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Fintel plc

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

Strategic Investments to increase Fintel's scale, IP and capabilities

Fintel (AIM: FNTL), a leading provider of fintech and support services to the UK retail financial services sector, today announces two important strategic investments:

- New Distribution agreement with Mortgage Brain together with a minority investment by Fintel in Mortgage Brain, one of the leading providers of technology to the mortgage industry
- Acquisition of 70% of ifaDASH, a reg-tech solution that assists intermediaries with running an efficient, compliant business
- Both transactions are in line with Fintel's strategy, which balances growth across our core activities, organic investment and complementary M&A, and are financed from Fintel's existing financial resources
- Both investments increase Fintel's scale, IP and capabilities, capitalising on favourable market conditions for M&A

Mortgage Brain distribution agreement and minority investment

Fintel and Mortgage Brain, a leading technology provider to the mortgage industry, have today announced a new distribution agreement and an investment by Fintel of £1.5m (the "Fintel Investment") in return for 5.8% of the current issued share capital of **Mortgage Brain Holdings Limited ("Mortgage Brain")** at the time of the investment. The Fintel Investment for newly issued shares in Mortgage Brain will allow Mortgage Brain to continue investment in its technology platform and enhance its service to lenders and intermediaries.

With a history spanning over 35 years, Mortgage Brain has a strong reputation as one of the leading providers of technology to the mortgage industry. It serves over 15,000 intermediaries with a suite of software sourcing solutions, submissions and CRM.

Under the new agreement, Mortgage Brain's CRM, sourcing and submission software will be made available to Fintel's wide network of advisers via its Intermediary Services division, helping them to efficiently source and place the best mortgage products for their clients.

In consideration of the Fintel Investment, the arrangements also include a separate agreement between Fintel and Mortgage Brain's shareholders that defines the basis for Fintel to potentially acquire their current issued shares in Mortgage Brain. If such an acquisition of shares proceeds, the valuation attributable to the Mortgage Brain shares would be determined at that time by reference to Mortgage Brain's financial performance and other factors over the next two financial years.

For the year ended 31 March 2023 Mortgage Brain had revenues of £13.2m and reported an EBITDA loss of £1.96m.

Acquisition of ifaDASH

Fintel also announced the completion of its acquisition of ifaDASH, a reg-tech solution that assists intermediaries with running an efficient, compliant business. The acquisition was made through Fintel IQ, complementing its existing CRM software.

Through the transaction, Fintel has taken an initial 70% stake in ifaDASH, for an upfront cash consideration of £0.5m, with up to £1.0m of contingent cash consideration based on certain revenue and profitability targets being achieved in the next 12 months.

Fintel also has the option to purchase the remaining 30% equity in the business over the next two years for an agreed multiple of EBITDA.

The acquisition follows the Group's investment in CRM entrant Plannr, giving it access to the leading strategic CRM platform for small to medium-sized intermediaries.

Neil Stevens, Joint CEO of Fintel plc, said:

"Our new distribution agreement with Mortgage Brain will enable our members to access their leading mortgage sourcing and submission software as part of our integrated platform.

"Our investment provides a significant cash injection to accelerate Mortgage Brain's product transformation, enhancing its solutions and providing even greater efficiency to its customers, including Fintel's extensive membership base.

"We are also delighted to acquire ifaDASH today, as we seek to continue to enhance our CRM capabilities. CRM is critical to our wide network of intermediaries as it improves their efficiency and reduces the regulatory burden, allowing them to focus on generating better outcomes for their clients."

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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

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