

TATTON ASSET MANAGEMENT

INVESTOR AND ANALYST PRESENTATION

**INTERIM RESULTS FOR THE SIX-MONTH PERIOD
ENDING 30 SEPTEMBER 2020**

November 2020



Tatton

ASSET MANAGEMENT PLC

DISCLAIMER

The information contained in this document ("Presentation") has been prepared by Tatton Asset Management plc (the "Company"). The content of this Presentation has not been approved by an authorised person within the meaning of the Financial Services and Markets Act 2000.

The Slides are being supplied and directed only at persons in member states of the European Economic Area who are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive (Directive 2003/71/EC, as amended) and, additionally in the United Kingdom, to those qualified investors who (a) are persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (investment professionals) or (b) fall within Article 49(2)(a) to (d) of that Order (high net worth companies, unincorporated associations etc) (all such persons being "Relevant Persons"). Any person who is not a Relevant Person may not attend the presentation of the Slides and should not act or rely on this document or any of its contents. Any investment or investment activity to which the Slides relates is available only to Relevant Persons and will be engaged in only with Relevant Persons.

This Presentation does not purport to contain all information that a prospective investor may require and is subject to updating, revision and amendment. No representation or warranty, express or implied, is given by the Company or any of its subsidiaries, advisers, directors, members, officers, trustees, employees or agent, as to the accuracy, fairness or completeness of the information or opinions contained in this Presentation and, save in respect of fraud or wilful default, no liability is accepted for any such information or opinions or for any loss howsoever arising, directly or indirectly, from any use of this document or its contents or information expressed in the presentation.

AGENDA

- Introduction to the team
- Key highlights
- Financial performance
- Market overview
- Investment and fund update
- Summary

INTRODUCTION TO THE TEAM

INTRODUCTION TO THE TEAM



Paul Hogarth
CEO

- Over 30 years' experience at Board level in the financial services sector
- Founder of Tatton Asset Management Group, specifically Paradigm Consulting in 2007 and subsequently of Tatton Capital Limited in 2012



Lothar Mentel
CIO

- Co-founder of Tatton Capital Limited in 2012
- Ex CIO of Octopus. Has held senior investment positions with NM Rothschild, Threadneedle, Barclays Wealth, and Commerzbank AG



Paul Edwards
CFO

- Joined Tatton Asset Management plc as Group CFO in May 2018
- Previously Group Finance Director of Scapa Group plc and NCC Group plc

DIVISIONAL STRUCTURE



Tatton Asset Management plc ("TAM" or "Group")



Investment Management Division ("Tatton")

- *Tatton Investment Management offers on-platform only challenger model DFM MPS*
- *Low charges - MiFID II alignment*
- *Pure investment manager*
- *Complementary, low cost multi-manager fund range*
- *Platform wrap services*



IFA Support Services Division ("Paradigm")

Paradigm Consulting

- *Compliance services*
- *Technical support*
- *Business consultancy*

Paradigm Mortgage Services

- *Mortgage aggregation*
- *Protection*
- *Other insurance aggregation*

KEY HIGHLIGHTS

INTERIM RESULTS - KEY HIGHLIGHTS

FINANCIAL

- Group revenue increased 12.6% to £10.956m (Sep 2019: £9.729m)
- Adjusted operating profit¹ up 21.9% to £5.030m (Sep 2019: £4.126m)
- Adjusted operating profit¹ margin 45.9% (Sep 2019: 42.4%)
- Reported profit before tax £3.074m (Sep 2019: £3.610m)
- Adjusted fully diluted EPS² increased 21.5% to 6.55p (Sep 2019: 5.39p)
- Interim dividend up 9.4% to 3.5p (Sep 2019: 3.2p)
- Strong financial liquidity position, with net cash of £13.328m
- New banking facility, giving access to up to £30 million of funds, to support growth

1. Adjusted for exceptional items, share-based payment costs and amortisation

2. Adjusted for exceptional items, share-based payment costs, amortisation and potentially dilutive shares

INTERIM RESULTS - KEY HIGHLIGHTS

OPERATIONAL

- Assets Under Management (AUM) increased 17.4% to £7.811 billion (31 Mar 2020: £6.651 billion) an increase of £1.160 billion for the six-month period. Latest AUM mid-November 2020 is £8.134 billion
- Net inflows for the six months to September 2020 were £328.1 million, an increase of 4.9% of AUM
- Tatton increased the number of firms utilising its Discretionary Fund Management (“DFM”) services by 4.9% to 624 (31 Mar 2020: 595) and the number of accounts increased 3.6% to 68,500 (31 Mar 2020: 66,100)
- Tatton’s long-term business partnership with Tenet continues to develop well with 93 IFA firms (31 Mar 2020: 81 IFA firms) and AUM reaching £376.6m (31 Mar 2020: £225.9m)
- Paradigm Mortgage Services, the Group’s mortgage distribution and support services business, has seen an increase in member firms for the period of 3.0% to 1,591 members (31 March 2020: 1,544 members)
- Paradigm Consulting, the Group’s IFA support business, increased its members by 2.5% to 404 (31 Mar 2020: 394)

FINANCIAL PERFORMANCE

GROUP PROFIT & LOSS

	Six months Sep-20 £000's	Six months Sep-19 £000's	Growth %
Revenue	10,956	9,729	12.6%
Adjusted operating profit¹	5,030	4,126	21.9%
Margin %²	45.9%	42.4%	3.5%
Share-based payments (IFRS2)	(1,642)	(413)	
Amortisation of acquired intangibles	(60)	0	
Exceptional items	(219)	(102)	
Operating profit	3,109	3,611	
Finance costs	(35)	(1)	
Profit before tax	3,074	3,610	
Corporation tax	(414)	(667)	
Profit after tax	2,660	2,943	
Basic earnings per share	4.77p	5.26p	
Adjusted F.Dil EPS³	6.55p	5.39p	21.5%
Interim dividend	3.50p	3.20p	9.4%

- **Group revenue** increased 12.6% to £11.0m
- **Group adjusted operating profit¹** increased +21.9% to £5.0m
- H1:H2 split 50:50 v historical 46:54 split
- **Adjusted operating margin²** increased to 45.9%
- Share based payment provision catch up – provision released FY2020 (COVID)
- Exceptional items relate to unsuccessful acquisition – final stage bid
- Effective tax rate 19.2% after adjusting for SBP and exceptional items
- **Adjusted F.Dil EPS³** increased 21.5% to 6.55p
- **Interim dividend** increased 9.4% to 3.5p

1. Adjusted for exceptional items, IFRS2 share-based payment costs and amortisation 2. Adjusted operating profit divided by Revenue
3. Adjusted for exceptional items, IFRS2 share-based payment costs and amortisation and potentially dilutive shares

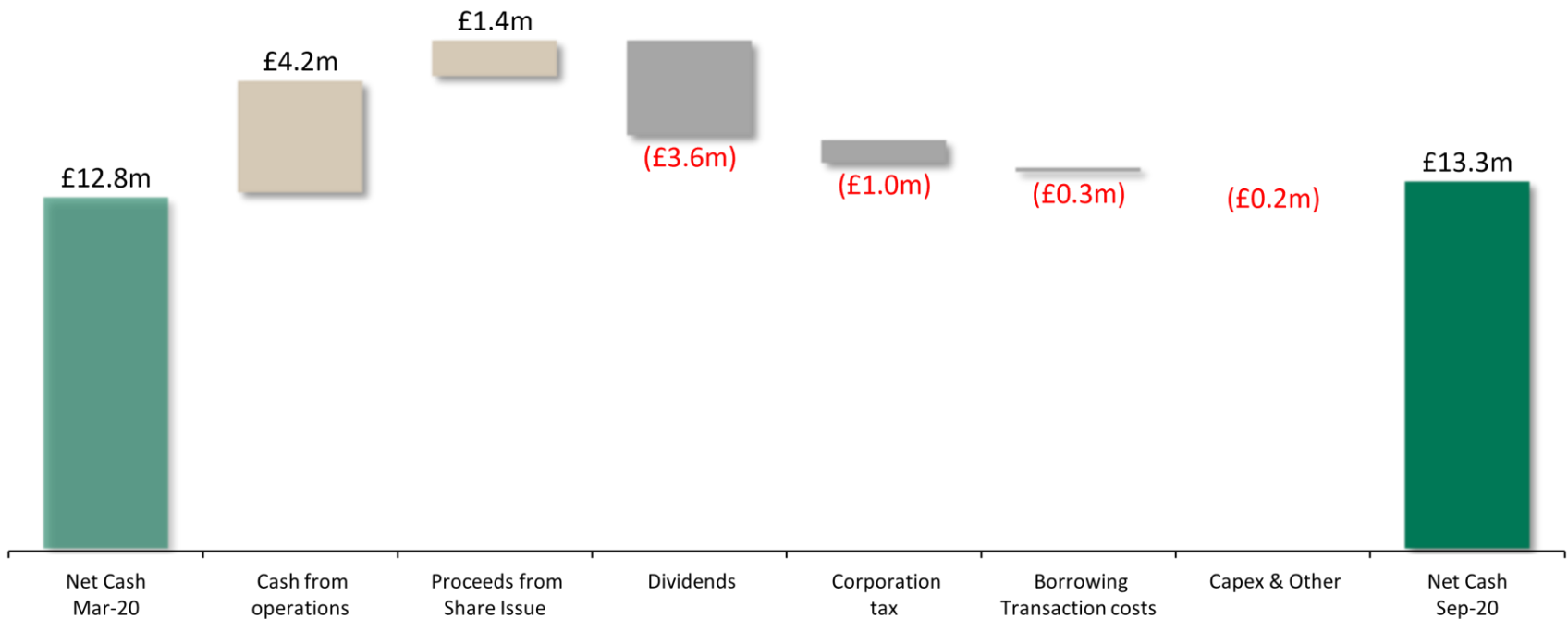
GROUP BALANCE SHEET HIGHLIGHTS

	Sep-20	Mar-20
	£000's	£000's
Goodwill & Intangibles	7,693	7,749
Tangible fixed assets	1,133	1,034
Trade & other receivables	4,635	3,431
Corporation tax & Deferred tax	617	(305)
Cash	13,328	12,757
Trade & other payables	(7,373)	(6,888)
Net Assets	20,033	17,778

