

*Certain information contained in this announcement would have constituted inside information (as defined by Article 7 of Regulation (EU) No 596/2014), as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR") prior to its release as part of this announcement and is disclosed in accordance with the Company's obligation under Article 17 of those regulations.*

**17 August 2023**

## **Fintel plc**

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

### **Implementation of new long-term incentive plan, grant of awards and PDMR dealing**

Fintel plc (AIM: FNTL) is pleased to announce the implementation of a new long-term incentive plan, its Growth Share Plan (the "**Plan**") and a number of initial grants of awards under the Plan to certain employees ("**2023 Awards**")

#### **The current Value Builder Plan**

The Company's current Value Builder Plan ("**VB Plan**") was intended to operate as an LTIP and be issued annually. The only award under this plan was announced on 30 November 2021, and no further awards are to be expected to be made.

#### **Background and rationale to the new Growth Share Plan**

The Plan has been designed as a longer term replacement to the VB Plan, with a scheme that the Remuneration Committee believe to be more appropriately structured. The Plan includes a wider participation amongst the senior management at the Company.

It is the view of the Remuneration Committee ("**RemCo**") that there is little or no current value in the existing VB Plan, which therefore renders it ineffective as an incentive mechanism to the key personnel who have successfully delivered against business objectives in a challenging macro environment and who collectively remain responsible for driving future business performance and delivering against the Company's future strategic objectives.

The new Plan has been subject to an extensive shareholder consultation process with a number of the Company's largest shareholders. This exercise provided valuable feedback which has been considered by RemCo in finalising the terms of the Plan.

The Plan has been designed to deliver a repeatable incentive structure on which annual awards are expected to be made under the program as part of a balanced and holistic remuneration review.

The Plan creates a distributable value pot ("**Value Pot**"), the size of which is determined as being a proportion of total shareholder value of the Company comprising the increase in market capitalisation ("**Shareholder Value**") above a defined set of hurdles over a five year performance period.

The size of the Value Pot to be received by the beneficiaries will be dependent on the average market capitalisation in the first quarter post following the end of each five year vesting period (the "**Measurement Period**"), subject to an

individual participant's continued employment over this subsequent period (or their having become a "Good Leaver"), including additional behaviour and delivered performance KPIs for each individual.

The Value Pot for each award under the Plan will be granted at the discretion of RemCo, with each participant acquiring a fixed number of partly paid B Shares, C Shares and/or D Shares in an intermediary holding company, Fintel Group Holdings Limited (together "**Growth Shares**"). Subject to continued service, the Growth Shares on vestiture will be transferable into Fintel shares to the extent the relevant Value Pot has been earned.

RemCo will have full discretion to amend the terms of the Plan to take account of, for example, corporate activities such as acquisitions to ensure the market capitalisation hurdles remain appropriate.

## 2023 Awards

On 16 August 2023, the 2023 Awards were allocated under the Plan. The Measurement Period for the 2023 Awards will be the first quarter following the end of the five year vesting period to 31 December 2027, being the period from 01 Jan 2028 to 31 March 2028.

The Value Pot under the 2023 Awards is comprised as follows:

Tier	Market capitalisation at end of performance period	Proportion of Shareholder Value tranche distributed in Value Pot	Total number of Growth Shares in Growth Share class
Tier 1	Between £275m and £300m	8%	163 B Shares
Tier 2	Between £300m and £400m	15%	419 C Shares
Tier 3	Between £400m and £425m	20%	418 D Shares

Value will only accrue to the beneficiaries within each tier to the extent that average market capitalisation in the Measurement Period is above the minimum market capitalisation for that tier. The return thresholds will exclude dividends paid to shareholders.

For example, should the average market capitalisation in the Measurement Period be £350 million, the full award under Tier 1 would have accrued, however only half of the maximum award would become payable within Tier 2. Under this scenario, no value would accrue to the beneficiaries within Tier 3, as the minimum market capitalisation threshold of £400 million will have not been achieved.

Should the market capitalisation in the Measurement Period be greater than £425 million, the maximum award for each of the tiers would be accrued, representing a cumulative value of £22 million for delivering at least £205 million of shareholder value, excluding any dividends.

## 2023 Awards Summary

	Base hurdle	Tier 1 <sup>4</sup>	Tier 2	Tier 3
<b>Fintel market capitalisation upper target</b>	£275m	£300m	£400m	£425m
<b>Implied share price<sup>1</sup></b>	£2.65	£2.89	£3.85	£4.09
<b>Annual growth in market capitalisation to achieve maximum award within each tier</b>	4.3%	6.1%	12.4%	13.8%
<b>Award size as at the date of the performance condition being achieved<sup>1</sup></b>	Nil	£2.0m	£15.0m	£5.0m
<b>Cumulative award size as at the date of the performance condition being achieved<sup>2</sup></b>	Nil	£2.0m	£17.0m	£22.0m
<b>Implied shareholder value created over term of plan<sup>5</sup></b>	c.£55m	c.£80m	c.£180m	c.£205m
<b>Dilution per tranche<sup>2,3</sup></b>	Nil	0.67%	3.58%	0.93%
<b>Cumulative dilution<sup>2,3</sup></b>	Nil	0.67%	4.25%	5.18%

<sup>1</sup> Based on the total shares in issuance as at 16 August 2023 of 103,835,333

2 Assuming the whole tranche is awarded and subsisting

3 Calculated using the maximum award size for each tier against the market capitalisation required to achieve the award

4 Matt Timmins and Neil Stevens as Joint CEOs will not participate in any award from Tier 1

5 Based on current market capitalisation as at market close on 16 August 2023

## 2023 Awards Participation

The 2023 Awards include 21 key employees across key personnel within the business including PLC Board Executive Directors, Executive committee members, key senior management.

