

Group Overview

February 2018

Disclaimer

This presentation ("Presentation") has been prepared by 1pm plc (the "Company") and is confidential and is only directed at persons who fall within the exemptions contained in Articles 19 and 49 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (such as persons who are authorised or exempt persons within the meaning of the Financial Services and Markets Act 2000 and certain other investment professionals, high net worth companies, unincorporated associations or partnerships and the trustees of high value trusts) and persons who are otherwise permitted by law to receive it.

This Presentation is directed only at persons having professional experience in matters relating to investments and any investment or investment activity to which this Presentation relates is only available to such persons. Persons of any other description, including those who do not have professional experience in matters relating to investments, should not rely on this Presentation or act upon its contents. This Presentation does not constitute or form part of any offer for sale or subscription or any solicitation for any offer to buy or subscribe for any securities nor shall it or any part of it form the basis of or be relied upon in connection with any contract or commitment whatsoever. Any decision in connection with any proposed purchase of shares in the Company must be made solely on the basis of the information contained in the admission document to be published by the Company. While all reasonable care has been taken to ensure that the facts stated in this Presentation are accurate and that any forecasts, opinions and expectations contained herein are fair and reasonable, this Presentation has not been verified and no reliance whatsoever should be placed on them. Accordingly, no representation or warranty express or implied is made to the fairness, accuracy, completeness or correctness of this Presentation or the opinions contained herein and each recipient of this Presentation must make its own investigation and assessment of the matters contained herein. In particular, but without prejudice to the generality of the foregoing, no representation or warranty is given, and no responsibility or liability is accepted, as to the achievement or reasonableness of any future projections or the assumptions underlying them, or any forecasts, estimates, or statements as to prospects contained or referred to in this Presentation. Save in the case of fraud, no responsibility or liability whatsoever is accepted by any person for any loss howsoever arising from any use of, or in connection with, this Presentation or its contents or otherwise arising in connection therewith. In issuing this Presentation, the Company does not undertake any obligation to update or to correct any inaccuracies which may become apparent in this Presentation.

This Presentation is being supplied to you for your own information and may not be distributed, published, reproduced or otherwise made available to any other person, in whole or in part, for any purposes whatsoever. In particular, this Presentation should not be distributed to or otherwise made available to persons with addresses in Canada, Australia, Japan, the Republic of Ireland, South Africa or the United States, its territories or possessions or in any other country outside the United Kingdom where such distribution or availability may lead to a breach of any law or regulatory requirements.

Who we are

Flexible, Fair, Trusted and Personal

- 1pm is an FCA accredited **non-bank alternative finance** provider to **UK SMEs**
- Flexibility to either fund on own balance sheet to generate **interest income**, or to broke-on to other lenders to generate **commission income**
- Own balance sheet lending is all to **UK SMEs**; all consumer finance business is brokered-on

“1pm have undoubtedly helped us to boost sales over the 20+ years we have worked with them.

Our customers can invest in our top of the range Time and Attendance and access control systems by spreading their payments over three or five years. It also means that it gives us a natural opportunity to sell upgrades to them.”