- **Robust balance sheet - Net assets increased +12.7% to £20m**
- **Cash & new facility**
 - Net cash £13.3m
 - Strong financial liquidity position
 - New committed £10m RCF plus uncommitted £20m accordion completed in September 2020
 - Remains undrawn but commitment fee of 1.1% per annum
- **Trade & other receivables**
 - Increases in prepayments and accrued income relating to growth in income, new facility arrangement fees & increased FCA fees
- **Trade & other payables**
 - IFRS16 lease liability and year end creditors
- **Tax**
 - Increase in deferred tax asset due to increase in share price affecting option valuation

GROUP CASH FLOW BRIDGE

- Cash generated from operations £4.2m, before exceptional items was £4.4m
- Proceeds from share issue £1.4m on exercise of employee share options
- Dividends paid £3.6m relates to FY2020 final dividend of 6.4p
- Two quarterly instalments for FY21 Corporation tax
- Borrowing transaction costs relate to facility arrangement fees
- Capex investment in Tatton portal / settlement systems and CRM



DIVISIONAL FINANCIAL PERFORMANCE

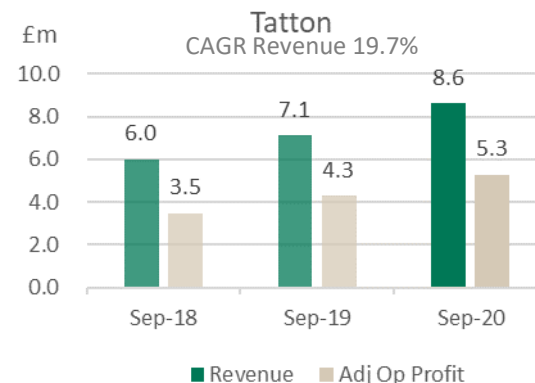
Performance

Commentary

Growth trend

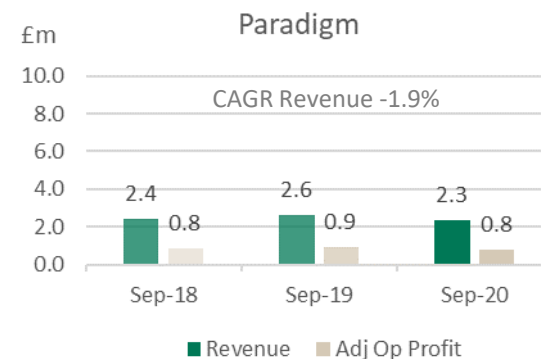
Tatton	Sep 2020	Sep 2019	Change %
Revenue	£8.6m	£7.1m	21.1%
Adj Operating profit ¹	£5.3m	£4.3m	23.7%
Margin	61.4%	60.1%	1.3%

- Revenue and Adj Operating Profit delivered double digit growth
- Firm numbers increased 4.9% to 624 (Mar 20: 595)
- Net inflows in the last six months £328m, net inflows in the last year £1,017m
- The Tenet partnership after just over one year has delivered £377m from 93 firms
- AUM returned to pre-COVID levels of £7.8bn (Mar 20 £6.7bn)



Paradigm	Sep 2020	Sep 2019	Change %
Revenue	£2.3m	£2.6m	(10.0%)
Adj Operating profit ¹	£0.8m	£0.9m	(16.9%)
Margin	32.3%	35.0%	(2.7%)

- Revenue and Adj Operating Profit both impacted by COVID and Lockdown 1
- Consulting largely unaffected
- Maintained firm growth in both businesses
- Mortgage income
 - Gross Lending £5.0bn vs £4.8bn
 - Change in mix of lending products
 - Valuation income severely impacted Q1
 - Marketing income impacted across both areas



1. Adjusted for exceptional items, share-based payment costs and amortisation

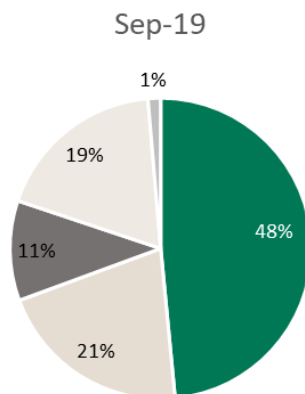
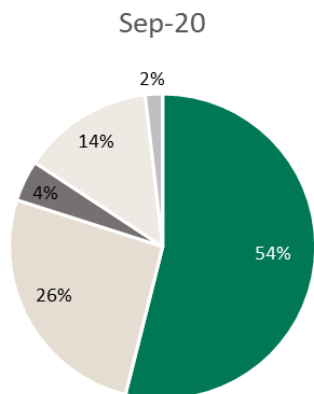
Note: Change and Margin % calculated to three decimal places

CASE STUDY: IMPACT OF COVID-19 ON PARADIGM MORTGAGES

	Sep-20 £'000	Sep-19 £'000	Change £'000	Change %
Income from Lending (Procuration fees)	650	690	(40)	(5.8%)
Protection & GI income	314	298	16	5.4%
Valuations income	52	153	(101)	(66.0%)
Provider Marketing	167	263	(96)	(36.5%)
Other income	22	20	2	10.0%
Revenue	1,205	1,424	(219)	(15.4%)

Mortgage Lending (£bn)	5.003	4.780	0.223	4.7%
Mortgage member firms	1,591	1,466	125	8.5%

- Strong customer growth and an increase in Lending in the six month period
- Despite this, Mortgages revenue fell by 15.4%, £219k due to the impact of COVID-19 on the different income streams
- **Income from Gross Lending (Procuration fees)** fell slightly despite growth in Lending and Mortgage member firms due to a change in product mix with a greater level of Re-Mortgages and Product Transfers rather than new Purchases
- **Protection & GI income** has seen a small increase
- **Valuations income** significantly affected with no Valuations income in Q1 during the first lockdown
- **Provider Marketing** also significantly affected as this relates to marketing income from strategic partners with a large proportion relating to face to face events which have not been able to continue

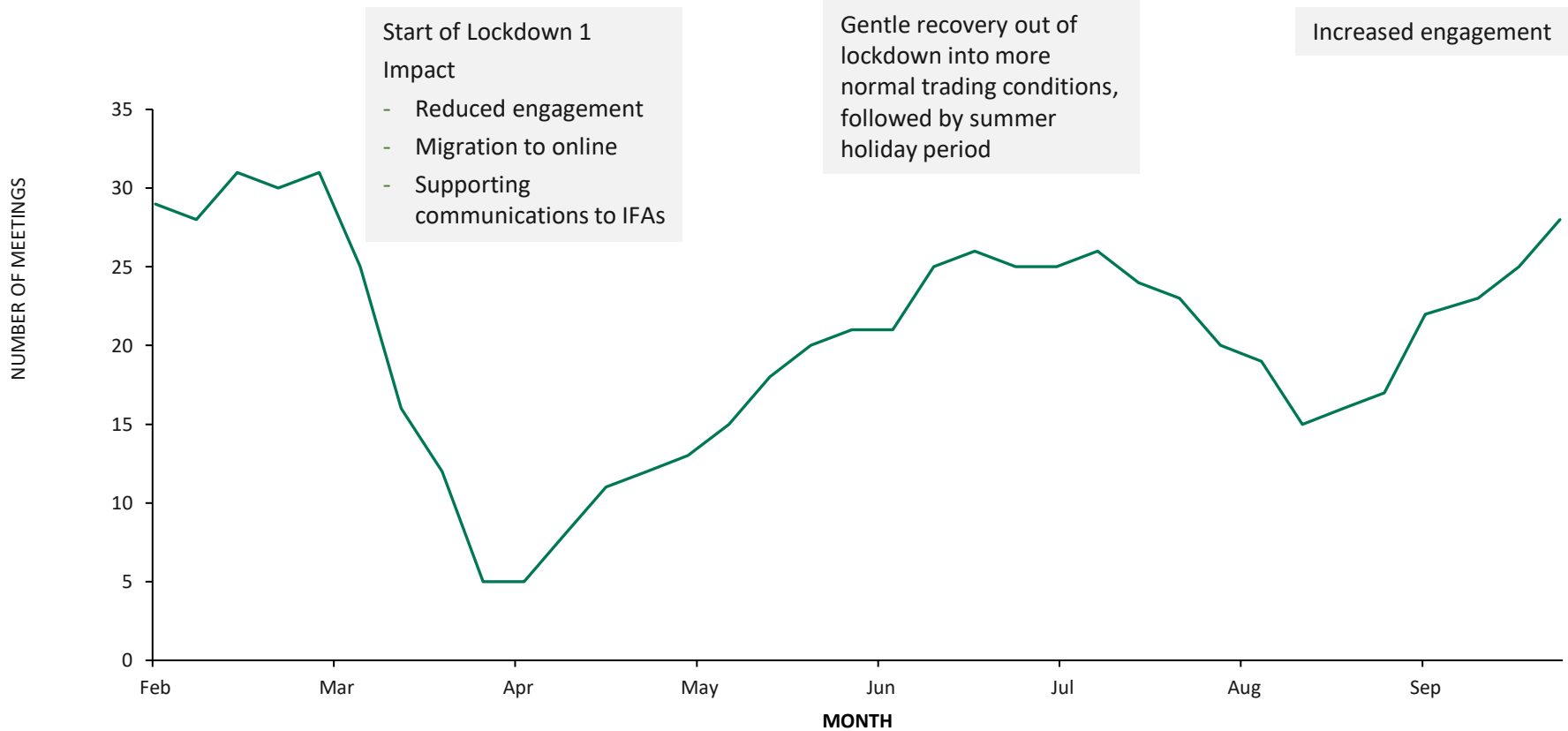


■ Mortgage procuracy income ■ Protection & GI income ■ Valuations income ■ Provider Marketing ■ Other income