The awards are designed to weight value to the most senior beneficiaries (i.e. Executive Directors) at the higher tiers (Tier 2 and Tier 3), to appropriate reflect their respective ability to influence wider business outcomes and therefore probability of value creation. A proportion of the 2023 Awards remain unallocated and may be granted at a later date at the discretion of the Remuneration Committee.

Participation (Number of respective Growth Shares)	Tier 1 B Shares	Tier 2 C Shares	Tier 3 D Shares	Total
2 Joint CEOs	0	190	190	380
CFO	70	82	83	235
18 Other management	83	127	124	334
Unissued (retained)	10	20	21	51
	<b>163</b>	<b>419</b>	<b>418</b>	<b>1,000</b>

## Related Party Transactions

Awards under the Growth Share Plan have been made to the following individuals, each of whom is considered a related party within the meaning of the AIM Rules for Companies by virtue of being a Board director or a statutory director of a subsidiary company of the Group. These awards (as detailed below) (the "**Related Party Awards**") each constitute a related party transaction.

Participant	Maximum potential award under the Growth Share Plan
Matt Timmins (Joint CEO)	£4.5m
Neil Stevens (Joint CEO)	£4.5m
David Thompson (CFO)	£4.8m
John Milliken (Subsidiary Director)	£1.4m
Kyle Augustin (Subsidiary Director)	£1.2m
Martin Reynolds (Subsidiary Director)	£1.2m
Dan Russell (Subsidiary Director)	£0.8m
Steve Lomax (Subsidiary Director)	£0.2m
Paul Dagley-Morris (Subsidiary Director)	£0.2m

The Independent Directors, being Phil Smith, Imogen Joss, Timothy Clarke (who each also sit on the Remuneration Committee) and Kenneth Davy, consider, having consulted with the Company's Nominated Adviser, Zeus Capital Limited ("**Zeus**") that the Related Party Awards to the participants in the table above are fair and reasonable insofar as its shareholders are concerned. It should be noted that the joint CEOs and CFO will cash fund their crystallised dry tax charge under the awards. For 2023 this will amount to c.£430k, and represents capital at risk to these executives as the amounts are non refundable should the targets not be met. The remaining staff eligible for the plan are also required to pay the dry tax charge applicable, but will be offered a low cost loan to fully or partly fund their tax liability.

**Notification and public disclosure of transactions by persons discharging managerial responsibilities and persons closely associated with them.**

<b>1</b>	<b>Details of the person discharging managerial responsibilities/person closely associated</b>	
a)	Name	Neil Stevens
<b>2</b>	<b>Reason for the notification</b>	
a)	Position/status	Joint Chief Executive Officer (PDMR)
b)	Initial notification/Amendment	Initial notification
<b>3</b>	<b>Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor</b>	
a)	Name	Fintel plc
b)	LEI	213800DXP1VY21GCTH04
<b>4</b>	<b>Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted</b>	
a)	Description of the financial instrument, type of instrument  Identification Code	Growth Shares in Fintel Group Holdings Limited  ISIN: GB00BG1THS43
b)	Nature of the transaction	Grant of Growth Shares
c)	Price(s) and volume(s)	Price(s) Nil  Volume(s)  95 C Shares  95 D Shares
d)	Aggregated information	N/a - single transaction
e)	Date of transaction	16 August 2023
f)	Place of transaction	Outside a trading venue

<b>1</b>	<b>Details of the person discharging managerial responsibilities/person closely associated</b>	
a)	Name	Matthew Timmins
<b>2</b>	<b>Reason for the notification</b>	
a)	Position/status	Joint Chief Executive Officer (PDMR)
b)	Initial notification/Amendment	Initial notification
<b>3</b>	<b>Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor</b>	
a)	Name	Fintel plc

b)	LEI	213800DXP1VY21GCTH04
<b>4</b>	<b>Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted</b>	
a)	Description of the financial instrument, type of instrument  Identification Code	Growth Shares in Fintel Group Holdings Limited  ISIN: GB00BG1THS43
b)	Nature of the transaction	Grant of Growth Shares
c)	Price(s) and volume(s)	Price(s) Nil  Volume(s)  95 C Shares  95 D Shares
d)	Aggregated information	N/a - single transaction
e)	Date of transaction	16 August 2023
f)	Place of transaction	Outside a trading venue

<b>1</b>	<b>Details of the person discharging managerial responsibilities/person closely associated</b>	
a)	Name	David Thompson
<b>2</b>	<b>Reason for the notification</b>	
a)	Position/status	Chief Financial Officer (PDMR)
b)	Initial notification/Amendment	Initial notification
<b>3</b>	<b>Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor</b>	
a)	Name	Fintel plc
b)	LEI	213800DXP1VY21GCTH04
<b>4</b>	<b>Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted</b>	
a)	Description of the financial instrument, type of instrument  Identification Code	Growth Shares in Fintel Group Holdings Limited  ISIN: GB00BG1THS43
b)	Nature of the transaction	Grant of Growth Shares
c)	Price(s) and volume(s)	Price(s) Nil  Volume(s)  70 B Shares  82 C Shares

		83 D Shares
d)	Aggregated information	N/a - single transaction
e)	Date of transaction	16 August 2023
f)	Place of transaction	Outside a trading venue

**For further information please contact:**

**Fintel plc**

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**Notes to Editors**

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