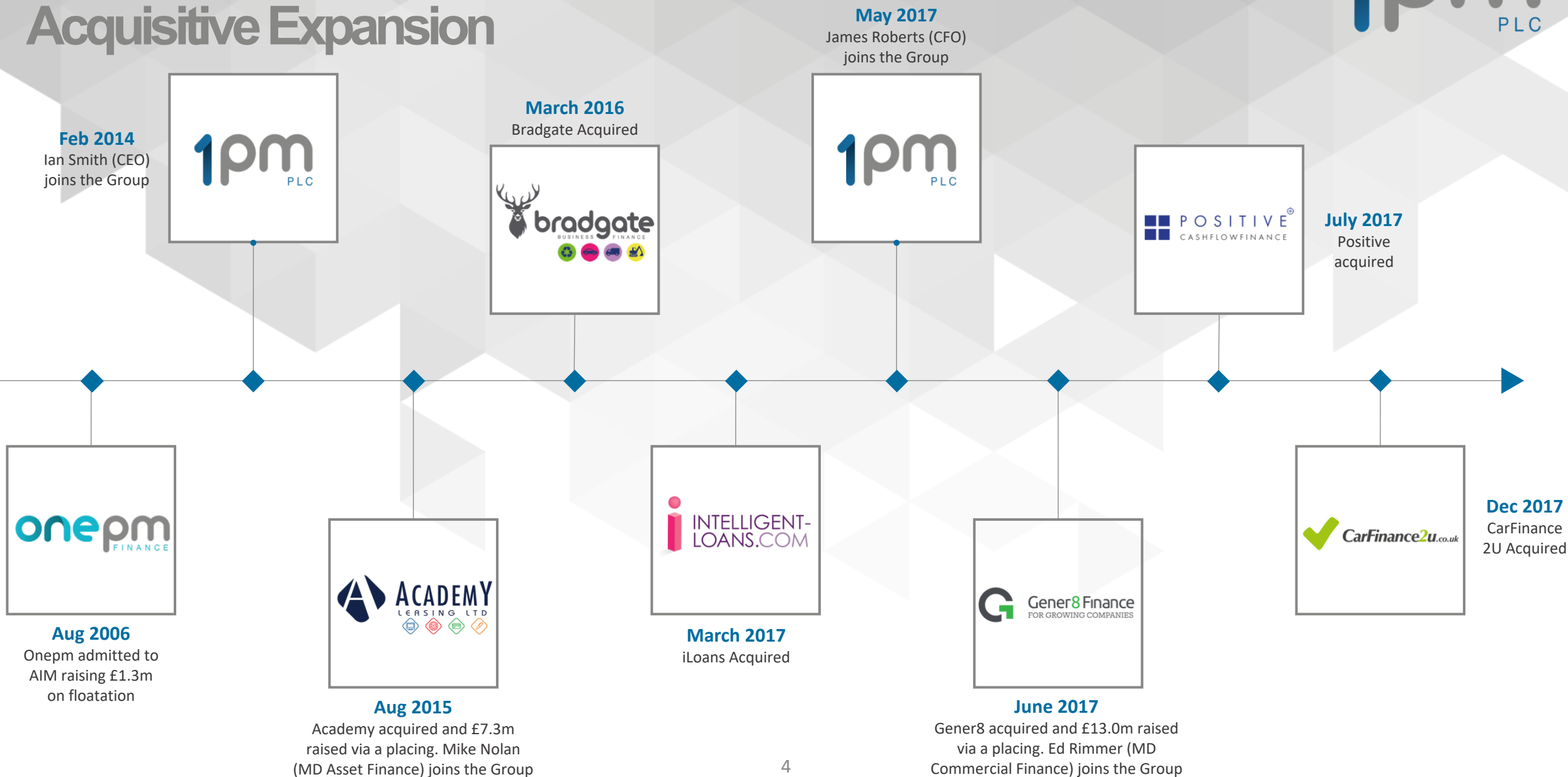
Rob Jones, Head of Procurement
Intrinsic Technology Ltd



1pm
PLC
**VENDOR
FINANCE**

How we got here

Acquisitive Expansion



What we provide

Product overview

UK SMEs require access to funds to grow their businesses. 1pm meets this need by providing the **full range** of finance products required by SMEs, including:

- **Asset finance**
- **Loan finance**
- **Invoice finance**

Either by providing the funds itself or broking them on to other funders where the risk profile doesn't meet our strict credit criteria.



Three operating divisions

Asset, Loan and Invoice Finance

Asset Finance and
Vehicles Broking

Property-backed
and PG-backed
Loans

Invoice Finance



Over 170 employees across 8 sites, lending over £130m to over 16,000 SMEs

What we do

Asset Finance deal examples



'High Street' SMEs:

- New Vision Coffee Europe Limited (t/a **Starbucks**) - £50k loan for business
- Urban Retreats Limited - £50k of furniture into a private salon within **Harrods**



Hard asset funding & broking:

- **A B Waste** a client for 7 years operating from a large West Midlands recycling site. Last year brokered a £350k shredder. Now looking at funding c. £500k on a refinance of existing assets for a property purchase.



Asset funding and broking:

- **Heart Of Midlothian PLC**; £300k funding for new football & catering facilities.
- **Lab Design & Print**: finance for a new flatbed digital printer and a £25k loan
- Finance for over 1000 **new vehicles** at over £1m commission per annum



Vehicles broking:

A typical deal is for a **used vehicle** to a consumer with historical adverse credit who is getting back on track with their finances, £7k over 48-60 months APR 30%-40% providing £570 average gross commission.

