

The Directors
Intrinsic Financial Services Limited
Millennium Bridge House
2 Lambeth Hill
London EC4V 4GG

03 April 2019

Dear Sir or Madam

Recommended cash offer for the entire issued and to be issued ordinary share capital of Lighthouse Group plc by Intrinsic Financial Services Limited, a wholly-owned indirect subsidiary of Quilter plc, to be effected by means of a Scheme of Arrangement under Part 26 of the Companies Act 2006

We refer to the announcement made by Intrinsic Financial Services Limited, a wholly-owned indirect subsidiary of Quilter plc, pursuant to Rule 2.7 of the UK City Code on Takeovers and Mergers of today's date with regard to the above transaction (the **Announcement**).

We hereby consent to the inclusion of our name and references thereto, in each case, in the form and context in which they appear, as shown in the attached final proof of the Announcement.

Yours faithfully



J.P. Morgan Securities plc

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF THAT JURISDICTION

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

FOR IMMEDIATE RELEASE

3 April 2019

RECOMMENDED CASH OFFER

for

LIGHTHOUSE GROUP PLC ("LIGHTHOUSE")

by

**INTRINSIC FINANCIAL SERVICES LIMITED ("INTRINSIC")
a wholly-owned indirect subsidiary of Quilter plc ("Quilter")**

to be effected by means of a Scheme of Arrangement under Part 26 of the Companies Act 2006

Summary

- The Boards of Quilter, Intrinsic and Lighthouse are pleased to announce that they have agreed the terms of a recommended cash offer to be made by Intrinsic for Lighthouse pursuant to which Intrinsic will acquire the entire issued and to be issued ordinary share capital of Lighthouse (the "**Acquisition**").
- Under the terms of the Acquisition, Lighthouse Shareholders will receive:
 - for each Lighthouse Share: 33 pence in cash**
- The Acquisition values the entire issued and to be issued ordinary share capital of Lighthouse at approximately £46.2m (£42.2m adjusted for approximately £4m of excess cash held on Lighthouse's balance sheet as at 31 December 2018) and represents a premium of approximately:
 - 24.5 per cent. to the Closing Price of 26.5 pence per Lighthouse Share on 2 April 2019 (being the last Business Day prior to this Announcement);
 - 30.4 per cent. to the volume-weighted average price of 25.3 pence per Lighthouse Share for the three-month period ended 2 April 2019 (being the last Business Day prior to this Announcement); and
 - 25.6 per cent. to the volume-weighted average price of 26.3 pence per Lighthouse Share for the six-month period ended 2 April 2019 (being the last Business Day prior to this Announcement).

- In addition to the consideration payable in connection with the Acquisition, Lighthouse Shareholders will also be entitled to receive the payment of the 2018 final dividend by Lighthouse of up to 0.5 pence for each Lighthouse Share (the "**Pre-Close Dividend**"), as announced on 26 February 2019.
- Intrinsic, a wholly owned subsidiary of Quilter, is a network of over 3,500 advisers, including independent financial advisers, mortgage and protection advisers and over 1,600 restricted financial planners. Intrinsic provides ongoing advice to approximately 200,000 customers and is one of the largest restricted advice networks in the UK.
- Lighthouse is an AIM-quoted group of approximately 400 financial advisers providing financial advice to retail and corporate customers across the UK through three principal operating divisions: (i) its national affinity business, which is a market leader for the provision of advice to members of affinity groups, with 23 contractual relationships whose aggregate membership exceeds six million individuals; (ii) its wealth advisory business, working with clients of approximately 40 accountancy and professional connections and higher net worth customers across the South of England; and (iii) appointed representatives servicing customers in their local communities.
- Quilter's strategy is to be the leading wealth manager across the UK, with face to face advice forming a core priority for the group. Quilter has committed to growing its controlled advice capabilities across its National and Network businesses. Quilter has a high regard for Lighthouse's business, its management, staff and professional advisers. It appreciates the value it would bring to the group, specifically Lighthouse's client acquisition and business development expertise and capabilities.
- The Acquisition is expected to be effected by means of a Court-sanctioned scheme of arrangement between Lighthouse and Lighthouse Scheme Shareholders under Part 26 of the Companies Act 2006, although Intrinsic reserves the right to effect the Acquisition by way of a Takeover Offer, subject to the Panel's consent.

Lighthouse Recommendation

- The Lighthouse Directors, who have been so advised by Investec Bank plc ("**Investec**") as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing advice to the Lighthouse Directors, Investec has taken into account the commercial assessments of the Lighthouse Directors.
- The Lighthouse Directors intend to recommend unanimously that the Lighthouse Shareholders vote in favour of the resolutions to be proposed at the Lighthouse Meetings.

Irrevocable Undertakings

- Intrinsic has received irrevocable undertakings to vote in favour (or procure a vote in favour) of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting from those Lighthouse Directors who hold Lighthouse Shares in respect of their own beneficial shareholdings, totalling 4,539,063 Lighthouse Shares representing approximately 3.55 per cent. of the issued ordinary share capital of

Lighthouse as at 2 April 2019, being the last Business Day before the date of this Announcement. Further details are set out in Appendix 3 to this Announcement.

- In addition to the irrevocable undertakings received from Lighthouse Directors who hold Lighthouse Shares, Intrinsic has received irrevocable undertakings from certain Lighthouse Shareholders who hold, in aggregate, 50,966,963 Lighthouse Shares, representing approximately 39.9 per cent. of the issued ordinary share capital of Lighthouse as at 2 April 2019, being the last Business Day before the date of this Announcement. Further details are set out in Appendix 3 to this Announcement.
- Intrinsic has therefore received irrevocable undertakings to vote in favour (or procure a vote in favour) of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting in respect of 55,506,026 Lighthouse Shares representing approximately 43.5 per cent. of the issued ordinary share capital of Lighthouse as at 2 April 2019, being the last Business Day before the date of this Announcement.

General

- The Acquisition is subject to, among other things, approvals of the relevant Lighthouse Shareholders, the sanction of the Scheme by the Court and the receipt of FCA and certain antitrust approvals. The Acquisition is also subject to the other terms and Conditions set out in Appendix 1 to this Announcement, and to the full terms and conditions to be set out in the Scheme Document.
- Intrinsic reserves the right to reduce the consideration payable in respect of each Lighthouse Share under the terms of the Acquisition to the extent that the Pre-Close Dividend exceeds 0.5 pence per Lighthouse Share. If any dividend or other distribution is announced, declared, made or paid, or becomes payable, in respect of the Lighthouse Shares on or after the date of this Announcement and prior to the Effective Date, other than the Pre-Close Dividend, Intrinsic reserves the right to reduce the consideration payable in respect of each Lighthouse Share by the amount of all or part of any such dividend or other distribution.
- The Scheme Document will include full details of the Scheme, together with notices of the Court Meeting and the General Meeting and the expected timetable, and will specify the actions to be taken by the Lighthouse Shareholders. The Scheme Document will be posted to Lighthouse Shareholders as soon as practicable and, in any event, within 28 days of this Announcement (unless Intrinsic and Lighthouse otherwise agree, and the Panel consents, to a later date).
- The Acquisition is expected to complete during the second quarter of 2019, subject to the satisfaction (or, where applicable, waiver) of the Conditions set out in Appendix 1 to this Announcement.

