

15 September 2021

Fintel plc

("Fintel", the "Company" or the "Business")

Strategic Update

Asset Disposal and Strategic Partnership with Tatton Asset Management

Fintel (AIM: FNTL), the leading provider of fintech and support services to the UK retail financial services sector, today announces a major strategic partnership with Tatton Asset Management (AIM: TAM) comprising a £7m fintech and distribution agreement and the sale of its fund management business for cash consideration of up to £5.8m.

Fintel will provide its market-leading fintech, Defaqto Engage, to up to 2,500 Tatton and Paradigm customers in a 5-year SaaS enterprise partnership generating a minimum revenue of £7m.

Fintel will also embed its Managed Distribution Service into Tatton's distribution platform, generating additional revenue as the partnership grows.

As part of the strategic partnership Fintel has sold its fund management business, Verbatim¹, to Tatton for up to £5.8m in cash, with £2.8m received on completion and the balance payable over a four-year period based on performance.

The overall transaction will be earnings neutral in 2021 and earnings enhancing thereafter.

Matt Timmins, Joint CEO of Fintel, said:

"We are excited to announce our first major strategic partnership as Fintel with Tatton Asset Management. The partnership will expand our fintech customer reach by up to 30% and significantly extend our Managed Distribution Service.

"The partnership provides a fantastic foundation to further grow our SaaS revenues, delivering market-leading solutions which enable advisers to provide fully compliant advice more profitably.

"We have admired Tatton's record of delivering investment returns for advisers and growth in their AUM and we are delighted to be working together in partnership.

Interim Results

Fintel intends to publish its interim results for the six months ended 30 June 2021 on 21 September 2021.

¹ Verbatim consists of c.£650m funds under management and contributed £1.4m of profit to the Fintel group in FY20.

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