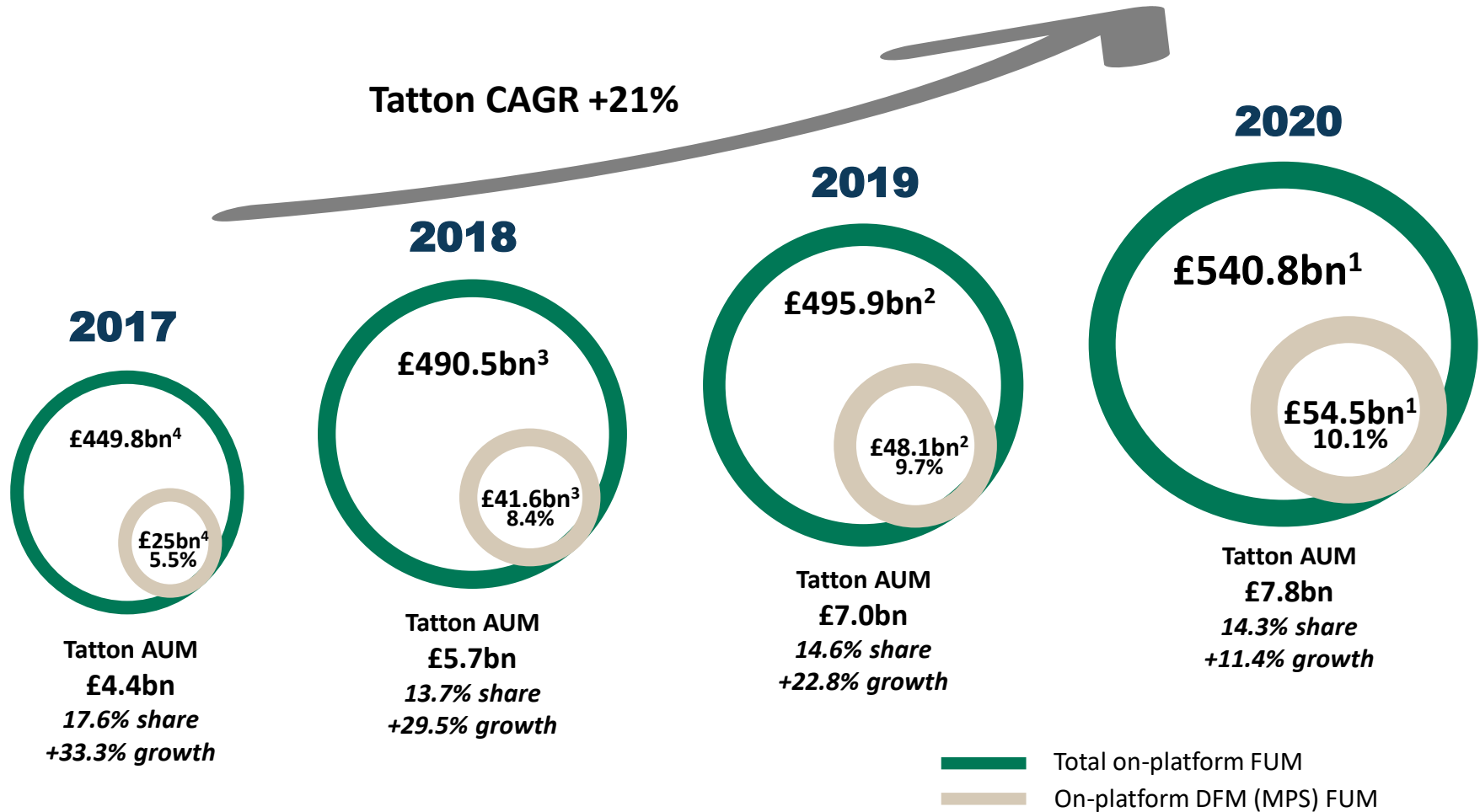
MARKET OVERVIEW

IFA ACTIVITY DURING LOCKDOWN

TIML Sales Activity February to September 2020



MARKET GROWTH – ON-PLATFORM FUM



1. Source: Platform, November 2020

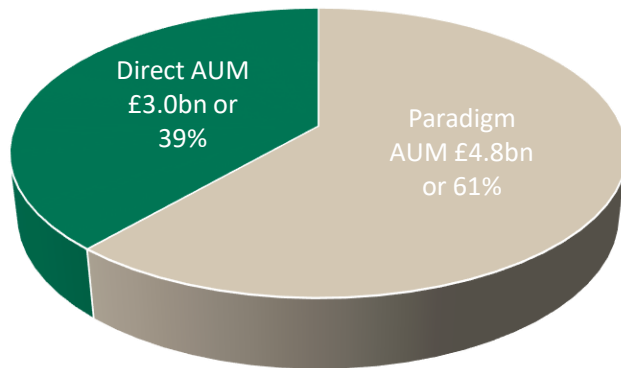
2. Source: 'UK Fund Distribution: DFM Distribution Dynamics', Platform, July 2019

3. Source: 'UK Fund Distribution', Platform, July 2018

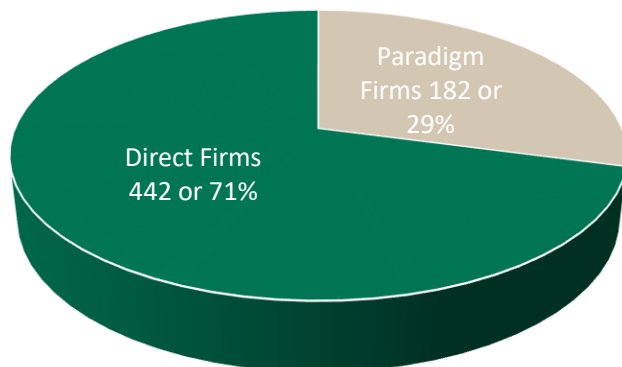
4. Source: Platform, 2017

TATTON – OPPORTUNITY UPDATE

Total AUM £7.8bn



Total number of firms 624



- £540.8bn¹ Assets held on platform and growing
- £54.5bn¹ Assets held in DFM and growing
- Tatton £7.8bn from 624 firms
- Paradigm firms = 182 or 29% firms = £4.8bn AUM or 61%
- Non-Paradigm firms = 442 or 71% firms = £3.0bn AUM or 39%
- Average firm across the industry has approx. £40m on platform
 - Paradigm firms = Average £26.3m per firm
 - Non-Paradigm firms = Average £6.8m per firm
- **Non-Paradigm opportunity = £19.5m x 442 = £8.6bn**

	Sep-18	Mar-19	Sep-19	Mar-20	Sep-20
Paradigm firms	169	189	182	186	182
Paradigm firms AUM (£bn)	4.5	4.6	4.6	4.3	4.8
Average per Paradigm firm (£m)	26.6	24.3	25.3	23.3	26.3
Non-Paradigm firms	236	256	340	409	442
Non-Paradigm firms AUM (£bn)	1.2	1.5	2.4	2.3	3.0
Average per non-Paradigm firm (£m)	5.1	5.9	7.0	5.7	6.8
Non-Paradigm Opportunity (£bn)	5.0	4.7	6.2	7.2	8.6

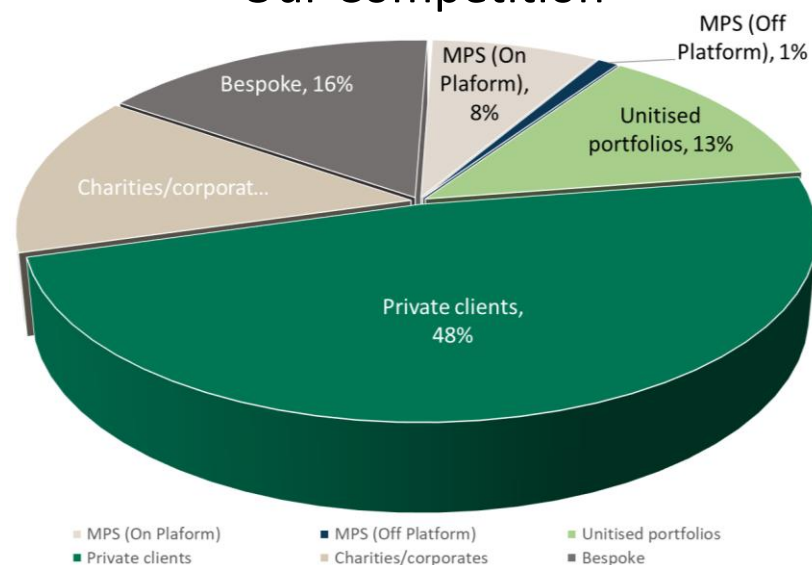
TOP 25 UK WEALTH MANAGEMENT COMPANIES

Firms	AUM (Dec 2019 or most recent accounts)
St James's Place Wealth Management	£117.000bn
Cazenove Capital	£66.700bn
Quilter Cheviot & Quilter Investors	£45.000bn
Rathbone Investment Management Limited	£40.200bn
Brewin Dolphin	£40.100bn
Investec Wealth & Investment	£34.600bn
GAM	£29.200bn
Tilney	£23.000bn
MAN GLG Partners	£21.300bn
Smith & Williamson Investment Management	£21.000bn
Ruffer LLP	£19.800bn
LGT Vestra	£14.500bn
EFG Private Bank	£13.700bn
Brooks Macdonald	£12.500bn
Sarasin & Partners	£12.400bn
Charles Stanley & Co	£11.600bn
Raymeons James Investment Services	£11.500bn
Hargreaves Lansdown Asset Management	£9.400bn
7IM	£9.300bn
JM Finn & Co	£8.600bn
Kleinwoirt Hambros	£7.100bn
Tatton Investment Management	£7.000bn
Parmenion	£7.000bn
Aberdeen Standard Capital	£6.900bn
Premier Asset Management	£6.600bn
Others	£111.800bn