Comments on the Acquisition

Commenting on the Acquisition, Paul Feeney, Chief Executive Officer of Quilter, said:

"At Quilter, our focus is on delivering good client outcomes and that always starts with advice. We are delighted to have agreed a recommended cash offer for Lighthouse and look

forward to their advisers joining the Quilter family. As the advice market consolidates, the strategic acquisition of Lighthouse will help secure Quilter's position as the place to go for trusted financial advice in the UK."

Commenting on the Acquisition, Andy Thompson, Chief Executive Officer of Quilter's advice business, Intrinsic, said:

"Intrinsic and Lighthouse are highly compatible businesses with similar experiences, complementary structures and a shared focus on delivering good customer outcomes. The acquisition presents an opportunity to combine the expertise and capabilities of both businesses to accelerate our ability to provide customers with quality controlled financial advice. I look forward to working with Lighthouse's staff and advisers."

Commenting on the Acquisition, Richard Last, Chairman of Lighthouse, said:

"We have continued to make good financial and strategic progress in recent years despite softening market conditions and a tougher regulatory backdrop. However, the Board believes that Lighthouse will benefit significantly from becoming part of Intrinsic and the wider Quilter group and will be better positioned to deliver an enhanced customer proposition and offer increased opportunities to current staff and advisers that will be available within a larger group. Furthermore, the Acquisition provides Lighthouse Shareholders with the opportunity to realise their investment in full and in cash at an attractive premium to the levels at which the share price has traded in recent months. The Board of Lighthouse is therefore unanimously recommending Lighthouse Shareholders to vote in favour of the Acquisition."

This summary should be read in conjunction with, and is subject to, the full text of the following Announcement and its Appendices.

The conditions to, and certain further terms of, the Acquisition are set out in Appendix 1. The bases and sources for certain financial information contained in this Announcement are set out in Appendix 2. Details of irrevocable undertakings received by Intrinsic are set out in Appendix 3. Certain definitions and terms used in this Announcement are set out in Appendix 4.

Quilter and Intrinsic will hold a conference call for analysts and investors at 8:30 a.m. (London time) on 3 April 2019 with a dial-in facility available on +44 (0) 3333 000 800. The access code is 37709724.

Enquiries:

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Intrinsic / Quilter

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Lighthouse

Lighthouse

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Malcolm Streatfield - Chief Executive Officer
Peter Smith - Finance Director

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Allen & Overy LLP is retained as legal adviser to Intrinsic. DLA Piper UK LLP is retained as legal adviser to Lighthouse.

Further information

This Announcement is for information purposes only and is not intended to, and does not, constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Acquisition or otherwise. The Acquisition will be made solely through the Scheme Document (and the accompanying forms of proxy), which will contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the Acquisition. Any vote or other response to the Acquisition should be made only on the basis of the information in the Scheme Document.

This Announcement does not constitute a prospectus or prospectus equivalent document.

Intrinsic reserves the right to elect, with the consent of the Panel (where necessary), to implement the Acquisition by way of a Takeover Offer. In such event, the Takeover Offer will be implemented on substantially the same terms, so far as applicable, as those which would apply to the Scheme, subject to the Takeover Code and to any appropriate amendments to reflect the change in method of effecting the Acquisition.

Important notices relating to financial advisers

J.P. Morgan Securities plc, which conducts its U.K. investment banking business as J.P. Morgan Cazenove ("J.P. Morgan Cazenove"), is authorised in the United Kingdom by the PRA and regulated by the PRA and the FCA. J.P. Morgan Cazenove is acting as financial adviser exclusively for Intrinsic and Quilter and no one else in connection with the matters set out in this Announcement and will not regard any other person as its client in relation to the matters set out in this Announcement and will not be responsible to anyone other than Intrinsic and Quilter for providing the protections afforded to clients of J.P. Morgan Cazenove or its affiliates, or for providing advice in relation to any matter referred to herein.

Investec Bank plc ("Investec"), which is authorised by the PRA and regulated in the United Kingdom by the FCA and the PRA, is acting exclusively for Lighthouse and no one else in relation to the Acquisition and/or other matters set out in this Announcement and will not be responsible to anyone other than Lighthouse for providing the protections afforded to clients of Investec or for providing advice in relation to the Acquisition, the contents of this Announcement or any other matter or arrangement referred to herein.

Overseas Shareholders

This Announcement has been prepared in accordance with English law, the Takeover Code, the Market Abuse Regulation, the AIM Rules and the Disclosure Guidance and Transparency Rules and information disclosed may not be the same as that which would have been prepared in accordance with the laws of jurisdictions outside England.

Copies of this Announcement and any formal documentation relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send it in or into or from any Restricted Jurisdiction. If the Acquisition is implemented by way of a Takeover Offer (unless otherwise determined by Intrinsic and permitted by applicable law and regulation), the Takeover Offer may not be communicated, directly or indirectly, in or into or by the use of the mails of, or by any other means or instrumentality (including, without limitation, by mail, telephonically or electronically by way of internet or otherwise) of interstate or foreign commerce of, or any facilities of a national, state or securities exchange of, any Restricted Jurisdiction and the Takeover Offer may not be capable of acceptance by any such use, means, instrumentality or otherwise.

The Acquisition will be subject to the applicable requirements of the Takeover Code, the Panel, AIM and the FCA.

Further details in relation to Lighthouse Shareholders in overseas jurisdictions will be contained in the Scheme Document.

Additional information for US investors

US holders of Lighthouse Shares should note that the Acquisition relates to the securities of a UK company admitted to trading on AIM and is proposed to be implemented pursuant to a scheme of arrangement provided for under English company law. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules under the US Exchange Act. Accordingly, the Acquisition will be subject to UK procedural and disclosure requirements and practices applicable to a scheme of arrangement involving a target company in England admitted to trading on AIM, which are different from the disclosure requirements of the US tender offer and proxy solicitation rules. The financial information included in this Announcement and other documentation related to the Acquisition has been or will have been prepared in accordance with International Financial Reporting Standards and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the US. If Intrinsic exercises its right, in the circumstances provided for in this Announcement, to implement the Acquisition by way of a Takeover Offer, such Takeover Offer will only be made in the United States if an exemption from the registration requirements of the US Securities Act is available.

None of the securities referred to in this Announcement have been approved or disapproved by the SEC, any state securities commission in the United States or any other US regulatory authority, nor have such authorities passed upon or determined the adequacy or accuracy of the information contained in this document. Any representation to the contrary is a criminal offence in the United States.

