

This announcement contains inside information for the purposes of article 7 of the Market Abuse Regulation (EU) 596/2014 as amended by regulation 11 of the Market Abuse (Amendment) (EU Exit) Regulations 2019/310.

3 February 2021

Mattioli Woods plc

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

Acquisition of Montagu Limited

Mattioli Woods plc (AIM: MTW.L), the specialist wealth management and employee benefits business, is pleased to announce the acquisition of 100% of the issued share capital of Montagu Limited ("Montagu") from its shareholder ("the Seller") for a total consideration of up to £2.34 million on a cash-free, debt-free basis.

Montagu was established in 1996 and provides wealth management advice and administration for over 150 private and corporate clients with approximately £80 million of assets under advice. Montagu is based in Twickenham and employs an experienced team of four staff, all of whom will remain with Mattioli Woods following completion.

Like Mattioli Woods, the business specialises in the provision of fee-based financial planning advice. The complementary product offerings provide scope for potential revenue synergies, while maintaining the strong cultural commitment of both companies to putting clients first.

In the year ended 31 July 2020, Montagu generated revenues of £0.77 million with a profit before taxation of £0.31 million. At 31 July 2020 Montagu's gross assets were £1.05 million and net assets were £0.95 million, including £0.91 million of cash. The acquisition is expected to be earnings enhancing in the first full year of ownership.

The total consideration comprises:

- An initial cash consideration of £1.39 million (subject to adjustment for the value of net assets acquired) comprising £1.09 million in cash plus 40,161 new ordinary shares of 1p each in Mattioli Woods ("the Consideration Shares"), which are valued at £0.30 million based on the average closing price of a Mattioli Woods share for the 10 days to 1 February 2021 inclusive; and
- Contingent consideration of up to £0.95 million payable in cash on the first and second anniversaries of completion, subject to certain revenue targets being met.

Payment of the initial cash consideration, deal costs and estimated net asset completion adjustment has resulted in a net cash outflow at completion of £1.19 million (net of estimated cash received on acquisition) .

Application has been made to AIM for the admission of the Consideration Shares to trading ("Admission"). Admission of the Consideration Shares, which will rank parri passu in all respects with Mattioli Woods' existing shares in issue, is expected to become effective on 8 February 2021.

Following the issue of the Consideration Shares, the total number of ordinary shares of 1p each ("the Ordinary Shares") in the Company with voting rights will be 28,106,250. Mattioli Woods does not hold any Ordinary Shares in Treasury. The figure of 28,106,250 Ordinary Shares may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the share capital of the Company under the Financial Conduct Authority's Disclosure and Transparency Rules.

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

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

"Our discussions have confirmed the strong cultural fit and our common approach to looking after clients, and we are very pleased that Chris and his team are joining Mattioli Woods. The transaction expands our existing operations in London and the South East. We believe the range of products and services that Mattioli Woods has to offer can support the excellent outcomes from which Montagu's clients already benefit, whilst offering the potential to realise real revenue synergies by combining our operations."

Chris Simpkin, Montagu's Managing Director, added:

"From our earliest discussions with Mattioli Woods it was clear that we shared the same core values and business culture of putting our clients' interests at the heart of everything we do. We are delighted to become part of the Mattioli Woods Group; one of the UK's top financial services companies. Our clients and staff will continue to benefit from our combined strong ethos and culture. Moving forward, the additional resources and support of being part of the Mattioli Woods Group will help us continue to provide our clients with the highest level of service that they have come to expect. We look forward to what the future will bring and sharing this with our clients".

- Ends -

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