is exposed to a decline in earnings due to a decline in interest rates. It is likely that low interest rates will make it harder for the Group to structure attractive capital-protected products for clients or general banking income.

4. Risks relating to the Acquisitions and the Fundraise

In addition to the risk factors set out in paragraphs 1 to 3 above and in paragraph 5 below which would also apply to Maven and Ludlow Wealth Management as well as to the Group,

the following additional risks relating to the Acquisitions and the Fundraise are drawn to the attention of holders of Ordinary Shares and to potential investors in Ordinary Shares.

4.1. *Conditions to completion of the Acquisitions*

Completion of each of the Acquisitions is conditional upon the following matters:

4.1.1 Completion of the Acquisitions is conditional upon the Fundraise which requires Shareholders to approve the Resolutions. There can be no assurance that such approval will be obtained. The Board considers that the Acquisitions are in the best interests of the Company and Shareholders as a whole. However, if Shareholder approval is not obtained, the Acquisitions will not go ahead. In addition, the Joint Bookrunners have customary rights to terminate the Fundraise (such as after the occurrence of a material adverse change in financial markets or certain other material adverse changes further details of which are set out in the terms and conditions relating to the Placing set out in the amount made by the Company on 26 May 2021) and, if such rights are exercised, the Acquisitions will not go ahead.

4.1.2 Completion of the acquisition of Ludlow Wealth Management is also conditional upon receipt of the relevant approvals from the FCA to the change of control of Ludlow Wealth Management Group Ltd which may occur before or after Second Admission (the approval from the FCA in respect of the change of control of Maven and MPIL has already been received).

In addition, pursuant to the agreed terms of each of the Acquisitions, the Company has certain rights to terminate the agreements relating to the Acquisitions if, prior to completion of the relevant Acquisition, there has been a material breach by the sellers of certain provisions of the relevant agreement or there has been a material adverse change in the regulatory position of Ludlow Wealth Management or Maven (as applicable).

4.2. *The Fundraise may complete prior to the other conditions to completion of the Acquisitions having been satisfied.*

The Fundraise is not conditional upon the completion of the Acquisitions. Consequently, the Acquisitions will complete after completion of the Fundraise and, at the time at which the Fundraise completes, the condition to completion of the acquisition of Ludlow Wealth Management referred to at paragraph 4.1.2 above may not have been satisfied. As such, and notwithstanding that the Fundraise has completed, there is a risk that the Acquisitions do not complete (either because, in the case of the acquisition of Ludlow Wealth Management, the condition referred to at paragraph 4.1.2 above is not satisfied or, in either case, the agreement for the Acquisition is terminated in accordance with its terms as referred to in paragraph 4.1 above). If, after the Fundraise has completed, either of the Acquisitions does not complete (because it fails to become unconditional (in the case of the Ludlow Wealth Management Acquisition) or it is terminated in accordance with its terms) the Company's intention would be to deploy the capital raised but not used in relation to other potential acquisitions and for general working capital purposes.

4.3. *The Fundraise and the issue of the Consideration Shares may dilute existing Shareholders' investment in the Company*

The Fundraise and the issue of the Consideration Shares are being carried out on a non-pre-emptive basis and therefore the issue of the Fundraise Shares and the Consideration Shares will, to the extent they do not participate in the Fundraise, reduce the proportionate ownership and voting interests of existing Shareholders in the Company and the power of existing Shareholders to affect the direction of the Group will, to such extent, be diminished.

4.4. *Retention of key personnel*

Both Ludlow Wealth Management and Maven, like the Company, are dependent upon the service and performance of their senior personnel. In particular, Ludlow Wealth Management depends on retaining its financial advisers who maintain relationships with Ludlow Wealth Management's clients and customers. The loss of the services of any of these senior personnel could cause disruption which could have a material adverse effect on the Group and the financial and other benefits it expects to realise from the Acquisitions.