It may be difficult for US holders of Lighthouse Shares to enforce their rights and claims arising out of the US federal securities laws, since Intrinsic and Lighthouse are located in countries other than the United States, and some or all of their officers and directors may be residents of countries other than the United States. US holders of Lighthouse Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

Forward-looking statements

This Announcement (including information incorporated by reference in this Announcement), oral statements made regarding the Acquisition, and other information published by Intrinsic and Lighthouse contain statements which are, or may be deemed to be, "forward-looking statements". All statements, other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements are prospective in nature and are not based on historical facts, but rather on assumptions, expectations, valuations, targets, estimates, forecasts and projections of Intrinsic and Lighthouse about future events, and are therefore subject to risks and uncertainties which could cause actual results, performance or events to differ materially from those expressed or implied by the forward-looking statements. The forward-looking statements contained in this Announcement include statements relating to the expected effects of the Acquisition on the Intrinsic Group, the Lighthouse Group and the Enlarged Group, the expected timing and scope of the Acquisition and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "plans", "expects", "budget", "targets", "aims", "scheduled", "estimates", "forecast", "intends", "anticipates", "seeks", "prospects", "potential", "possible", "assume" or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Although Intrinsic and Lighthouse believe that the expectations reflected in such forward-looking statements are reasonable, Intrinsic and Lighthouse can give no assurance that such expectations will prove to be correct. By their nature, forward-looking statements involve risks (known and unknown) and uncertainties (and other factors that are in many cases beyond the control of Intrinsic and/or Lighthouse) because they relate to events and depend on circumstances that may or may not occur in the future.

There are a number of factors that could affect the future operations of the Intrinsic Group, the Lighthouse Group and/or the Enlarged Group and that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include the satisfaction (or, where permitted, waiver) of the Conditions, as well as additional factors, such as: domestic and global business and economic conditions; asset prices; market related risks such as fluctuations in interest rates and exchange rates, industry trends, competition, changes in government and regulation, changes in the policies and actions of governments and/or regulatory authorities (including changes related to capital and tax), changes in political and economic stability (including

exposures to terrorist activities, the repercussions of the UK's referendum vote to leave the European Union (EU), the UK's exit from the EU (including any changes to the UK currency), Eurozone instability, any referendum on Scottish independence), disruption in business operations due to reorganisation activities, interest rate, inflation, deflation and currency fluctuations, the timing impact and other uncertainties of future or planned acquisitions or disposals or offers, the inability of the Enlarged Group to realise successfully any anticipated synergy benefits when the Acquisition is implemented (including changes to the board and/or employee composition of the Enlarged Group), the inability of the Intrinsic Group to integrate successfully the Lighthouse Group's operations and programmes when the Acquisition is implemented, the Enlarged Group incurring and/or experiencing unanticipated costs and/or delays (including IT system failures, cyber-crime, fraud and pension scheme liabilities), or difficulties relating to the Acquisition when the Acquisition is implemented. Other unknown or unpredictable factors could affect future operations and/or cause actual results to differ materially from those in the forward-looking statements. Such forward-looking statements should therefore be construed in the light of such factors.

Each forward-looking statement speaks only as of the date of this Announcement. Neither Intrinsic Group nor Lighthouse Group, nor any of their respective associates or directors, officers or advisers, provides any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Announcement will actually occur. Forward-looking statements involve inherent risks and uncertainties. All forward-looking statements contained in this Announcement are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Readers are cautioned not to place undue reliance on these forward-looking statements. Other than in accordance with their legal or regulatory obligations (including under the Takeover Code, the Market Abuse Regulations, the AIM Rules and the Disclosure Guidance and Transparency Rules), neither the Intrinsic Group nor the Lighthouse Group is under or undertakes any obligation, and each of the foregoing expressly disclaims any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

No profit forecasts or estimates

Nothing in this Announcement is intended, or is to be construed, as a profit forecast or to be interpreted to mean that earnings per Lighthouse Share for the current or future financial years, will necessarily match or exceed the historical published earnings per Lighthouse Share.

Disclosure requirements of the Takeover Code

Under Rule 8.3(a) of the Takeover Code, any person who is interested in one per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the Announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm on the 10th business day following

the Announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in one per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Publication on a website

This Announcement and the documents required to be published pursuant to Rule 26 of the Takeover Code will be available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Quilter's website at www.quilter.com/Lighthousegroupoffer and on Lighthouse's website at www.lighthousegroup.plc.uk/investor-relations/ promptly and in any event by no later than 12 noon on 4 April 2019.

Neither the content of the websites referred to in this Announcement nor the content of any website accessible from hyperlinks is incorporated into, or forms part of, this Announcement.

Request for hard copies

Lighthouse Shareholders may, subject to applicable securities laws, request a hard copy of this Announcement (and any information incorporated into it by reference to another source) by contacting Lighthouse's registrars, Link Asset Services during business hours on 0371 664 0300 within the United Kingdom or on +44 (0) 371 664 0300 from overseas or by submitting a request in writing to shareholderenquiries@linkgroup.co.uk or 34 Beckenham Rd,

Beckenham BR3 4TU, United Kingdom, with an address to which the hard copy may be sent. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside of the United Kingdom will be charged at the applicable international rate. Unless you make such a request, a hard copy of this Announcement (and any information incorporated by reference to another source) will not be sent to you. Lighthouse Shareholders may, subject to applicable securities laws, also request that all future documents, Announcements and information to be sent in relation to the Acquisition should be in hard copy form.

Information relating to Lighthouse Shareholders

Please be aware that addresses, electronic addresses and certain information provided by Lighthouse Shareholders, persons with information rights and other relevant persons for the receipt of communications from Lighthouse may be provided to Intrinsic during the Offer Period as required under section 4 of Appendix 4 to the Takeover Code.

Rounding

Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Rule 2.9 of the Code

For the purposes of Rule 2.9 of the Takeover Code, Lighthouse confirms that, as at 2 April 2019, it had in issue 127,700,298 ordinary shares of 1 pence each in issue admitted to trading on AIM. The International Securities Identification Number for Lighthouse Shares is GB0009779116.

General

If you are in any doubt about the contents of this Announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser

Time

All times shown in this Announcement are London times, unless otherwise stated.

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FOR IMMEDIATE RELEASE**

3 April 2019

RECOMMENDED CASH OFFER

for

LIGHTHOUSE GROUP PLC ("LIGHTHOUSE")

by

**INTRINSIC FINANCIAL SERVICES LIMITED ("INTRINSIC")
a wholly-owned indirect subsidiary of Quilter plc ("Quilter")**

to be effected by means of a Scheme of Arrangement under Part 26 of the Companies Act 2006

1. Introduction

The Boards of Quilter, Intrinsic and Lighthouse are pleased to announce that they have agreed the terms of a recommended cash offer to be made by Intrinsic for Lighthouse pursuant to which Intrinsic will acquire the entire issued and to be issued ordinary share capital of Lighthouse (the "**Acquisition**").