Distribution channels

£596bn in the top 25

“Our Competition”

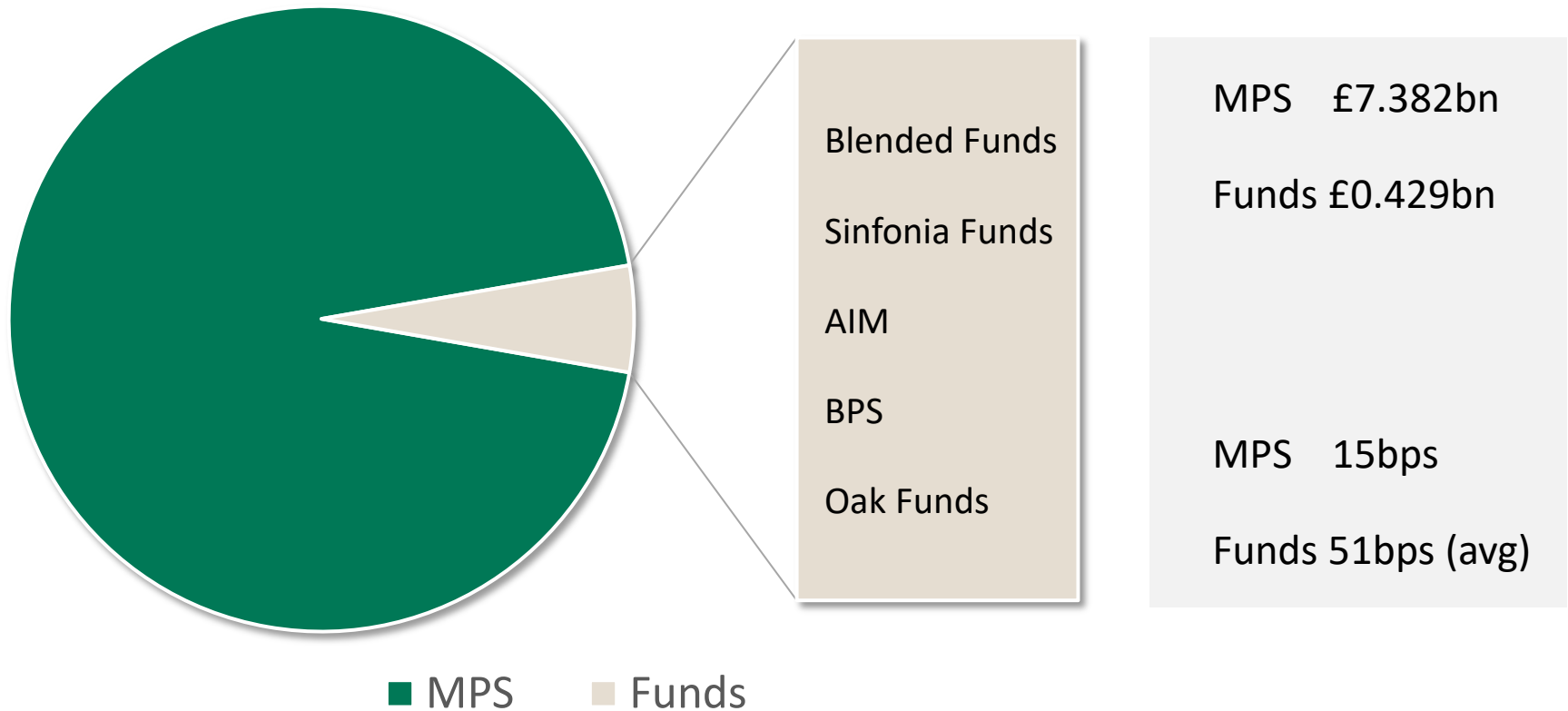


DFM ASSETS ON PLATFORM £bn

Wealth manager	Mar-18	Mar-19	Dec-19
Tatton Investment Management	£5.000	£6.100	£7.000
Parmenion	£4.540	£5.760	£6.960
LGT Vestra	£2.500	£3.400	£3.860
Brewin Dolphin	£2.560	£3.200	£3.800
FE Investments	£1.100	£1.960	£2.330
Aberdeen Standard Life	-	-	£1.280
Morningstar	£0.743	£0.909	£1.060
Tavistock Wealth	£0.840	£0.945	£1.020
PortfolioMetrix	£0.439	£0.698	£0.925
EBI Portfolios	-	-	£0.880
Brooks Macdonald	£0.590	£0.741	£0.793
Quilter Cheviot	-	£1.490	£0.747
Charles Stanley	£0.365	£0.500	£0.670
Liontrust	-	£0.465	£0.580
7IM	£0.771	£0.745	£0.550
Waverton Investment Management	£0.200	£0.310	£0.400
Tilney Investment Management	£0.200	£0.171	£0.200
AJ Bell Investments	£0.042	£0.085	£0.166
Thorntons Investment Management	-	-	£0.122
Wellian Investment Solutions	-	-	£0.121
Cazenove Capital Management	-	£0.051	£0.088
Albert E Sharp	£0.049	£0.065	£0.061
City Asset Management	-	-	£0.027

- Tatton remain largest provider of DFM MPS on platforms
- £2bn growth over 18 months
- £7.8bn 30 September 2020, current > £8bn

MORE THAN MODEL PORTFOLIOS



INDUSTRY TRENDS

Competitive challenges and trends	Response / impact
Environment becoming more competitive	Tatton remains the lowest cost DFM provider, platform agnostic with a strong track record of performance. Our expanding range of propositions ensures we can meet the needs of IFAs and their clients.
Reduced net flows in the wider market related to COVID-19	April to Sep 2020 net inflows average £54.7m per month, lower than FY20 average net inflows of £94.1m per month. As IFA engagement returns to normal levels, we anticipate a return to normal level of flows.
IFA consolidation	Consolidation set to continue. We are not immune, it impacts Paradigm, but this is also an opportunity for Tatton.
IFA demand for enhanced digital engagement	Tatton continues to invest in its IT infrastructure and IFA portal.
Increasing interest in passive / hybrid and ESG models	Tatton offers a full range of portfolios and funds to meet the shift in client preference. ESG, Active, Passive and Hybrid.
Increased regulatory pressures on wider market	Drive to outsource investment and compliance set to continue and well placed to meet the demand.

STRATEGIC DIRECTION

Organic Growth

- Growth in line with a growing market
- Organic growth through White labels
- Panel with consolidators

c.21% CAGR over the last three years

Strategic Partnerships

- Strategic partnerships
- JVs with IFAs
- Partnerships with Platforms

Tenet partnership delivered £377m (93 firms), growing pipeline of opportunities

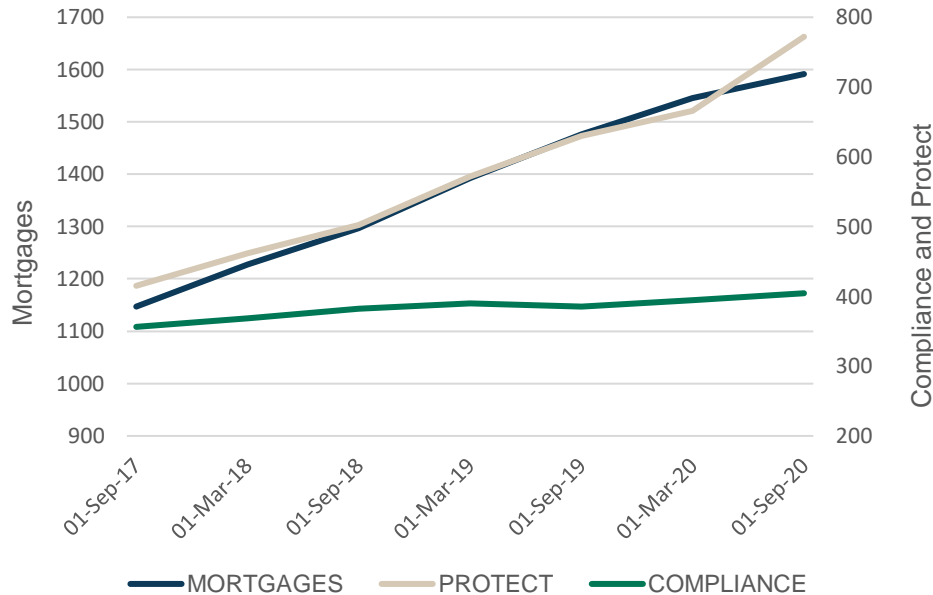
Acquisitions

- Strategically relevant
- Complementary
- Earnings enhancing

Key aim is to increase FUM
Maintaining discipline around strategic fit and valuation

PARADIGM

Membership Growth 2017-20



Market factors

- Evolving market with growing intermediary share. Financial market disruption means advice is now more important than ever.
- IFA consolidation set to remain for the foreseeable future.