What we do

Loan and Invoice Finance deal examples

BROKING:

Second Charge Mortgage:



- £550k loan to fund purchase of overseas holiday home, brokered to Optimum Credit.
- Property value £2m, 1st mortgage balance of £800k. Loan to value 60%.
- Funded over 204 months @ 6.25%

OWN BOOK

Special situation flexible lending:



- Modular Buildings client ordered stock for a contract with Costain which was delayed. A cash flow requirement of £60k.
- The client owns a Cessna, so arranged a marine mortgage over the aircraft (valued at c£100k) and advanced asset-backed secured funds.

INVOICE FINANCE:



- Office Furniture Supply/Installer with a turnover of £12m. Providing Confidential Invoice Discounting facility up to £500k
- Mature, profitable business, won against stiff competition from a cheaper clearing bank on speed of response, flexibility & quality of relationship

INVOICE FINANCE:



- Provided a £350k Confidential Invoice Discounting facility to fund the MBI of this NW based Plastic Profiles manufacturer.
- Additional funding by way of a £200k loan ensured the new management team had a well funded business with healthy headroom from day one. Advance since repaid from profits

Competition

Few businesses of scale in small-ticket lending

Banks

HSBs lend to SMEs, but no longer structured to support smaller businesses

Challenger Banks

Also lessors, but do not operate in the smaller end of the market. Lend to us wholesale.

Alternative finance platforms

Growing competitive sector, but comparatively small (rate of growth slowing)