Under the terms of the Acquisition, which will be subject to the conditions set out below and in Appendix 1 and to the further terms to be set out in the Scheme Document, Lighthouse Scheme Shareholders will be entitled to receive:

for each Lighthouse Share: 33 pence in cash

- The Acquisition values the entire issued and to be issued ordinary share capital of Lighthouse at approximately £46.2m (£42.2m adjusted for approximately £4m of excess cash held on Lighthouse's balance sheet as at 31 December 2018) and represents a premium of approximately:
 - 24.5 per cent. to the Closing Price of 26.5 pence per Lighthouse Share on 2 April 2019 (being the last Business Day prior to this Announcement);
 - 30.4 per cent. to the volume-weighted average price of 25.3 pence per Lighthouse Share for the three-month period ended 2 April 2019 (being the last Business Day prior to this Announcement); and

- 25.6 per cent. to the volume-weighted average price of 26.3 pence per Lighthouse Share for the six-month period ended 2 April 2019 (being the last Business Day prior to this Announcement).
- In addition to the consideration payable in connection with the Acquisition, Lighthouse Scheme Shareholders will also be entitled to receive the payment of the 2018 final dividend by Lighthouse of up to 0.5 pence for each Lighthouse Share (the "**Pre-Close Dividend**"), as announced on 26 February 2019.
- Intrinsic reserves the right to reduce the consideration payable in respect of each Lighthouse Share under the terms of the Acquisition to the extent that the Pre-Close Dividend exceeds 0.5 pence per Lighthouse Share. If any dividend or other distribution is announced, declared, made or paid, or becomes payable, in respect of the Lighthouse Shares on or after the date of this Announcement and prior to the Effective Date, other than the Pre-Close Dividend, Intrinsic reserves the right to reduce the consideration payable in respect of each Lighthouse Share by the amount of all or part of any such dividend or other distribution. If Intrinsic exercises this right or makes such a reduction in respect of a dividend or other distribution that has not been paid, Lighthouse Shareholders will be entitled to receive and retain that dividend or other distribution.
- The Acquisition is expected to be effected by means of a Court-sanctioned scheme of arrangement between Lighthouse and Lighthouse Scheme Shareholders under Part 26 of the Companies Act 2006, although Intrinsic reserves the right to effect the Acquisition by way of a Takeover Offer, subject to the Panel's consent.
- It is currently expected that the Scheme Document will be published as soon as practicable and, in any event (save with the consent of the Panel), within 28 days of this Announcement. It is expected that the Scheme will become effective in the second quarter of 2019.
- Intrinsic intends to finance the Acquisition from its existing cash resources.

2. **Background to and reasons for the Acquisition**

The Board of Intrinsic considers the Acquisition of Lighthouse to be an opportunity to:

- grow its national advice business, adding experienced advisers and complementary customer segments in order to build mass in the highly attractive affluent client segment;
- add scale and operational strength to Intrinsic's existing Network business, combining Intrinsic's adviser network, which is the second largest financial advice network in the UK, with Lighthouse's Communities Network business;
- combine Lighthouse's successful affinity-based advisory business with Intrinsic's depth of advice capability to augment Intrinsic's strong growth prospects, leveraging the breadth of combined market reach with increased capacity to deliver on customer needs;

- deliver Quilter's fully established investment solutions business to Lighthouse's existing and future client base, subject to individual suitability, bringing an enhanced set of investment opportunities for the benefit of customers and advisers; and
- build upon Intrinsic's and Lighthouse's belief in face-to-face advice and the benefits that it provides for customers.

The acquisition of firms such as Lighthouse is a key component of Quilter's overall strategy to become the UK's leading wealth manager. Quilter has invested significantly over the last few years to grow its controlled advice capability combined with investments in new platform technology, discretionary investment management and the creation of a multi-asset business. This Acquisition would further strengthen Quilter's and Intrinsic's capabilities and support this growth strategy to better serve the combined customers and stakeholders.

Intrinsic expects there to be approximately £2m of annualised cost savings from the Acquisition by the end of the second fiscal year following completion of the Acquisition. These savings are expected to be generated through the elimination of administrative costs associated with Lighthouse's current status as a listed company and the rationalisation of duplicated functions. Taking into account these savings on a run-rate basis, the terms of the Acquisition would represent an acquisition multiple of approximately 10 times Lighthouse's profit after tax (on an excess cash-adjusted basis) for the financial year ended 31 December 2018. The combination of expected cost savings and revenue growth resulting from the combination of Lighthouse with Intrinsic's Adviser & Wealth business means that Quilter's management's previous guidance on operating margin improvement from optimisation announced with the full year results is unchanged.

3. **Lighthouse recommendation**

The Lighthouse Directors, who have been so advised by Investec as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing advice to the Lighthouse Directors, Investec has taken into account the commercial assessments of the Lighthouse Directors.

Accordingly, the Lighthouse Directors intend to recommend unanimously that Lighthouse Shareholders vote in favour of the resolutions relating to the Acquisition at the Lighthouse Meetings (or in the event that the Acquisition is implemented by Takeover Offer, to accept or procure acceptance of such offer).

4. **Irrevocable undertakings**

Intrinsic has received irrevocable undertakings to vote in favour (or procure a vote in favour) of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting from those Lighthouse Directors who hold Lighthouse Shares in respect of their own beneficial shareholdings, totalling 4,539,063 Lighthouse Shares, representing approximately 3.55 per cent. of the issued ordinary share capital of Lighthouse as at 2 April 2019, being the last Business Day before the date of this Announcement.

In addition to the irrevocable undertakings received from Lighthouse Directors who hold Lighthouse Shares, Intrinsic has received irrevocable undertakings from certain Lighthouse Shareholders who hold, in aggregate, 50,966,963 Lighthouse Shares, representing approximately 39.9 per cent. of the issued ordinary share capital of Lighthouse as at 2 April 2019, being the last Business Day before the date of this Announcement.

Intrinsic has therefore received irrevocable undertakings in respect of 55,506,026 Lighthouse Shares representing 43.5 per cent, of the issued ordinary share capital of Lighthouse as at 2 April 2019, being the last Business Day before the date of this Announcement.

Further details of these irrevocable undertakings are set out in Appendix 3.

5. **Background to and reasons for the recommendation of the Acquisition**

In its 2018 Annual Report, Lighthouse outlined that it is reviewing its strategy for the next five years to identify those areas (such as the affinity and professional connections markets) which are most likely to produce future earnings growth. It also highlighted that additional accelerated investment may be required in adviser recruitment, lead generation and marketing to deliver this growth. This is set against a backdrop of current uncertainty within the UK retail financial services market as a result of the UK electorate voting to leave the EU in a public referendum on 23 June 2016 and corrections in UK and global financial markets in recent months as well as increased regulation. These factors inevitably mean upward pressure on costs, in particular in the areas of compliance, technology and professional indemnity insurance procurement. The current market dynamics seen in the UK retail financial services market mean that significant advantages can be achieved through scale and increased distribution capability.