4.5. *Termination of investment management agreements*

Certain of the investment management agreements to which Maven is a party are subject to ordinary course rights of termination exercisable by notice in writing given by the relevant counterparty to Maven with notice periods of between 6 and 12 months. Similarly, certain of the funds managed by Maven have an ordinary course right to terminate the appointment of Maven as investment manager where a resolution for the same is passed by a majority of investors for the time being in the relevant funds. The Company is not aware that notice of termination is intended to be served by any counterparty to those contracts or that any such resolution is intended to be proposed or passed. However, no guarantee can be given that one or more of such counterparties will not in the future serve notice or that any such resolution will not in the future be proposed and passed and which, in any such case, could then have a material adverse impact on the Group's business, financial condition and prospects.

Further, certain of these investment management agreements contain "key executive" clauses which allow the investors to terminate Maven's appointment or suspend Maven's management fees if certain of Maven's key executives cease to be employed or otherwise engaged by Maven. The termination of Maven's appointment or the suspension of Maven's management fees could severely impact the Group.

4.6. *Ability to raise further funds*

Maven's investment management business depends on attracting adequate investment funds to manage. If Maven fails to attract sufficient assets then revenues generated from its investment management activities are likely to decline and this could have a material adverse effect on the Group's business, financial condition and prospects.

4.7. *Realisation of investments*

Maven arranges and manages investments in securities that are not readily tradable, which may make it difficult for such investments to be sold. The investments arranged and managed by Maven are in the securities of small and medium sized companies. Such securities may involve a higher degree of risk than would be the case for the securities of larger companies. Shareholders should not expect that Maven will necessarily be able to realise, within a period which they would otherwise regard as reasonable, those investments, or that any realisation will be on a basis which necessarily reflects the Group's valuation of such investments.

4.8. *Maven's property investments*

Maven arranges and manages funding for investments in a number of property assets. The value of these property investments is dependent on general economic conditions as well as on the specific conditions of the commercial property market. The property market is cyclical in nature and relates, in turn, to the condition of the economy as a whole. Deteriorating economic conditions may therefore adversely affect the value of these property assets. In addition, negative economic conditions might also have an adverse effect on rental revenues (either due to tenant defaults, unlet properties or decreasing rental values) and diminish the ability to dispose of properties (either at acceptable values or at all). The Company cannot predict how economic conditions will develop. Furthermore and in particular due to its small size and focus on specific sectors such as hotels and student accommodation, because the property portfolio in which Maven is invested is not and cannot be representative of the market as a whole, the value of such property portfolio may be even more adversely affected by any downturn in the property market or change in economic conditions affecting those sectors than the market average.

4.9. *Performance related revenues*

Maven receives performance related profit shares and fees from its investment management and co-investment activities. These performance related revenues are dependent upon the returns achieved for investors in the various funds managed by Maven. Those returns are in turn dependent upon the realisations achieved in underlying investments. If realisations are not achieved or are achieved at lower valuations then Maven's performance related revenues are likely to reduce with a potential material adverse effect on the Group's financial condition.

5. Risks Relating to the Ordinary Shares

5.1. Possible volatility of the price, and trading volume, of the Ordinary Shares

Following Admission, the market price of the Ordinary Shares may be affected by a variety of factors outside the control of the Group, including, but not limited to, changes in sentiment regarding the Ordinary Shares, variations in the Group's operating results compared with the expectations of market analysts and investors, its business development or those of its competitors, the operating performance of its competitors or speculation about the Group's business. The market value of the Ordinary Shares can fluctuate and may not always reflect the underlying value of the Company or prospects of the Group. Shareholders should therefore be aware that the value of the Ordinary Shares can go down as well as up and that they may not be able to realise their investment.

Furthermore, the trading market for the Ordinary Shares will be influenced by the research and reports that industry or securities analysts publish about the Group or its business. If analysts who cover the Group downgrade the Ordinary Shares in their report, the market price of the Ordinary Shares may decline. If one or more of these analysts were to stop covering the Company or fail to publish reports regularly on the Company, the Company could lose visibility in the financial markets. This could cause a decline in the market price of the Ordinary Shares or trading volume.

