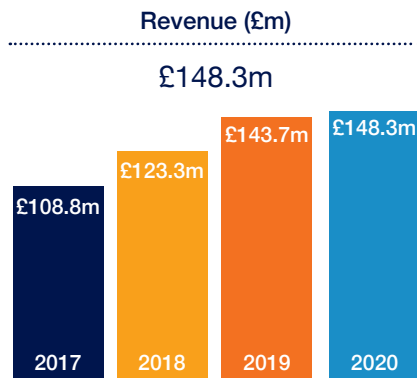


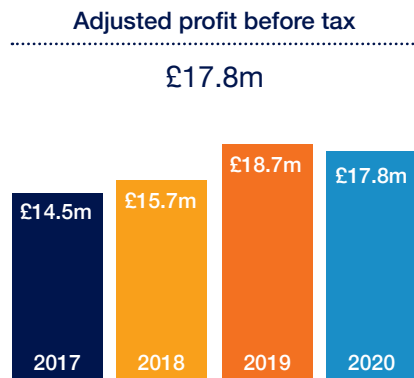
Financial review

We measure the development, performance and position of our business against a number of key indicators:



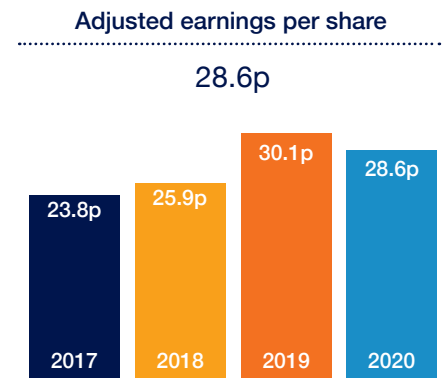
Total income from all revenue streams.

Strategy/objective
Shareholder value and financial performance.



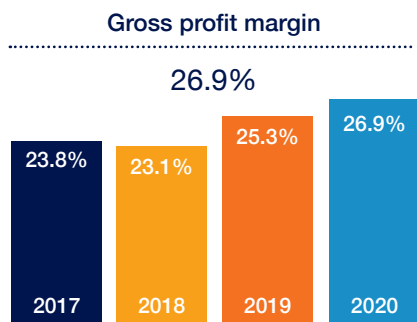
Profit before exceptional items² and tax.

Strategy/objective
Shareholder value and financial performance.



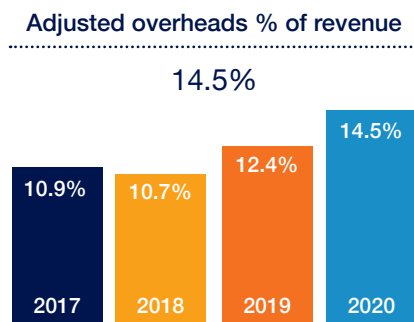
Total comprehensive income attributable to equity holders of the Company, adjusted for exceptional items², divided by total number of ordinary shares.

Strategy/objective
Shareholder value and financial performance.



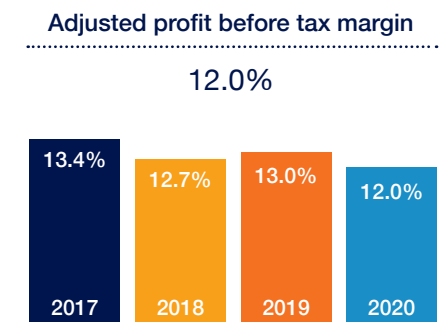
Gross profit generated as a proportion of revenue.

Strategy/objective
Managing gross margins.



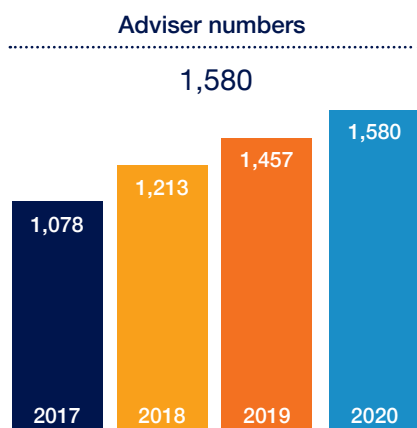
Group's administrative expenses¹ as a proportion of revenue.

Strategy/objective
Operating efficiency.



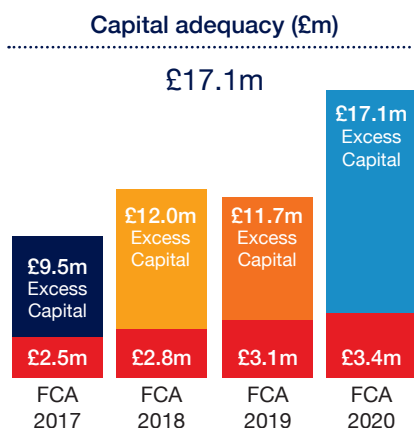
Group's adjusted profit before tax² as a proportion of revenue.

Strategy/objective
Shareholder value and financial performance.



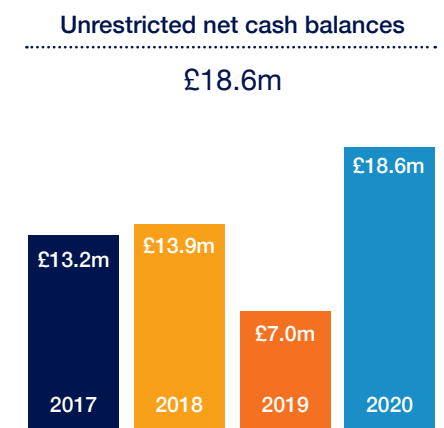
The average number of active advisers³ for 2020 was 1,455 (2019 1,457)

Strategy/objective
Increasing the scale of operations.



Excess capital requirements over amounts required by the Financial Conduct Authority (FCA).

Strategy/objective
Financial stability.



Bank balances at 31st December available for use in operations.

Strategy/objective
Financial stability.

¹ Adjusted in 2020 for £0.4m (2019 £0.2m) amortisation of acquired intangibles and £0.9m (2019 £0.4m) of additional non-cash operating expenses relating to the put and call option agreement to acquire the remaining 20% of First Mortgage. In 2019, £0.4m of one-off costs associated with the acquisition of First Mortgage were also adjusted.

² Adjusted for items in note (1) above and impairment of loans to related parties of £1.7m in 2020. Adjusted earnings per share is also stated before these items, net of any associated tax effects.

³ An active Adviser is an Adviser who had not been furloughed and was therefore able to write business.