Lighthouse has continued to make good progress throughout 2018 and into 2019, delivering a resilient performance in challenging trading conditions and continues to focus on improving its operational efficiency and delivering first-class services to its customers by developing innovative solutions. With an ongoing focus on increasing business derived from affinity relationships, by introducing new and enhanced financial solutions for customers and increasing cost efficiency, the Board believes that Lighthouse is well placed to take advantage of the opportunities available. Against this backdrop, Lighthouse has reached an important stage in its development given the current state of the market and the likely requirement for additional accelerated investment to deliver future earnings growth. The Board of Lighthouse has also considered the merits of being part of a larger, complementary group with enhanced scale and a wider range of capabilities to service its key customers.

Accordingly, the Board of Lighthouse has evaluated the Acquisition and concluded that its terms are fair and reasonable for the following reasons:

- the Acquisition represents an opportunity for Lighthouse Shareholders to realise value for their investment in cash at an attractive premium to the current share price;

- Intrinsic represents a natural partner for Lighthouse and there is a strong strategic and commercial rationale for a combination of the two complementary businesses;
- the Acquisition accelerates the potential strategic development of Lighthouse as part of a large and diversified wealth management business; and
- it enhances the prospects of Lighthouse for the benefit of all of its stakeholders, including Lighthouse's customers and employees.

6. **Strategic plans and intentions with regard to management, employees and places of business**

Intrinsic values Lighthouse's business and, in particular, its focus on developing and maintaining high quality customer relationships. Intrinsic believes the UK population currently faces a significant need for financial advice, creating opportunities to provide high quality advisory solutions which satisfy this customer need. Intrinsic considers that Lighthouse's business is complementary to that of Intrinsic's, and that the Acquisition presents an opportunity to combine the expertise and capabilities of both businesses to accelerate business development opportunities and to provide more customers with controlled, quality financial advice.

At this stage, Intrinsic has had limited interaction with Lighthouse's management for the purposes of integration planning. However, given Intrinsic's experience in acquiring and integrating other similar businesses, it is familiar with the advice business operating model and is confident in its ability to integrate the Lighthouse business successfully, minimising disruption to Lighthouse's customers, advisers and staff.

Intrinsic expects to commence its integration processes shortly after the Effective Date with the aim of finalising any integration planning within six to nine months of the Effective Date. Intrinsic intends to take a 'best of both' approach in optimising the Enlarged Group through integration planning. As part of its integration activities, Intrinsic intends to transition the Lighthouse Group's employees and advisers onto some of its own systems, processes and procedures. Intrinsic also intends to use Lighthouse's current brand until it can be aligned with Quilter's rebranding programme, at the appropriate time.

National advice business

Quilter's vision is to be the most trusted wealth manager in the UK and, as part of this vision, it has an ambition to build the UK's leading national advice business, focused on delivering quality solutions to its customers through controlled advice, a consistent brand and high quality experience. The Lighthouse Group's advisory channels, LighthouseCarrwood and Lighthouse Financial Advice, display strong alignment with Intrinsic's National Advice Business and are expected to significantly contribute to the delivery of Quilter's vision.

Intrinsic expects Lighthouse's current business development capabilities to add value to the Enlarged Group, specifically through supporting organic growth from existing successful affinity relationships and partnerships with regional accountancy firms

across the UK. Intrinsic expects to be able to further those relationships through access to an increased number of financial advisers including its capability to develop new financial advisers through its Financial Adviser School. In addition, Intrinsic expects the Lighthouse Group's advisers to benefit from the additional support and business development capabilities offered through the Enlarged Group.

Network model

Intrinsic expects the Lighthouse Group's Communities and Wealth advisory channels to join Intrinsic's current adviser network, one of the largest in the UK, supporting over 3,500 advisers, including independent financial advisers, mortgage and protection advisers and over 1,600 restricted financial planners. Lighthouse Group's customers and advisers are expected to benefit from Intrinsic's high quality customer proposition and experienced oversight and control environment. Lighthouse Group's advisers will benefit from Intrinsic's value-added offerings such as business development support, relationship management systems, access to Quilter's training programmes (such as its Financial Adviser School) and access to Intrinsic's Practice Buyout Scheme.

Central functions and places of business

Quilter currently has offices in a number of locations across the UK, including London, Southampton, Manchester, Swindon and Newcastle. Lighthouse currently supports a similar geographic footprint with key locations in Stockport, Brighton and London. Intrinsic intends to conduct a review of the Enlarged Group's property portfolio after completion of the Acquisition, which may result in the rationalisation of the Enlarged Group's property portfolio to remove duplication of geographical reach over time. Intrinsic expects this to include accommodating Lighthouse's staff and advisers currently based in Lighthouse's London headquarters within Intrinsic/Quilter's London office.

Until the integration planning work has been completed (which is expected to be within six to nine months of the Effective Date), the precise impact of the Acquisition on the places of business of the Enlarged Group will not be known. However, consistent with Intrinsic's 'best of both' approach, where practicable, Intrinsic's aim will be to relocate staff in nearby locations of the Enlarged Group.

Intrinsic does not have any intention to make material changes to the fixed assets of the Lighthouse Group other than pursuant to the potential rationalisation of Lighthouse's property portfolio referred to above.

Management and employees

Intrinsic expects that the non-executive directors and chairman of Lighthouse will step down from the board of Lighthouse and are expected to be replaced by members of Intrinsic's executive management team. It also expects that, after a suitable period of transition following the Acquisition, Lighthouse's executive directors' roles will not be required.

As a result of the expected overlap in operational and support functions between Intrinsic and Lighthouse, Intrinsic expects to merge duplicative operational and

support functions. These functions are expected to include Compliance, Finance, Company Secretarial, Fee and Commission Processing, Internal Audit and Technology. Intrinsic expects between 15-30 full time equivalent employees of the Enlarged Group to be affected by this rationalisation, and intends to adopt a 'best of both' approach in identifying where headcount reductions will be made.

The finalisation and implementation of any rationalisation or de-duplication activities would be subject to comprehensive planning and engagement with the affected members of staff and/or representatives. Any affected employees from either organisation would be treated fairly and in an equitable manner, consistent with Quilter's culture and people-focused values. Following the Effective Date, the existing contractual and statutory employment rights of the Lighthouse employees will be observed and pensions obligations complied with. Other than in respect of aligning the terms and conditions of employment of members of Lighthouse's executive management team, Intrinsic does not envisage making any material changes to the conditions of employment of the Lighthouse Group employees or the existing agreed pension contributions for existing members of the Lighthouse pension plans or the inclusion of any new members into the existing Lighthouse defined contribution pension plans in connection with the Acquisition.

Save as set out above, the Intrinsic Board does not expect any material change to the balance of skills and functions of the employees and the management of the Lighthouse Group or the Enlarged Group.