Current Membership

- Mortgage: Up 3% to 1,591 (Mar 2020: 1,544)
- Consulting: Increase to 404 (Mar 2020: 394), 2.5% increase in 6 months
- Protect: Up 16% to 773 (Mar 20: 666)

Targets for FY 20/21

- 12 Mortgage sign ups per month (net)
- 7 Protection sign ups per month (net)
- 2 Compliance contract sign ups per month (net)

Areas of focus

- Continued push on compliance initiative: unrivalled in the market and ties firms in to 2- or 3-year contract. Upselling additional services/ad hoc work inc. with existing members
- Strengthening skillset of customer-facing personnel within Consulting & Mortgages to maximise Group opportunities
- Building on success of transition to virtual activities, expanding reach of proposition to firms
- Introduction of CRM & effective diary management tools
- Continuing impact of Business Development Consultant roles and sales team engaging with firms remotely to achieve member growth

INVESTMENT & FUND UPDATE

GROWTH IN ASSETS UNDER MANAGEMENT

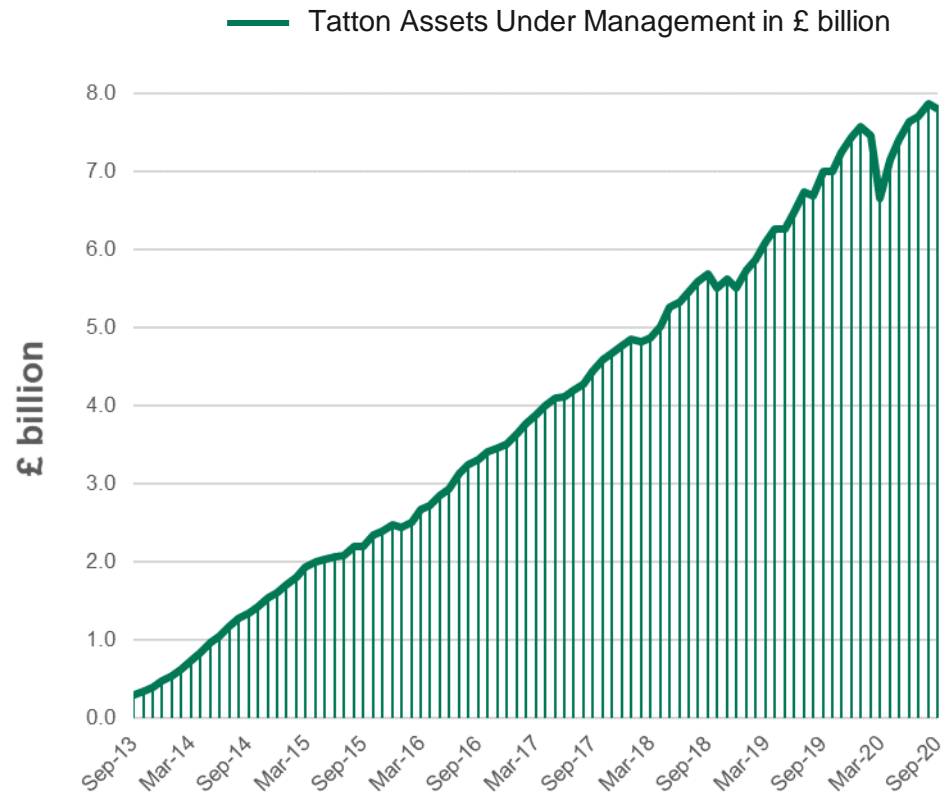
+£1.1bn over 6 months, Mar-20 to Sep-20

Assets under management

Key AUM milestones

- By June 2014: £1.0 bn
- By June 2015: £2.0 bn
- By June 2016: £3.0 bn
- By May 2017: £4.0 bn
- By Sept 2017: £4.4 bn
- By Mar 2018: £4.9 bn
- By Sept 2018: £5.7 bn
- By Mar 2019: £6.1 bn
- By Sept 2019: £7.0 bn
- By Mar 2020: £6.7 bn
- By Sept 2020: £7.8 bn

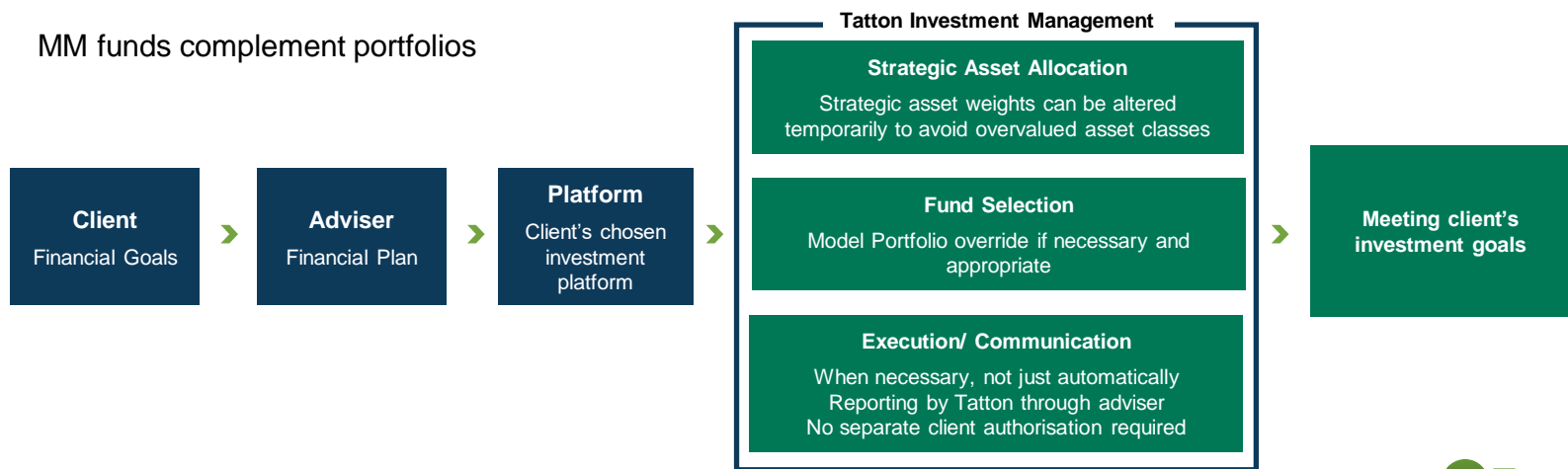
AUM increased by £1.1 billion over the last 6 months, an increase of 17.4% (Mar20 to Sep20).



TATTON

WHAT WE DO

- Discretionary investment management
 - Segregated, fund based, non-bespoke private investor portfolios (MPS based DFM)
 - Bespoke investment services, as long as using scalable building blocks + platform (BPS based DFM)
- Exclusively available on adviser platforms and only B2B through directly FCA authorised advisers – Tatton does not compete with the IFA
- Platform agnostic, now available on 15 adviser led platforms – breadth of platform and risk profiler coverage supports individual IFA business models
- Avoidance of fixed cost overheads allows charging at marginal cost of 0.15% for MPS while benefitting from substantial scale benefits - no client relationship management and no inhouse back-office
- Pure investment manager – fully resourced investment team
- MM funds complement portfolios



2020 SECTOR HEADWINDS



COVID inertia

Reduced pension consolidations and appetite for change by clients

Advisers struggled to switch to socially distanced advice

Our sales and investment teams lead the digital engagement by example with pro-active online demonstrations which has brought advisers and their clients back – at least as long as markets were rising, and fears of the pandemic receded over the summer



PE driven buyout of adviser firms

While advisers feel insecure, PE's are overflowing with cash and ultra-bullish

Risk of losing firms, but we have embraced the opportunity of JVs with PE consolidators who require cost effective DFM services to deliver on steep ROI expectations



US and Growth performance

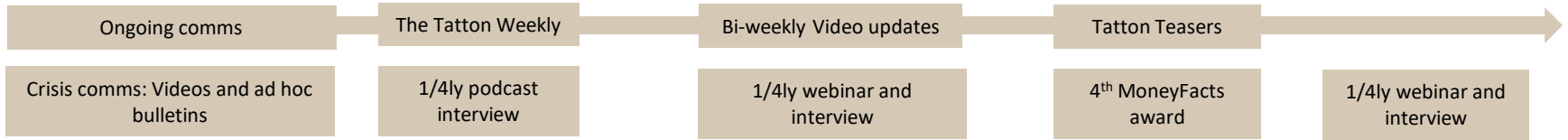
The under-performance of the UK main market versus the US led to some of Tatton's Classic MPS portfolios with their structural home bias underperforming competitors with global offerings

Our Global Ethical portfolio range have benefitted from this phenomenon and over the summer we have now complemented our Classic portfolios with a Global portfolio option, expanding the choice we offer investors in the same way we offer active and tracker-based portfolios

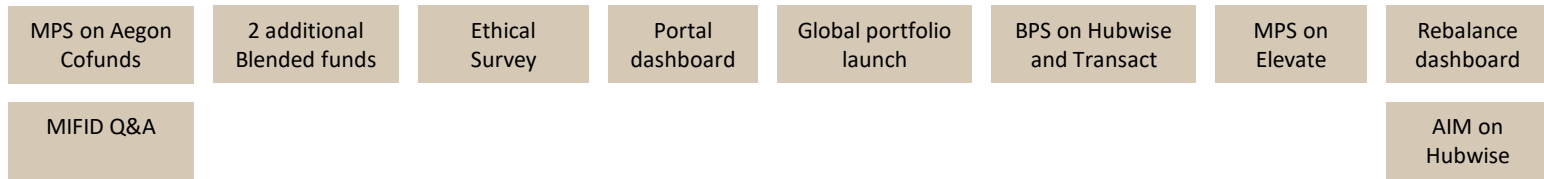
TATTON'S COVID BUSINESS ACTIVITY

RESPONSIVE AND RELEVANT

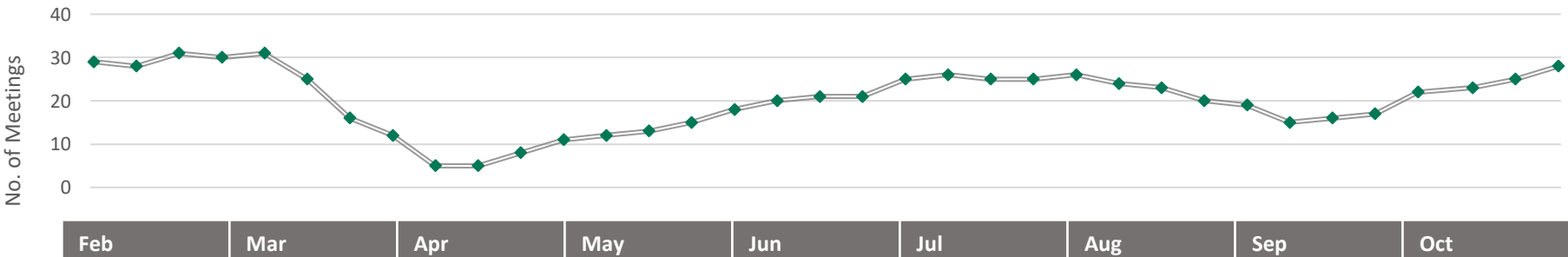
Communications



Proposition



Sales activity



DISTRIBUTION OF AUM ACROSS PROPOSITION MATRIX

44 multi-asset portfolio choices that satisfy multi-manager, index tracker, income drawdown and ethical investment choices across 6 standard UK risk profiles (3-8 out of 1-10) and a UK home bias set as well as a global market capitalisation weighted