Quoted companies

Tend to be more single product focussed, or banks

Private companies

Quantum Finance (Investec) and multiple regional players

Banks

Challenger Banks

Alternative finance platforms

Quoted companies

Private companies

Flexibility



X

X



Speed of service



X



Personal approach



X

X

X

X



Range of products



X

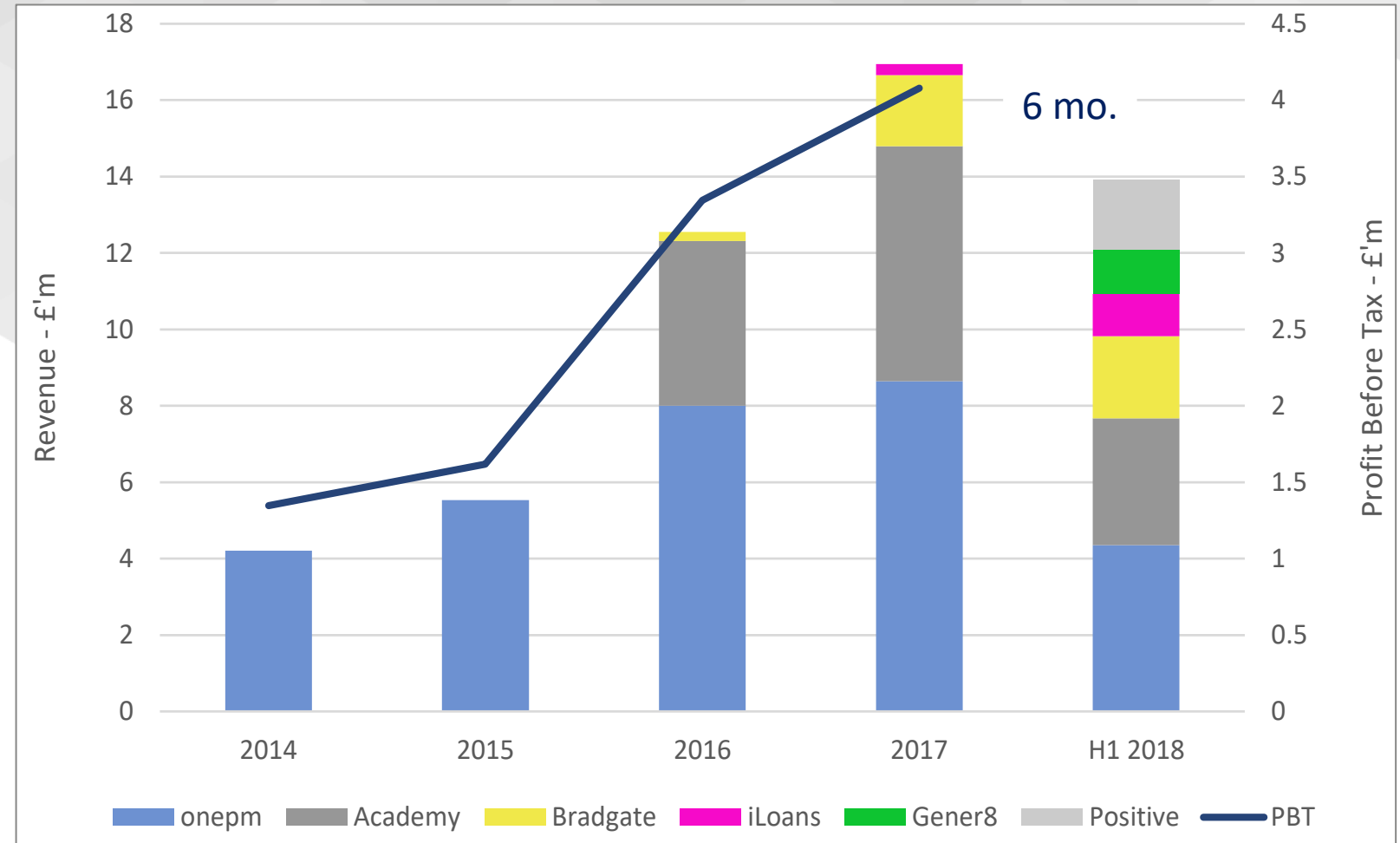


X

Track record of delivery

2014 to H1 2018

- ✓ Market expectations of £29.4m Revenue and £7.8m PBTE for year to 31 May 2018
- ✓ Buy & Build expansion over the past 2.5 years
- ✓ 7 successful acquisitions:
 - all sensibly priced and structured deals
 - all delivering to plan
- ✓ Interims are first results for the enlarged group – in line with market guidance
- ✓ EPS increasing as planned
- ✓ Paying a dividend