AIM Listing

On, or shortly after, the Effective Date, Intrinsic expects to cancel the trading of Lighthouse's shares on the AIM market.

Research and development

Owing to the nature of its business, the Lighthouse Group does not conduct significant research and development activities but, to the extent any such activities are currently undertaken, Intrinsic does not expect to make material changes after the Effective Date.

The statements above will be treated as post-offer intention statements by Intrinsic for the purpose of Rule 19.6 of the Takeover Code.

7. Information relating to Intrinsic Group

Quilter is a leading wealth management business in the UK and operates internationally, helping to create prosperity for the generations of today and tomorrow. It has an adviser and customer offering spanning financial advice, investment platforms, multi-asset investment solutions and discretionary fund management. Quilter oversees £109.3 billion in customer investments (as at 31 December 2018). The business is comprised of two segments: Wealth Platforms and Advice and Wealth Management.

Intrinsic is a wholly owned subsidiary of Quilter. It is a restricted and independent financial adviser network providing mortgage and financial planning advice and

financial solutions for both individuals and businesses through its network of intermediaries and Intrinsic's National Advice Business. Intrinsic operates across markets, from wealth management and retirement planning advice through to dealing with property wealth and personal and business protection needs. Intrinsic has over 3,500 advisers operating under its advice network, including independent financial advisers, mortgage and protection advisers and over 1,600 restricted financial planners, who deliver face-to-face financial advice tailored to meet the specific needs of the customer.

8. Information relating to Lighthouse Group

Lighthouse is an AIM-quoted group of approximately 400 financial advisers providing financial advice to retail and corporate customers across the UK through three principal operating divisions: (i) its national affinity business, which is a market leader for the provision of advice to members of affinity groups, with 23 contractual relationships whose aggregate membership exceeds six million individuals; (ii) its wealth advisory business, working with clients of approximately 40 accountancy and professional connections and higher net worth customers across the South of England; and (iii) appointed representatives servicing customers in their local communities.

9. Financing of the Acquisition

The Cash Consideration payable to Lighthouse Shareholders pursuant to the Acquisition will be financed from Intrinsic's existing cash reserves.

J.P. Morgan Cazenove is satisfied that sufficient resources are available to Intrinsic to satisfy in full the Cash Consideration payable pursuant to the terms of the Acquisition.

10. Acquisition-related arrangements

Confidentiality Agreement

Intrinsic and Lighthouse entered into the Confidentiality Agreement on 17 January 2019 pursuant to which each of Intrinsic and Lighthouse has undertaken to keep certain information relating to the Acquisition and to the other party confidential and not to disclose such information to third parties except to certain permitted disclosees for the purposes of evaluating the Acquisition or as permitted in writing provided by the other party in advance, and, unless or if required by applicable laws or regulations. The confidentiality obligations of each party under the Confidentiality Agreement shall terminate on 17 January 2021, with certain exceptions.

Letter Agreement

Intrinsic and Lighthouse have entered into a letter agreement pursuant to which Intrinsic has agreed to: (a) prepare and submit a briefing paper to the CMA as soon as reasonably practicable following the date of this Announcement; (b) provide Lighthouse with a reasonable opportunity to comment on drafts of the briefing paper; and (c) notify Lighthouse when the CMA provides any material response to the briefing paper. In addition, Lighthouse has agreed to co-operate and provide information to Intrinsic for this purpose.

11. **Lighthouse share plans**

The Acquisition will extend to any Lighthouse Shares unconditionally allotted, issued or transferred prior to the Scheme Record Time to satisfy the vesting or exercise of options and awards granted under the Lighthouse LTIP.

Appropriate proposals will be made in due course to participants in the Lighthouse LTIP. Details of these proposals will be set out in the Scheme Document and in separate letters to be sent to the participants in the Lighthouse LTIP.

12. **Scheme process and publication of the Scheme Document**

It is intended that the Acquisition will be implemented by way of a Court-sanctioned scheme of arrangement between Lighthouse and Lighthouse Scheme Shareholders, made under Part 26 of the 2006 Act (although Intrinsic reserves the right to implement the Acquisition by way of a Takeover Offer, subject to the consent of the Panel). The procedure involves, among other things, an application by Lighthouse to the Court to sanction the Scheme, in consideration for which Lighthouse Scheme Shareholders will receive the Cash Consideration. The purpose of the Scheme is to provide for Intrinsic to become the owner of the entire issued and to be issued ordinary share capital of Lighthouse.

To become Effective, the Scheme requires, among other things, the approval of a majority in number representing not less than 75 per cent. in value of the Lighthouse Shares held by relevant Lighthouse Scheme Shareholders present and voting in person or by proxy at the Court Meeting, which is convened by order of the Court, and the passing of the Resolutions necessary to implement the Acquisition at the General Meeting. The Scheme must also be sanctioned by the Court.

The Conditions in paragraph 2 of Part 1 of Appendix 1 to this Announcement provide that the Scheme will lapse if:

- the Court Meeting and the General Meeting are not held by the 22nd day after the expected date of the Court Meeting to be set out in the Scheme Document in due course (or such later date as may be agreed between Intrinsic and Lighthouse and that the Court may allow); or
- the Court Hearing to approve the Scheme is not held by the 22nd day after the expected date of the Court Hearing to be set out in the Scheme Document in due course (or such later date as may be agreed between Intrinsic and Lighthouse).

In addition to these approvals, the Scheme is subject to (among other things) the receipt of FCA and certain antitrust approvals. The Scheme is also subject to the other terms and Conditions set out in Appendix 1 to this Announcement, and to the full terms and conditions to be set out in the Scheme Document.

Upon the Scheme becoming Effective it will be binding on all Lighthouse Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting (and if they attended and voted, whether or not they

voted in favour) and the Cash Consideration will be dispatched by Intrinsic to Lighthouse Scheme Shareholders no later than 14 days after the Effective Date.

The Scheme Document will include full details of the Scheme, together with notices of the Court Meeting and the General Meeting. The Scheme Document will also contain the expected timetable for the Acquisition, and will specify the necessary actions to be taken by Lighthouse Shareholders. The Scheme Document will be posted to Lighthouse Shareholders as soon as practicable and, in any event, within 28 days of this Announcement (unless Intrinsic and Lighthouse otherwise agree, and the Panel consents, to a later date).

Once the necessary approvals from Lighthouse Shareholders have been obtained and the other Conditions have been satisfied or (where applicable) waived and the Scheme has been approved by the Court, the Scheme will become Effective upon delivery of the Court Order to the Registrar of Companies. Subject to the satisfaction of the Conditions, the Scheme is expected to become Effective during the second quarter of 2019.

If the Scheme is not Effective on or before the Long Stop Date, the Scheme will not be implemented and the Acquisition will not proceed.

The Scheme will be governed by English law and will be subject to the jurisdiction of the Courts of England and Wales. The Scheme will also be subject to the applicable requirements of the Takeover Code, the Panel, AIM and the FCA.

