

14 November 2023

**Fintel plc**

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

**Strategic Progress through Acquisitions and Trading Update**

***Acquisition of two market leaders continues the expansion of our platform***

Fintel (AIM: FNTL), the leading provider of fintech and support services to the UK Retail Financial Services sector today provides an update on two further strategic acquisitions.

**Strategic Progress - Two further acquisitions completed**

- *Acquisition of VouchedFor via Fintel IQ, a technology and knowledge platform*
  - VouchedFor is a leading review site for Financial Advisers, Mortgage Advisers, Solicitors and Accountants, serving over 5,000 intermediary customers
  - The strategic acquisition will broaden Fintel's services to the advice market through its technology and regulatory services platform
  - Fintel will accelerate the reach and growth of VouchedFor going forward, providing increased growth opportunities for our customers and enhancing its value to consumers
  - Completed in November 2023, the transaction was part debt funded with a net upfront cash consideration of £7.5m, of which £6.5m was drawn from the Group's £80m revolving credit facility
  - A contingent earnout, based on a multiple of recurring revenue generated over the next two years, is capped at £10m
  - VouchedFor has launched the new "Elevation" product that helps firms monitor Consumer Duty compliance that will both complement the current product offerings and drive significant future growth. The business is currently break-even after a period of investment.
- *Acquisition of AKG by Defaqto, the leading provider of financial information, ratings and fintech*
  - AKG is a leading provider of independent assessments and ratings of financial strength for a range of organisations including life companies, investment platforms and discretionary fund managers
  - The acquisition further extends Defaqto's industry-leading portfolio of ratings and reviews for financial services and investment professionals
  - Defaqto will draw on resources from across Fintel to invest in AKG and accelerate distribution of its proposition, both within the sectors that it currently operates and adjacent areas
  - Completed in November 2023, the transaction was funded entirely from cash reserves with a net upfront cash consideration of £1.6m. In addition, up to £0.4m contingent earnout is based on certain trading criteria being delivered in the first three years of ownership
- *Further strategic investment to accelerate future growth*
  - VouchedFor and AKG mark the third and fourth acquisitions by the Company this year, following the acquisitions of learning and development provider, Competent Adviser, and tax efficient investing specialists, Micap completed in July 2023
  - The acquisitions are in line with Fintel's strategy to improve the retail financial services market, promote the value of financial advice and increase consumer confidence and trust
  - Fintel remains confident in continuing to deliver strategic progress, supported by its strong balance sheet and positive M&A pipeline

**Trading Update and Outlook**

The Core business continues to deliver resilient earnings in line with board and market expectations for FY23, with the ongoing pressures in the UK housing market being largely offset by continued progress in software license sales and acquisitions.

**Matt Timmins, Joint CEO of Fintel, commented:**

"Our positive trading momentum has continued into the second half, with continued growth in SaaS and Subscriptions revenues, supported by our resilient, diversified revenue base.

"VouchedFor and AKG are two market leading businesses which are highly complementary to our offering and share our vision. VouchedFor is the UK's standard bearer for Trusted Advice while AKG has been at the forefront of financial strength ratings and consultancy for over 20 years. Both have strong adjacencies in terms of our capabilities and customers, and we look forward to further developing their compelling growth prospects.

"We continue to deliver growth organically and make progress consolidating the fragmented software market, providing efficiencies for advisers and creating better outcomes for all participants. With a strong M&A pipeline, underpinned by our balance sheet and cash position, we are confident in making further strategic progress."

**For further information please contact:**

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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 and analysis and targeted distribution strategies to financial institutions and product providers. Clients include major Life and 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 and benefits. Defaqto ratings help consumers compare and buy financial products with confidence.

For more information about Fintel, please visit the website: [www.wearefintel.com](http://www.wearefintel.com)

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