5.2. Dilution of ownership of Ordinary Shares

The Company has no current plans which involve the issuance of Ordinary Shares other than in connection with the Fundraise and the proposed Acquisitions (and other than pursuant to the Company's existing share options or share incentive schemes, or in respect of the Company's acquisition pipeline). It is possible that the Company may decide to issue, pursuant to a public offer or otherwise, additional Ordinary Shares in the future at a price or prices higher or lower than the Issue Price. An additional issue of Ordinary Shares by the Company, or the public perception that an issue may occur, could have an adverse effect on the market price of Ordinary Shares and could dilute the proportionate ownership interest, and hence the proportionate voting interest, of Shareholders if, and to the extent that, such an issue of Ordinary Shares is not effected on a pre-emptive basis or Shareholders do not take up their rights to subscribe for further Ordinary Shares as a pre-emptive offer.

5.3. Future Funding

Whilst the Directors have no current plans for raising additional capital immediately after Admission and are of the opinion that the working capital available to the Group will be sufficient for its present requirements, it is possible that the Group will need to raise extra capital in the future to develop the Group's business or to take advantage of acquisition opportunities. No assurance can be given that any such additional financing will be available or that, if available, financing will be available on terms favourable to the Group or to its Shareholders.

If further financing is obtained by issuing equity securities or convertible debt securities, the existing shareholders' holdings of Ordinary Shares may be diluted and the new securities may carry rights, privileges and preferences superior to the Ordinary Shares. The Directors may seek debt finance to fund all or part of any future acquisitions. There can be no assurance that the Group will be able to raise those debt funds, whether on acceptable terms or at all. If debt financing is obtained, the Group's ability to raise further finance and its ability to operate its business may be subject to restrictions.

A number of factors (including changes in interest rates, conditions in the banking market and general economic conditions which are beyond the Group's control) may make it difficult for the Group to obtain new financing on attractive terms or even at all. If the Group's borrowings become more expensive, then the Group's profits will be adversely affected.

5.4. Substantial sales of Ordinary Shares could cause the price of Ordinary Shares to decline

There can be no assurance that certain Directors or other Shareholders will not elect to sell their Ordinary Shares in the future. The market price of Ordinary Shares could decline as a result of any such sales of Ordinary Shares or as a result of the perception that these sales

may occur. In addition, if these or any other sales were to occur, the Company may in the future have difficulty in offering Ordinary Shares at a time or at a price it deems appropriate.

5.5. Exchange rate fluctuations

The Ordinary Shares are, and any dividends to be paid in respect of them will be, denominated in UK pounds sterling. An investment in Ordinary Shares by an investor whose principal currency is not pounds sterling exposes the investor to foreign currency exchange rate risk (and any associated tax risks). Any depreciation of sterling in relation to such foreign currency will reduce the value of the investment in the Ordinary Shares or any dividends in relation to such foreign currency.

5.6. Overseas shareholders

UK company law provides for pre-emptive rights to be granted to Shareholders on future equity offerings, unless such rights are disapplied by a shareholder resolution. However, securities laws of certain jurisdictions outside the United Kingdom, including the United States, may restrict the Company's ability to allow participation by Shareholders located in such jurisdictions in future equity offerings. In particular, Shareholders in the United States may not be entitled to exercise their pre-emption rights unless such an offering is registered under the US Securities Act or made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. The holdings of Shareholders located outside the United Kingdom who are not able to participate in any future equity offerings could be diluted by any such offerings.

5.7. There is no guarantee that the Company's Ordinary Shares will continue to be traded on AIM

The Company cannot assure investors that the Company's Ordinary Shares will always continue to be traded on AIM or on any other exchange. If such trading were to cease, certain investors may decide to sell their shares, which could have an adverse impact on the price of the Ordinary Shares. Additionally, if in the future the Company decides to obtain a listing on another exchange in addition or as an alternative to AIM, the level of liquidity of the Ordinary Shares traded on AIM could decline.

5.8. Investment in AIM traded securities

The Ordinary Shares are, and the new Ordinary Shares will be, traded on AIM rather than admitted to the Official List of the UK Listing Authority. AIM is designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. The rules of AIM are less demanding than those admitted to the Official List and an investment in shares traded on AIM may carry a higher risk than an investment in shares admitted to the Official List. In addition, the market in shares traded on AIM may have limited liquidity, making it more difficult for an investor to realise its investment on AIM than to realise an investment in a company whose shares are admitted to the Official List. Investors should therefore be aware that the market price of the Ordinary Shares may be more volatile than that of shares admitted to the Official List, and may not reflect the underlying value of the Company. Investors may, therefore, not be able to sell at a price which permits them to recover their original investment and could lose their entire investment.