13. **Interests in Lighthouse Shares**

As at the close of business on 2 April 2019 (being the last practicable date prior to the date of this Announcement):

- (a) Old Mutual Wealth Holdings Limited, which is presumed to be acting in concert with Intrinsic under the Takeover Code, was the registered holder of 5,581,383 Lighthouse Shares, representing approximately 4.37 per cent. of Lighthouse's issued share capital; and
- (b) Quilter Cheviot Limited, which is presumed to be acting in concert with Intrinsic under the Takeover Code in respect of shares held by it in client accounts and which are managed at its discretion, was the registered holder of 150,000 Lighthouse Shares, representing approximately 0.12 per cent. of Lighthouse's issued share capital.

As at close of business on 2 April 2019 (being the last practicable date prior to the date of this Announcement), save for: (i) the disclosures in this paragraph 13 and (ii) the irrevocable undertakings referred to in paragraph 4 above, neither Intrinsic, nor any of the Intrinsic Directors, nor any member of the Intrinsic Group, nor, so far as the Intrinsic Directors are aware, any person acting in concert with Intrinsic for the purposes of the Acquisition, had:

- (a) any interest in, or right to subscribe for, any relevant securities of Lighthouse;
- (b) any short position in (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any

agreement to sell or any delivery obligation or right to require another person to purchase or take delivery of, any relevant securities of Lighthouse;

- (c) procured an irrevocable commitment or letter of intent to accept the terms of the Acquisition in respect of relevant securities of Lighthouse; or
- (d) borrowed or lent, or entered into any financial collateral arrangements or dealing arrangements in respect of, any relevant securities of Lighthouse.

In the interests of secrecy prior to this Announcement, Intrinsic has not made any enquiries in respect of the matters referred to in this paragraph of certain parties who may be deemed by the Panel to be acting in concert with Intrinsic for the purposes of the Acquisition. Enquiries of such parties will be made as soon as practicable following the date of this Announcement, and Intrinsic confirms that further disclosure in accordance with Rule 8.1(a) and Note 2(a)(i) on Rule 8 of the Takeover Code will be made as soon as possible and by no later than 12 noon on 17 April 2019.

14. **Cancellation of admission to trading**

The last day of dealings in, and registration of transfers of, Lighthouse Shares is expected to be the Business Day prior to the Effective Date. It is further intended that an application will be made to the London Stock Exchange for the cancellation of the admission to trading of Lighthouse Shares on AIM, with effect as of or shortly after the Effective Date.

It is also intended that, following the Effective Date and after cancellation of admission to trading of its shares, Lighthouse will be re-registered as a private limited company.

15. **Overseas Shareholders**

The availability of the Acquisition and the distribution of this Announcement to Lighthouse Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdiction in which they are located. Such persons should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdiction. Lighthouse Shareholders who are in any doubt regarding such matters should consult an appropriate independent professional adviser in the relevant jurisdiction without delay.

This Announcement does not constitute an offer for sale for any securities or an offer or an invitation to purchase any securities. Lighthouse Shareholders are advised to read carefully the Scheme Document and related forms of proxy once these have been dispatched.

16. **Documents available on websites**

Copies of the following documents will be available promptly on Intrinsic's and Lighthouse's websites, subject to certain restrictions relating to persons residing in Restricted Jurisdictions, at www.quilter.com/Lighthousegroupoffer and www.lighthousegroup.plc.uk/investor-relations/ respectively and in any event by no later than noon on 4 April 2019:

- (a) this Announcement;
- (b) the irrevocable undertakings listed in Appendix 3;
- (c) the Confidentiality Agreement;
- (d) the Letter Agreement; and
- (e) the consents to be named in this Announcement from financial advisers.

Neither the content of the websites referred to in this Announcement nor the content of any website accessible from hyperlinks is incorporated into, or forms part of, this Announcement.

17. Reserving the right to proceed by way of a Takeover Offer

Intrinsic reserves the right (with the consent of the Panel) to implement the Acquisition by way of a Takeover Offer for the entire issued and to be issued share capital of Lighthouse not already held by Intrinsic as an alternative to the Scheme. In such an event a Takeover Offer will be implemented on substantially the same terms, so far as applicable, as those which apply to the Scheme, subject to the Takeover Code and to any modifications or amendments which may be required by the Panel or which are necessary as a result of the election of Intrinsic to implement the Acquisition by way of a Takeover Offer.

If the Acquisition is effected by way of a Takeover Offer and such Takeover Offer becomes or is declared unconditional in all respects and sufficient acceptances are received, Intrinsic intends to: (i) request that the London Stock Exchange cancel trading in Lighthouse Shares on AIM; (ii) re-register Lighthouse as a private limited company; and (iii) exercise its rights to apply the provisions of Chapter 3 of Part 28 of the Companies Act to acquire compulsorily the remaining Lighthouse Shares in respect of which the Takeover Offer has not been accepted.

18. General

Investors should be aware that Intrinsic may purchase Lighthouse Shares otherwise than under the Scheme or any Takeover Offer, such as in the open market or privately negotiated purchases.

The Acquisition will be on the terms and subject to the conditions set out herein and in Appendix 1, and to be set out in the Scheme Document.

J.P. Morgan Cazenove has given and not withdrawn its consent to the publication of this Announcement with the inclusion herein of the references to its name in the form and context in which it appears. Investec has given and not withdrawn its consent to the publication of this Announcement with the inclusion herein of the references to its name in the form and context in which it appears.

The bases and sources for certain financial information contained in this Announcement are set out in Appendix 2. Details of undertakings received by Intrinsic and given by the Lighthouse Directors are set out in Appendix 3. Certain definitions and terms used in this Announcement are set out in Appendix 4.

Enquiries:

Intrinsic / Quilter

Intrinsic / Quilter

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Lighthouse

Lighthouse

Richard Last - Chairman Tel: +44 (0) 20 7065 5640
Malcolm Streatfield - Chief Executive Officer
Peter Smith - Finance Director

Investec Bank plc (financial adviser to Lighthouse)

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Allen & Overy LLP is retained as legal adviser to Intrinsic. DLA Piper UK LLP is retained as legal adviser to Lighthouse.

Further information

This Announcement is not intended to, and does not, constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Acquisition or otherwise. The Acquisition will be made solely through the Scheme Document, which will contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the Acquisition. Any vote or other response to the Acquisition should be made only on the basis of the information in the Scheme Document.

This Announcement does not constitute a prospectus or prospectus equivalent document.

Intrinsic reserves the right to elect, with the consent of the Panel (where necessary), to implement the Acquisition by way of a Takeover Offer. In such event, the Takeover Offer will be implemented on substantially the same terms, so far as applicable, as those which would apply to the Scheme, subject to the Takeover Code and to any appropriate amendments to reflect the change in method of effecting the Acquisition.