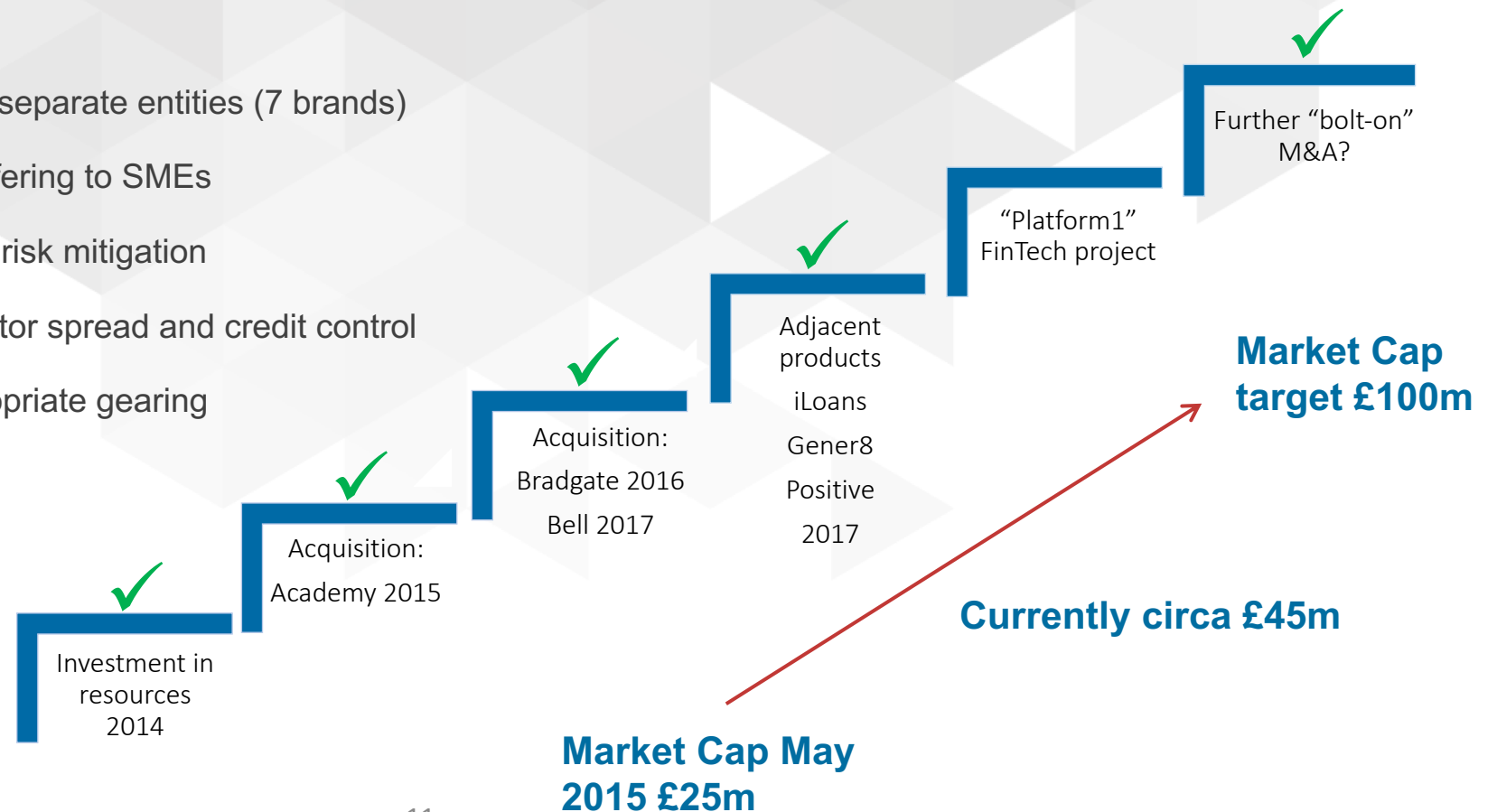


Strategic growth plan

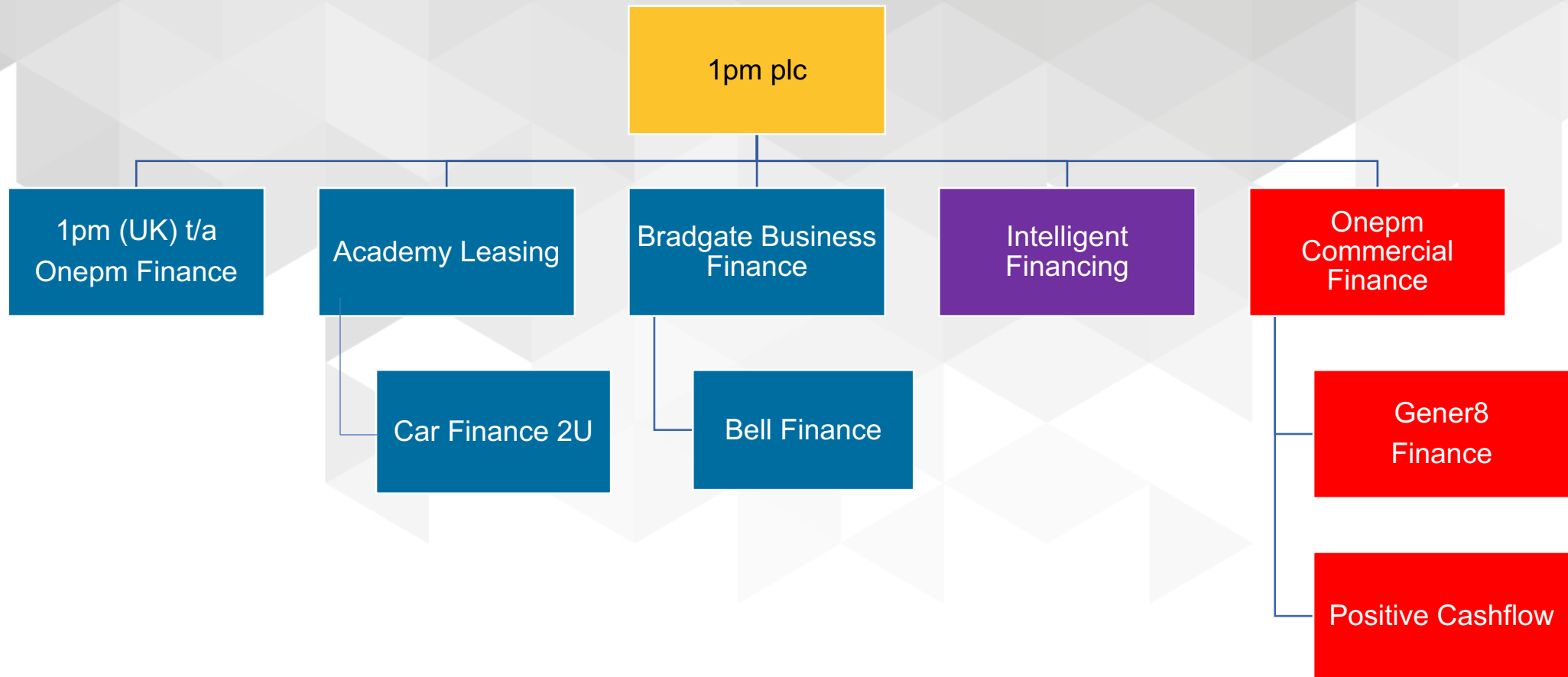
Non-bank, finance product provider to UK SMEs