MATTIOLI WOODS PLC

(Incorporated and registered in England and Wales with registered number 3140521)

NOTICE OF GENERAL MEETING

NOTICE IS GIVEN that a General Meeting of Mattioli Woods plc (the “Company”) will be held at 1 New Walk Place, Leicester LE1 6RU on 16 June 2021 at 11:00 a.m. to consider and, if thought fit, to pass the following resolutions, of which resolution 1 will be proposed as an ordinary resolution and resolution 2 will be proposed as a special resolution.

ORDINARY RESOLUTION

- 1 THAT the Directors of the Company be and are generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 (the “Act”) to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company up to an aggregate nominal amount of £141,688.97, provided that this authority shall, unless renewed, varied or revoked by the Company in general meeting, expire at the conclusion of the next annual general meeting of the Company (save that the Company may, at any time before the expiry, revocation or variation of such authority, make any offer or enter into any agreement that would or might require shares to be allotted or rights to be granted after the expiry, revocation or variation of such authority and the Directors may allot shares or grant rights in pursuance of any such offer or agreement as if the authority conferred by this resolution had not expired, been revoked or varied). The authority granted by this resolution will be in addition to all existing general authorities of the Company to allot shares or equity securities in the Company, which authorities shall continue to apply in accordance with their terms.

SPECIAL RESOLUTION

- 2 THAT, subject to the passing of resolution 1 above and in accordance with sections 570 and 573 of the Act, the Directors of the Company be and are generally and unconditionally authorised to allot equity securities of the Company (as defined in section 560 of the Act) for cash under the authority given by resolution 1 as if section 561 of the Act did not apply to any such allotment, such authority to be limited to the allotment of equity securities in connection with the Conditional Placing, the Broker Option and the PrimaryBid Offer (as each such term is defined in the circular to the Company’s shareholders dated 27 May 2021 of which this notice forms part) up to an aggregate nominal amount of £141,688.97, such authority to be subject to the continuance of the authority conferred by resolution 1 and to expire unless renewed, revoked or varied by the Company in general meeting, at the conclusion of the next annual general meeting of the Company but, in each case, prior to its expiry, revocation or variation the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted or rights to be granted after the authority expires and the Directors may allot equity securities or grant rights under any such offer or agreement as if the authority had not expired, been revoked or varied.

Dated: 27 May 2021

By order of the Board:

Petershill Secretaries Limited

Company Secretary

Registered Office:
1 New Walk Place,
Leicester LE1 6RU

Notes

1. As a result of the ongoing nature of the COVID-19 pandemic, and in line with the UK Government's restrictions and guidelines on public gatherings, the Board has decided to hold the General Meeting as a closed meeting with only the requisite Company personnel who are also Shareholders attending to enable the formal business of the General Meeting to be conducted. As a result, Shareholders should not attend the General Meeting in person. However, they are strongly encouraged to submit their votes in advance, as well as any questions on the business to be transacted at the General Meeting. Should Shareholders have any questions relating to the resolutions to be proposed at the General Meeting, please submit them by 11:00 a.m. on 14 June 2021 to Ravi Tara, Chief Financial Officer, at ravi.tara@mattioliwoods.com. Answers to any questions submitted to the Company prior to this time will be posted on the Company's website following the General Meeting.
2. Members of the Company are entitled to appoint a proxy to exercise their rights to vote on their behalf at the Meeting. A member can only appoint a proxy using the procedures set out in these notes and the notes to the Form of Proxy.
3. A proxy need not be a shareholder of the Company, but must attend the General Meeting to represent you. Details of how to appoint the Chairman of the General Meeting or another person as your proxy using the Form of Proxy are set out in the notes to the Form of Proxy. **In light of the restricted attendance requirements that apply to the General Meeting, we strongly recommend that you appoint the Chairman of the Meeting as your proxy for the purpose of the Meeting. If a Shareholder appoints a person other than the Chairman of the General Meeting as their proxy, that person will not be able to attend the General Meeting or vote.**
4. Voting on all resolutions will be conducted by way of a poll. This is a more transparent method of voting as Shareholders' votes are counted according to the number of shares registered in their names. As soon as practicable following the Meeting, the results of the voting will be announced via a regulatory information service and placed on the Company's website.
5. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the relevant resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the General Meeting (including, without limitation, upon any resolution to adjourn the General Meeting or any resolution to amend any resolution put to the Meeting).
6. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of joint holdings (the first-named being the most senior). A Form of Proxy which may be used to make such appointment and give proxy instructions accompanies this Notice.
7. The notes to the Form of Proxy explain how to direct your proxy how to vote on each resolution or withhold his or her vote.
8. In the case of a member which is a company, the Form of Proxy must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
9. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the Form of Proxy.
10. To be a valid appointment of a proxy, the Form of Proxy must be completed and signed and received by the Company's registrars, Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL by 11:00 a.m. on 14 June 2021, being not less than 48 hours (excluding non-business days) before the time appointed for the holding of the General Meeting or any adjourned meeting. Please note that in light of the COVID-19 pandemic, Link Group is operating with a minimal presence in the office, so it may take longer than usual to process Forms of Proxy if posted or hand delivered. Please allow enough time for your Form of Proxy to be processed if delivered by post or hand.

