

23 July 2020

The information contained within this announcement is deemed by the company to constitute inside information stipulated under the Market Abuse Regulation (EU) No. 596/2014. Upon the publication of this announcement via the Regulatory Information Service, this inside information is now considered to be in the public domain.

The SimplyBiz Group plc ("SimplyBiz" or the "Group")

**Pre-close trading statement for six months ended 30 June 2020
and notice of interim results**

SimplyBiz (AIM: SBIZ), a leading independent provider of compliance, technology and business services to financial advisers and financial institutions in the UK, today issues a pre-close trading update for the six months ended 30 June 2020.

Highlights

- SimplyBiz delivered strong H1 2020 revenues of £28.9m (H1 2019: 29.1m).
- A full revenue contribution from Defaqto in this period has helped to offset a significant reduction in valuation revenue due to the lockdown restrictions.
- A strong adjusted EBITDA margin*¹ of 25.5% (H1 2019: 27.2%) is expected through sustainable cost management.
- Cash flow conversion*² is expected to exceed 65% (H1 2019: 40%).
- The Group had a net debt balance at 30 June 2020 of £25.8m, which is a further reduction from 31 December 2019. The Group is trading comfortably within its banking covenants.
- The Board remains confident of the Group's strong trading and cash generation and expects that 2020 full year adjusted earnings per share*³ shall be no less than 11.0p (2019 FY: 13.0p).

Operational and Covid-19 Update

Actions taken to ensure that the business is well positioned to fully support the requirements of its customers and colleagues have been successful. The business is delivering all services to its intermediary customers without disruption, and the majority of our colleagues have been successfully and productively working remotely during the period. The Group's intermediary customer base remains strong and continues to grow with the recruitment of new member firms.

The Group's mortgage valuation business has been significantly impacted by the lockdown restrictions in the second quarter, with volumes moderately increasing in June. Management believes that there will be a suppressed housing market for rest of the year.

Management has quickly and successfully implemented an effective programme of initiatives which will deliver sustained efficiency and ongoing benefit for the business.

Dividend

As stated in the Operational & COVID-19 Update announcement on 27 April 2020, the Board does not intend to recommend an interim dividend in respect of the current financial year. A further update will be provided in September 2020.

Notice of Interim Results

The Group intends to publish its interim results statement on 15 September 2020.

Matt Timmins, Joint CEO of The SimplyBiz Group plc, said:

"We are pleased to report strong trading for H1 2020, demonstrating the robust nature of our revenues and an improvement in the quality of our underlying earnings, offsetting a significant reduction of valuation income in the period. We reacted quickly to the Covid-19 lockdown and positioned the Group to fully support the ongoing requirements of our customers and colleagues."

Furthermore, this lockdown period has allowed us to accelerate our clear digital strategy which will further improve our quality of earnings, margin and cash generation going forward."

"On behalf of the Board, I would like to thank all of our colleagues, customers, and wider stakeholders for their support during these unprecedented times. We are confident that the Group is in a strong position and is ready to continue its development with pace."

**¹ Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation, share option charges and operating exceptional costs.*

**² Cash flow conversion is calculated as adjusted EBITDA, less working capital movements, lease payments, CAPEX, development expenditure, corporation tax payable and interest, as a percentage of Adjusted EBITDA.*

**³ Adjusted Earnings Per Share is calculated as adjusted profit after tax, which excludes operating exceptional costs and amortisation of intangible assets arising on acquisition, divided by the average number of ordinary shares in issue for the period.*

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Notes to Editors

The SimplyBiz Group provides essential support services, software and data that enable professional financial advisers, financial intermediaries and product providers to deliver better outcomes for their customers.

The SimplyBiz Group supports 3,700 intermediary firms with regulatory and business support in addition to 1,900 customer firms of its fintech platform, while providing essential distribution support to over 400 financial institutions.

The Group's understanding of the changing regulatory landscape and deep insights into the needs of customers, advisers and product providers enables it to add unique value to the retail financial services sector.

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