Objectives

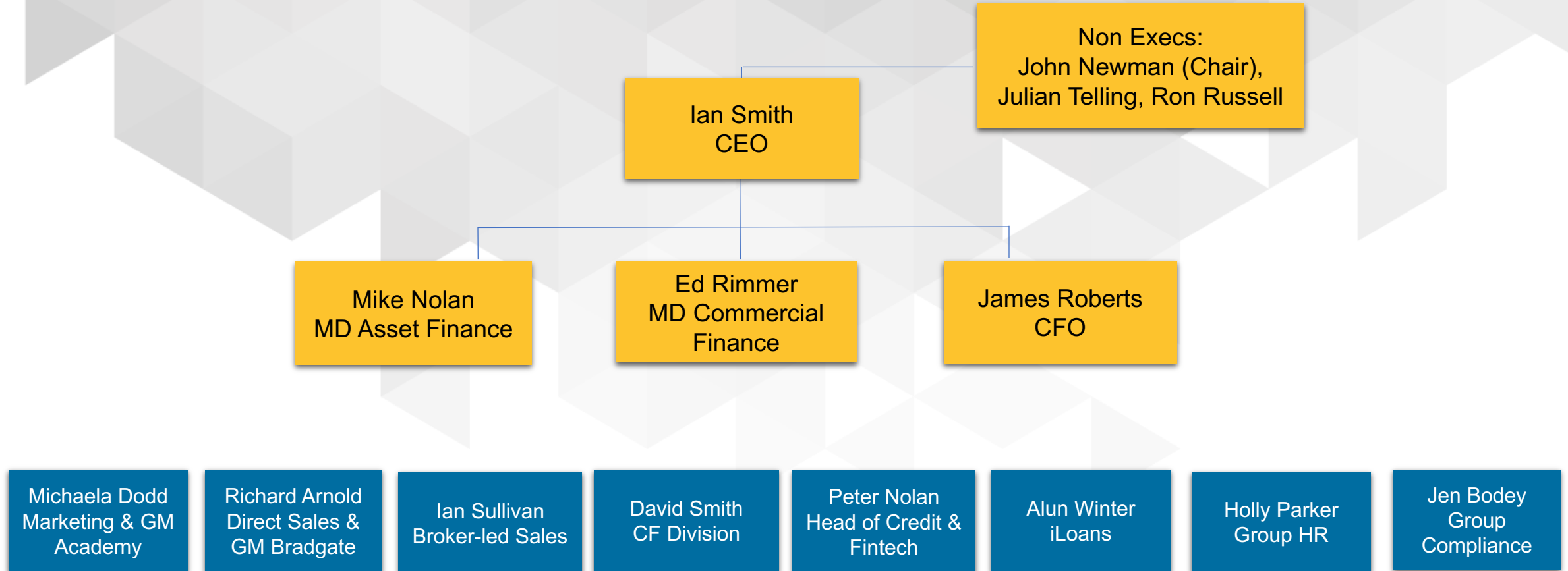
- **Scale** through a model of distributed separate entities (7 brands)
- **Multi-channel, multi-product** offering to SMEs
- **Funding and broking** to maintain risk mitigation
- **Strict policies** on underwriting, sector spread and credit control
- **Cost-effective funding** and appropriate gearing
- **Digital capability** - FinTech



Group companies



Management structure



Management CVs

Ian Smith, CEO

- 18 months in full-time CEO role; previous 2 years in Non-exec Chairman role
- Instigated the current strategic plan, leading on Placings and recent acquisitions
- 23 years in listed and privately-owned, PE/VC - backed entities, leading strategic transformations

Mike Nolan, MD Asset Finance

- Established Academy Leasing in 1987, as the founding Managing Director
- Following acquisition by 1pm plc, joined the plc board as Chief Strategy Officer
- Earn-out successfully achieved. Retiring December 2018.

James Roberts, CFO

- 17 years working in financial services industry. 10 years Senior Director roles
- Qualified as Chartered Accountant with PWC in the City
- Significant experience with buy and build acquisitive companies and fundraising

Ed Rimmer, MD Commercial Finance

- 17 years with leading independent player, Bibby Financial Services, including 5 years as UK CEO
- Whilst UK CEO of Bibby, increased new business and market share by 50% and doubled profitability
- Will lead 1pm's drive to consolidate niche, high-quality, businesses in Invoice Finance