	Defensive (3) 25% Equity	Cautious (4) 45% Equity	Balanced (5) 60% Equity	Active (6) 75% Equity	Aggressive (7) 90% Equity	Global Eq. (8) 98% Equity	Total	6m Change %
Tatton Managed/Active	1.1%	7.6%	15.5%	6.9%	2.0%		33.1%	-5.0%
Tatton Tracker	1.2%	4.9%	7.7%	3.0%	1.0%		17.8%	-0.3%
Tatton Hybrid/Blended	1.2%	9.5%	20.3%	8.1%	1.7%		40.7%	1.3%
Tatton Ethical	0.1%	0.8%	2.4%	0.5%	0.2%	0.1%	4.1%	1.0%
Tatton Income	0.0%	0.2%	0.7%	0.2%	0.0%		1.1%	-0.1%
Tatton Global*	0.2%	0.3%	0.6%	0.3%	0.1%	1.7%**	3.2%	3.1%
Total	3.8%	23.3%	47.1%	19.0%	5.0%	1.8%	100.0%	
6m Change %	0.1%	-0.8%	-0.3%	0.5%	0.3%	0.2%		

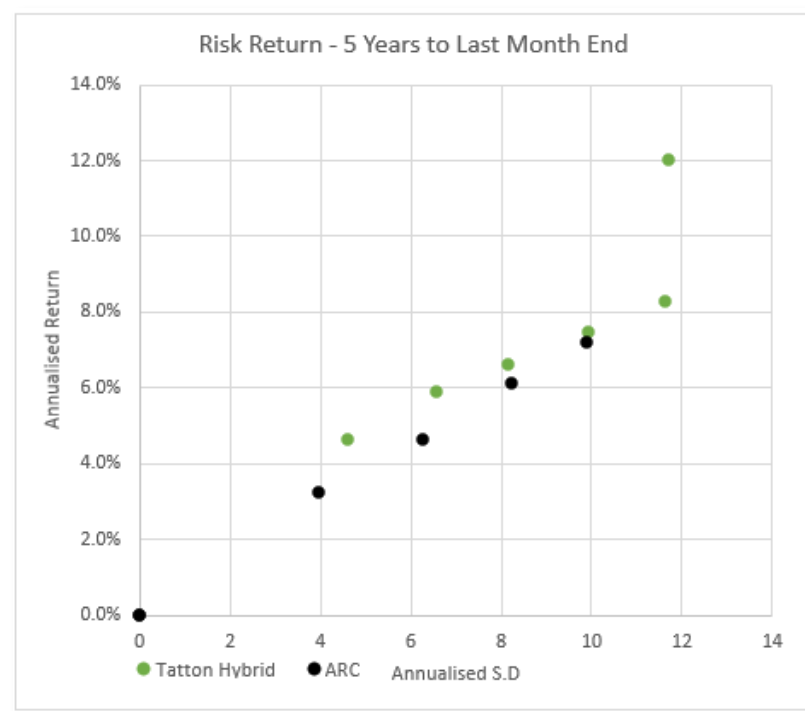
- * Tatton Global summarises Managed, Tracker and Blended Global sub models.
- **previously split across Managed, Tracker and Hybrid / Blended

INVESTMENT PORTFOLIO RETURNS

Since launch 1 January 2013

TIML ¹ Portfolio Performance (per cent.) - core produce set annualised, after DFM charge and fund costs)				
	TIML Active	TIML Tracker	TIML Hybrid	ARC Peers ²
Defensive	4.4	4.7	4.6	3.1
Cautious	5.7	6.0	5.9	4.4
Balanced	6.2	6.9	6.6	5.9
Active	6.9	8.0	7.5	6.9
Aggressive	7.8	8.8	8.3	6.9
Global Equity	12.1	12.3	12.2	N/A

1 October 2015 to 30 September 2020



- Equity overweight towards China from late January and re-instatement of general equity overweight benefitted
- Globally diversified regional allocation and neutral Growth position led to outperformance versus UK focused portfolio strategies and underperformance of US and Growth tilted portfolio strategies

1. TIML – Tatton Investment Management Limited

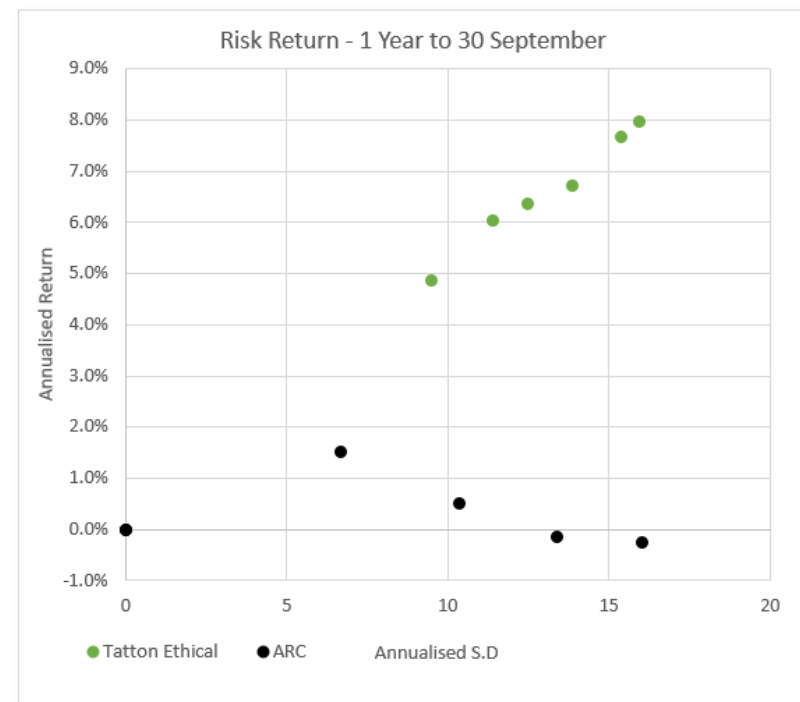
2. ARC PCI – UK wealth management portfolio peer group with historically comparable asset allocation characteristics

ETHICAL INVESTMENT PORTFOLIO RETURNS

Since launch 28 January 2018 to 30/9/2020

Tatton Fund Performance (per cent.) - ethical produce set, annualised, after DFM charge and fund costs		
	Ethical	ARC Peers ¹
Defensive	4.1	1.9
Cautious	5.0	1.1
Balanced* (since Aug 2014)	7.3	4.9
Active	5.7	2.2
Aggressive	6.4	1.9
Global Eq.	7.0	6.8

1 October 2019 to 30 September 2020



* Balanced Ethical portfolios were launched in August 2014

- Ethical strategy benefitted due to its skew to growth, technology and the US
- Structural overweight of the ESG investment universe to US and tech stocks accounts for much of the outperformance
- Fund manager selection strong performance contributor across regional equity markets

1. ARC PCI – UK wealth management portfolio peer group with historically comparable asset allocation characteristics

Summary

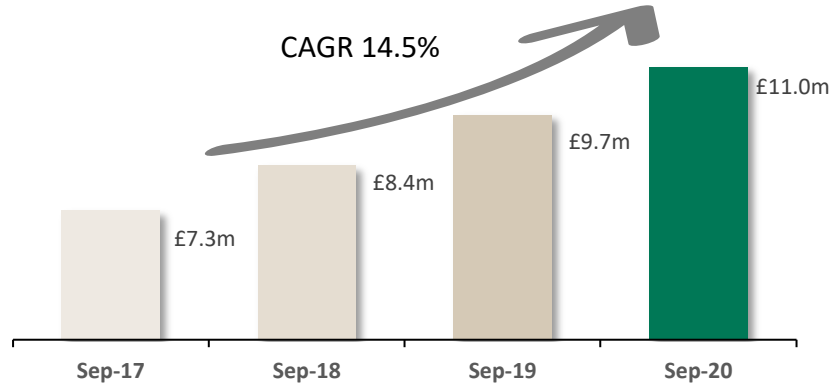
Growing the IFA relationships to grow AUM

- Deliver against the stated strategy
- Further organic growth white labelling & back book migration arrangements
- Promote further strategic IFA partnerships and JVs
- Continue to broaden the asset management proposition
- Disciplined M&A activity to support AUM growth

