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Fintel plc

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

Increased regulation drives demand for Defaqto services

Fintel (AIM: FNTL), the leading provider of Fintech and support services to the UK retail financial services sector, announces that it has expanded key product lines in its research and fintech division, operating under the Defaqto brand, in response to ongoing market demand driven by new regulation.

Defaqto, the leading financial information, ratings and fintech business, has seen consistent growth in usage over the last three years for both its Risk Ratings and Investment Reviews.

Risk Ratings provide an independent risk mapping of a financial product and enables wealth managers and financial advisers to select suitable investment portfolios for their clients. Due to the growth in regulation and focus on investment suitability, this service has grown to cover over 1,500 financial products. Investment Reviews, which combine qualitative and quantitative analysis of an investment proposition to give intermediaries and consumers further insights at point of sale, has expanded to cover over 400 propositions in response to market demand.

The business has also seen greater demand for both its Matrix software solution, which enables product providers to assess the competitiveness of a proposition through benchmarking the market, as well as the Star Ratings service, an expert assessment of a product's quality, features and benefits, which is recognised by 75% of consumers.

The new era of Consumer Duty and Fair Value pricing is expected to further increase demand for Defaqto services as well of those of sister company, SimplyBiz, who provide regulatory support services to 3000 intermediary firms.

John Milliken, Defaqto CEO commented:

'As we enter a new regulatory era of Consumer Duty and Fair Value Pricing, Defaqto is uniquely positioned to support product providers such as banks and general insurers in designing appropriate products and evidencing the suitability and quality of their propositions. With the largest product database in the UK, we're able to provide crucial market insights that allow them to consider consumer suitability during product design, whilst our independent, expert Ratings and Reviews help to educate intermediaries and consumers in assessing the appropriateness of a product at point of purchase.'

"We expect this demand to continue with the incoming Consumer Duty Regulation driving an increased focus on product fit and consumer outcomes, and as we continue to develop the insights and solutions the market needs, we are well positioned for future growth."

Defaqto was acquired by Fintel in 2019 to support the group's rapid digitisation as it focuses on developing insight and data led services such as the 'Managed Distribution Service' - a first of its kind subscription-based service spanning research, data, and distribution which has contributed to the increasing levels of recurring revenues generated by the Company (SaaS and subscription revenues represented 66% of core revenues in 2021).

The continued demand for Defaqto's research services further underpins current strategic growth plans of the Group. Fintel intends to publish a pre-close announcement ahead of the publication of its interim financial results in September.

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Notes to Editors

Fintel is the UK's leading fintech and support services business, combining the largest provider of intermediary business support, SimplyBiz, and the leading research, ratings, and Fintech business, Defaqto.

Fintel provides technology, compliance and regulatory support to thousands of intermediary businesses, data and targeted distribution services to hundreds of product providers and empowers millions of consumers to make better informed financial decisions. We serve our customers through three core divisions:

The Intermediary Services division provides technology, compliance, and regulatory support to thousands of intermediary businesses through a comprehensive membership model. Members include directly authorised IFAs, Wealth Managers and Mortgage Brokers.

The Distribution Channels division delivers market insight & analysis and targeted distribution strategies to financial institutions and product providers. Clients include major Life & Pension companies, Investment Houses, Banks and Building Societies.

The Fintech and Research division (Defaqto) provides market leading software, financial information and product research to product providers and intermediaries. Defaqto also provides product ratings (Star Ratings) on thousands of financial products. Financial products are expertly reviewed by the Defaqto research team and are compared and rated based on their underlying features & benefits. Defaqto ratings help consumers compare and buy financial products with confidence.

For more information about Fintel, please visit the website: www.wearefintel.com

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