11. You can direct your proxy to vote online at www.signalshares.com. You will require your user name and password in order to log in and vote. If you have not previously registered to use the Shareholder Portal, you will require your Investor Code (IVC) which can be found on your share certificate or dividend voucher, or by contacting Link Group at shareholderenquiries@linkgroup.co.uk or by calling on 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Link Group are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales. To be valid, a proxy lodged online must be lodged no later than 11:00 a.m. on 14 June 2021, being not less than 48 hours (excluding non-business days) before the time appointed for the holding of the General Meeting or any adjourned meeting.
12. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the General Meeting and any adjournment(s) of it by using the procedures described in the CREST manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider, should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf.
13. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a “CREST Proxy Instruction”) must be properly authenticated in accordance with Euroclear UK & Ireland Limited’s (EUI) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the company’s agent, Link Group (CREST Participant ID RA10) by the latest time(s) for receipt of proxy appointments specified in this notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
14. CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
15. Shareholders may change proxy instructions by submitting a new proxy appointment using the methods set out above. Note that the cut off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the cut-off time will be disregarded. If a Shareholder submits more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
16. A Shareholder may revoke a proxy instruction but to do so it will be necessary to inform the Company in writing by either sending a signed hard copy notice clearly stating the intention to revoke the proxy appointment to Link Group; or signing a hard copy notice clearly stating your intention to revoke your proxy appointment and sending a scanned copy to the Company by email to the address: ravi.tara@mattioliwoods.com. In the case of a Shareholder which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice. In either case, the revocation notice must be received by the Company no later than 11:00 a.m. on 14 June 2021. If there is an attempt to revoke a proxy appointment but the revocation is received after the time specified, the original proxy appointment will remain valid.

17. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
18. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, only shareholders registered in the register of members of the Company as at 6.00 p.m. on 14 June 2021 (or in the event of any adjournment, at 6.00 p.m. on the day before the date fixed for the adjourned meeting) shall be entitled to attend and vote at the General Meeting in respect of the number of shares registered in their name at such time. Changes to the register of members after the relevant times shall be disregarded in determining the rights of any person to attend and vote at the Meeting.
19. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share. As Shareholders are restricted from attending the General Meeting, we would recommend that corporations wishing to appoint a corporate representative appoint the Chairman of the Meeting or submit their votes by proxy in advance of the Meeting, as set out in the notes above.
20. As at 26 May 2021 (being the latest practicable date prior to the publication of this document), the Company's issued share capital consists of 28,251,059 ordinary shares of £0.01 each and which each carry one vote. Therefore, the total voting rights in the Company as at 26 May 2021 are 28,251,059.
21. Except as provided above, Shareholders who have general queries about the meeting should contact the Company on ravi.tara@mattioliwoods.com (no other methods of communication will be accepted).
22. Shareholders may not use any electronic address provided either in this notice of General Meeting or any related documents (including the circular of which this notice forms part) to communicate with the Company for any purposes other than those expressly stated.