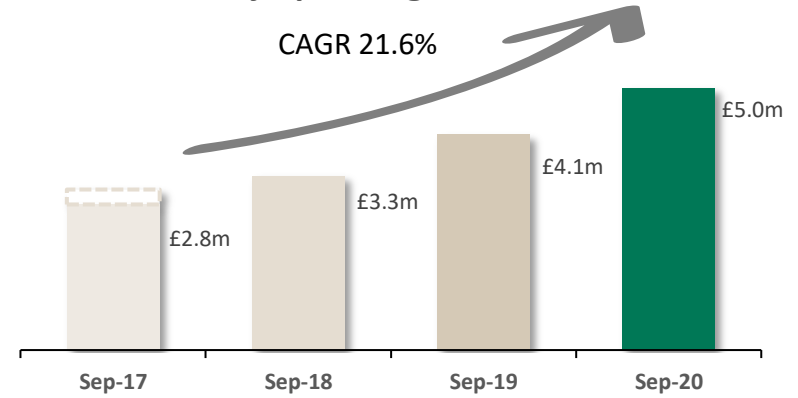
Appendices

FINANCIAL PROGRESS SINCE IPO

Revenue £m



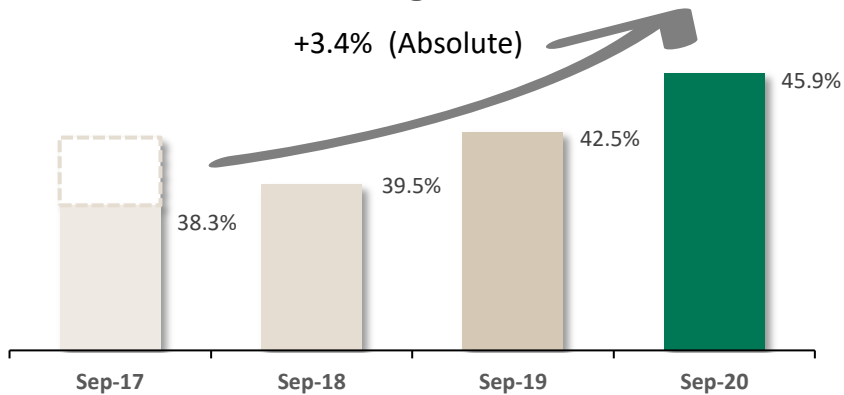
Adj Operating Profit¹ £m



Sep-17 adjusted for like for like plc costs pre-IPO

Margin¹ %

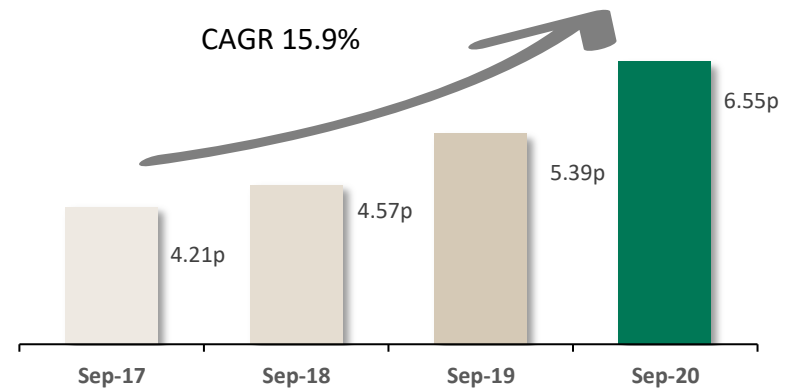
+3.4% (Absolute)



Sep-17 adjusted for like for like plc costs pre-IPO

Adjusted F.Dil EPS² (p)

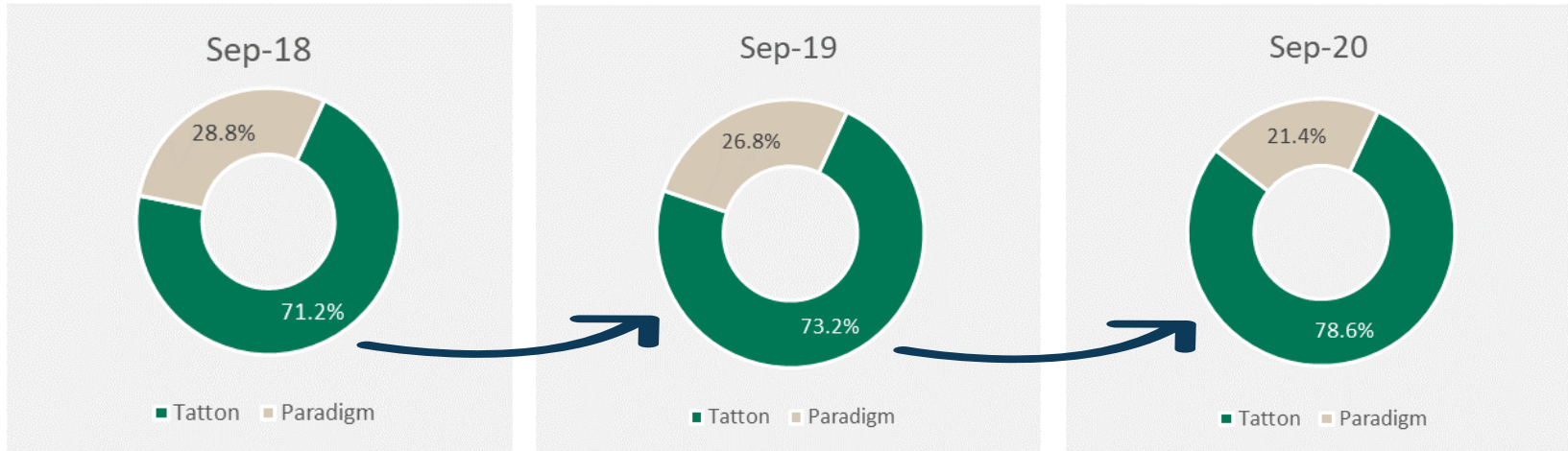
CAGR 15.9%



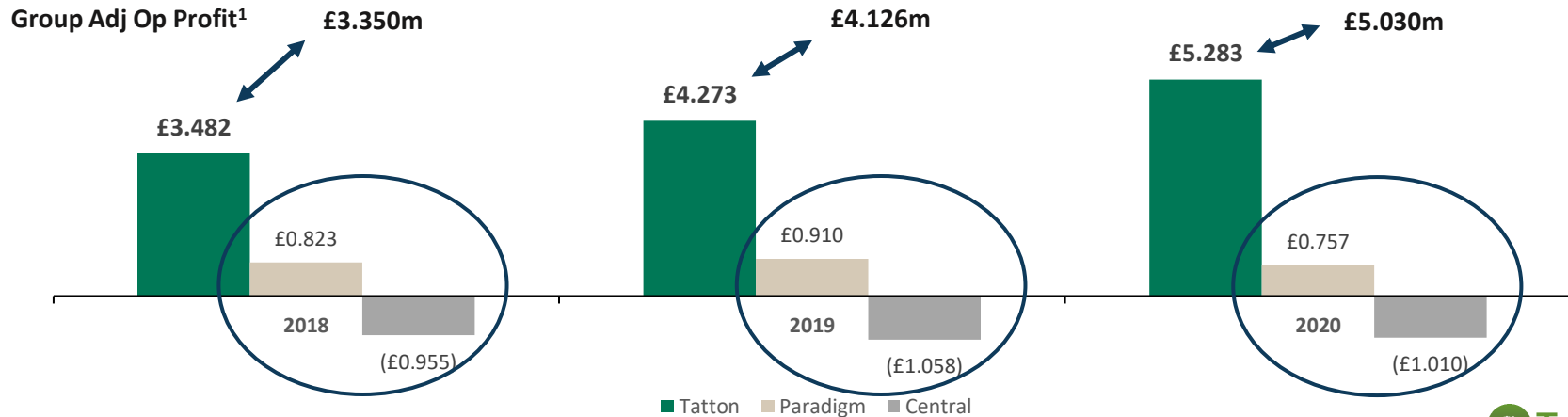
1. Adjusted for exceptional items, share-based payment costs and amortisation
 2. Adjusted for exceptional items, share-based payment costs and amortisation and potentially dilutive shares

DIVISIONAL DEVELOPMENT AND ANALYSIS

Revenue Split

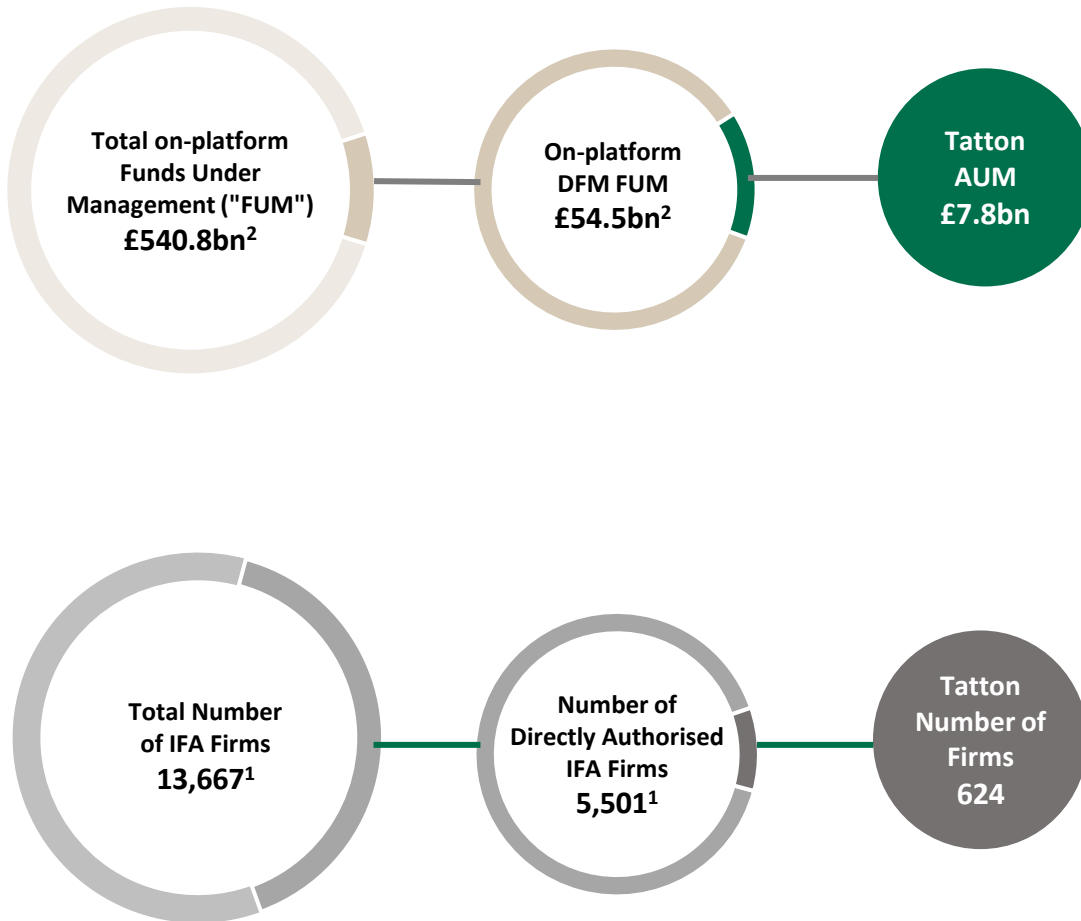


Adj Operating Profit¹ Split



1. Adjusted for exceptional items, share-based payment costs and amortisation

THE IFA MARKET

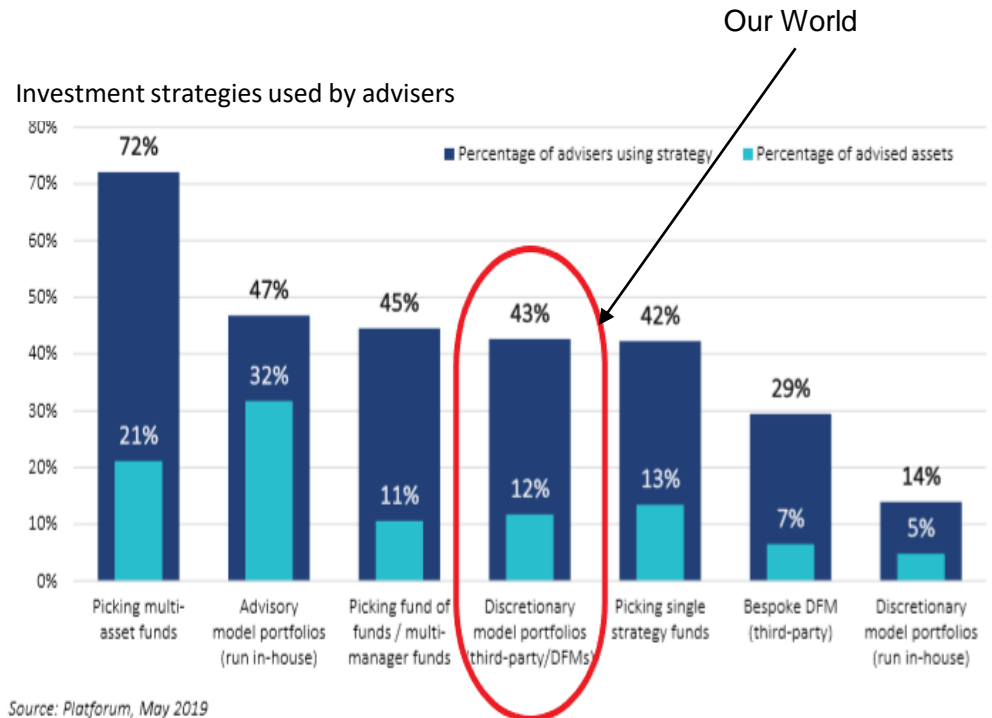


- Adviser platform market currently at £540.8 billion², estimated £1 trillion 2023
 - Latest Forecast by Fundscape is £713.1bn Hardman May 2020
 - 1/3rd of the total in advisory model portfolios
 - Each IFA firm has approximately £40m under control
 - MiFID II convincing IFA principals of need to outsource investment decisions
 - Tatton continues to be the largest DFM MPS player on platform
-
- IFA Revenue up 14%¹
 - IFA Profit up 25%¹

1. Source: 'The Financial Adviser Market: In Numbers', PIMFA, November 2019
 2. Source: Platforum, November 2020

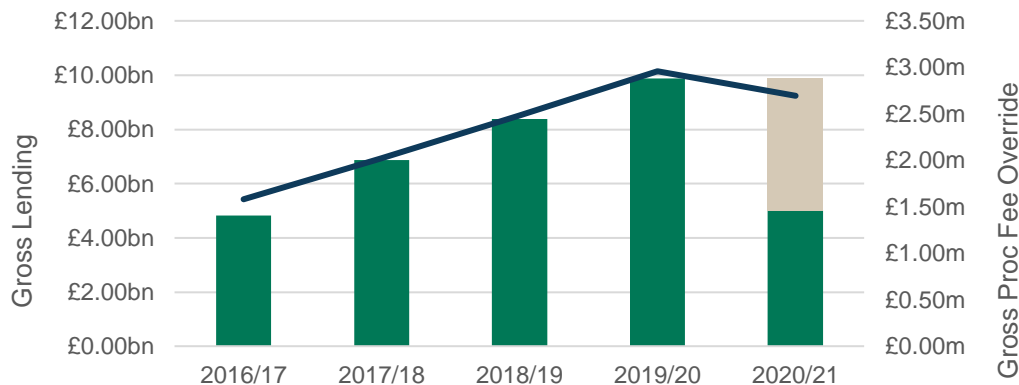
PLATFORM REPORT – DFM DISTRIBUTION DYNAMICS JULY 2019

- Adviser trends to outsourcing
- 51% of advisers outsource but only 12% of advised assets on platform
- 47% run their own in-house MPS
 - = 32% of advised assets on platform
- 21% of assets in Multi-assets Funds



MORTGAGE HIGHLIGHTS

Growth in Lending vs Proc Fee Override



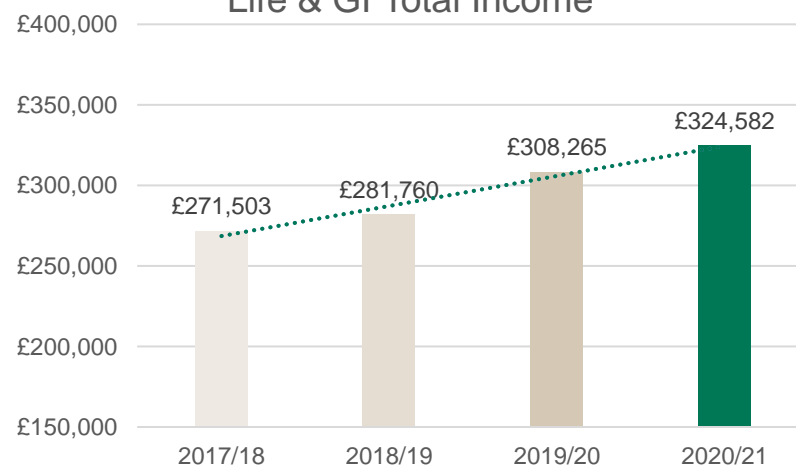
■ Growth In Lending £bn ■ Forecast Lending £bn — Gross Proc Fee Override £m

- Completions of £5.00bn (+4.7% on Sep 2019), Applications of £5.72bn (+7.0% on Sep 2019)
- Product mix has changed, impacting on proc fee income, PTs are 40.7% of completions (+39.8% on Sep 2019) attracting lower earnings, BTL comps which attracts higher earnings shows modest increase to 20.5% (+3.5% on Sep 2019)
- Valuation income recommenced in July
- Market has surged forward since initial lockdown measures lifted in June & aided by stamp duty holiday which has brought purchasers back to the market.

PROTECTION HIGHLIGHTS

- Protection & GI income £314k, 5.4% increase on Sep 2019
- Policies written increased 30% on H1 19/20 to 11,903²
- FY21 targets:
 - Maintain forecasted levels of recruitment
 - Focus on evolving non-Mortgage-based market opportunities

Life & GI Total Income



1. Data is available on Life Providers representing 80% of Paradigm Protect market share

MORTGAGE MARKET: COVID-19 & BEYOND

What's happening? A mix of signals

- Lockdown (April/May) effectively halted purchase activity, following which the housing & mortgage markets surged forward - initially with first-time buyers & now it is home movers in the ascendancy. Pent-up demand, the stamp duty holiday and desire of homeowners to change their living environment (garden, more rooms/space, coast & countryside) playing a significant part in driving this activity.
- Since July, new house sales agreed are running at 52% above the same period last year (Zoopla).
- Nationwide BS reports that in September house prices grew annually by 5%.
- Mortgage approvals were 39% higher in Sept 2020 than the same month last year (source BofE).
- Valuations backlog cleared, however Covid restrictions mean surveys are taking longer & lenders are relying more on desk-top & AVMs (at reduced fees). Unlike first national lockdown, the current restrictions do not ban surveying activities.
- Lender capacity is at pre-Covid levels, despite c.85% of underwriters & processors being home based, however productivity remains severely impacted.
- As growth capacity is restricted, together with affordability/risk concerns, lenders continue to restrict loans at higher LTVs, meaning many first-time buyers are unable to enter the market.
- Almost all lenders are back in the market, though some specialist lenders have restricted product ranges.
- Unemployment still casts a cloud over the market's future, as does predicted house prices falling later next year, impacting lender risk appetite and criteria.
- Advice is in significant demand due to market/proposition issues, with Distributor services, e.g. helpdesks (regulatory, technical, sourcing) enquiries at record levels.