Important notices relating to financial advisers

J.P. Morgan Securities plc, which conducts its U.K. investment banking business as J.P. Morgan Cazenove ("J.P. Morgan Cazenove"), is authorised in the United Kingdom by the PRA and regulated by the PRA and the FCA. J.P. Morgan Cazenove is acting as financial adviser exclusively for Intrinsic and Quilter and no one else in connection with the matters set out in this Announcement and will not regard any other person as its client in relation to the matters set out in this Announcement and will not be responsible to anyone other than Intrinsic and Quilter for providing the protections afforded to clients of J.P. Morgan Cazenove or its affiliates, or for providing advice in relation to any matter referred to herein.

Investec Bank plc ("Investec"), which is authorised by the PRA and regulated in the United Kingdom by the FCA and the PRA, is acting exclusively for Lighthouse and no one else in relation to the Acquisition and/or other matters set out in this Announcement and will not be responsible to anyone other than Lighthouse for providing the protections afforded to clients of Investec or for providing advice in relation to the Acquisition, the contents of this Announcement or any other matter or arrangement referred to herein.

Overseas shareholders

This Announcement has been prepared in accordance with English law, the Takeover Code, the Market Abuse Regulation, the AIM Rules and the Disclosure Guidance and Transparency Rules and information disclosed may not be the same as that which would have been prepared in accordance with the laws of jurisdictions outside England.

Copies of this Announcement and any formal documentation relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send it in or into or from any Restricted Jurisdiction. If the Acquisition is implemented by way of a Takeover Offer (unless otherwise determined by Intrinsic and permitted by applicable law and regulation), the Takeover Offer may not be communicated, directly or indirectly, in or into or by the use of the mails of, or by any other means or instrumentality (including, without limitation, by mail, telephonically or electronically by way of internet or otherwise) of interstate or foreign commerce of, or any facilities of a national, state or securities exchange of, any Restricted Jurisdiction and the Takeover Offer may not be capable of acceptance by any such use, means, instrumentality or otherwise.

The Acquisition will be subject to the applicable requirements of the Takeover Code, the Panel, AIM and the FCA.

Further details in relation to Lighthouse Shareholders in overseas jurisdictions will be contained in the Scheme Document.

Additional information for US investors

US holders of Lighthouse Shares should note that the Acquisition relates to the securities of a UK company admitted to trading on AIM and is proposed to be implemented pursuant to a scheme of arrangement provided for under English company law. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules under the US Exchange Act. Accordingly, the Acquisition will be subject to

UK procedural and disclosure requirements and practices applicable to a scheme of arrangement involving a target company in England admitted to trading on AIM, which are different from the disclosure requirements of the US tender offer and proxy solicitation rules. The financial information included in this Announcement and other documentation related to the Acquisition has been or will have been prepared in accordance with International Financial Reporting Standards and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the US. If Intrinsic exercises its right, in the circumstances provided for in this Announcement, to implement the Acquisition by way of a Takeover Offer, such Takeover Offer will only be made in the United States if an exemption from the registration requirements of the US Securities Act is available.

None of the securities referred to in this Announcement have been approved or disapproved by the SEC, any state securities commission in the United States or any other US regulatory authority, nor have such authorities passed upon or determined the adequacy or accuracy of the information contained in this document. Any representation to the contrary is a criminal offence in the United States.

It may be difficult for US holders of Lighthouse Shares to enforce their rights and claims arising out of the US federal securities laws, since Intrinsic and Lighthouse are located in countries other than the United States, and some or all of their officers and directors may be residents of countries other than the United States. US holders of Lighthouse Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

Forward-looking statements

This Announcement (including information incorporated by reference in this Announcement), oral statements made regarding the Acquisition, and other information published by Intrinsic and Lighthouse contain statements which are, or may be deemed to be, "forward-looking statements". All statements, other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements are prospective in nature and are not based on historical facts, but rather on assumptions, expectations, valuations, targets, estimates, forecasts and projections of Intrinsic and Lighthouse about future events, and are therefore subject to risks and uncertainties which could cause actual results, performance or events to differ materially from those expressed or implied by the forward-looking statements. The forward-looking statements contained in this Announcement include statements relating to the expected effects of the Acquisition on the Intrinsic Group, the Lighthouse Group and the Enlarged Group, the expected timing and scope of the Acquisition and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "plans", "expects", "budget", "targets", "aims", "scheduled", "estimates", "forecast", "intends", "anticipates", "seeks", "prospects", "potential", "possible", "assume" or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Although Intrinsic and Lighthouse believe that the expectations reflected in such forward-looking statements are reasonable, Intrinsic and Lighthouse can give no assurance that such expectations will prove to be correct. By their nature, forward-looking statements involve risks (known and unknown) and uncertainties (and other factors that are in many cases beyond the control of Intrinsic and/or

Lighthouse) because they relate to events and depend on circumstances that may or may not occur in the future.

There are a number of factors that could affect the future operations of the Intrinsic Group, the Lighthouse Group and/or the Enlarged Group and that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include the satisfaction (or, where permitted, waiver) of the Conditions, as well as additional factors, such as: domestic and global business and economic conditions; asset prices; market related risks such as fluctuations in interest rates and exchange rates, industry trends, competition, changes in government and regulation, changes in the policies and actions of governments and/or regulatory authorities (including changes related to capital and tax), changes in political and economic stability (including exposures to terrorist activities, the repercussions of the UK's referendum vote to leave the European Union (EU), the UK's exit from the EU (including any changes to the UK currency), Eurozone instability, any referendum on Scottish independence), disruption in business operations due to reorganisation activities, interest rate, inflation, deflation and currency fluctuations, the timing impact and other uncertainties of future or planned acquisitions or disposals or offers, the inability of the Enlarged Group to realise successfully any anticipated synergy benefits when the Acquisition is implemented (including changes to the board and/or employee composition of the Enlarged Group), the inability of the Intrinsic Group to integrate successfully the Lighthouse Group's operations and programmes when the Acquisition is implemented, the Enlarged Group incurring and/or experiencing unanticipated costs and/or delays (including IT system failures, cyber-crime, fraud and pension scheme liabilities), or difficulties relating to the Acquisition when the Acquisition is implemented. Other unknown or unpredictable factors could affect future operations and/or cause actual results to differ materially from those in the forward-looking statements. Such forward-looking statements should therefore be construed in the light of such factors.

Each forward-looking statement speaks only as of the date of this Announcement. Neither Intrinsic Group nor Lighthouse Group, nor any of their respective associates or directors, officers or advisers, provides any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Announcement will actually occur. Forward-looking statements involve inherent risks and uncertainties. All forward-looking statements contained in this Announcement are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Readers are cautioned not to place undue reliance on these forward-looking statements. Other than in accordance with their legal or regulatory obligations (including under the Takeover Code, the Market Abuse Regulation, the AIM Rules and the Disclosure Guidance and Transparency Rules), neither the Intrinsic Group nor the Lighthouse Group is under or undertakes any obligation, and each of the foregoing expressly disclaims any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

No profit forecasts or estimates

Nothing in this Announcement is intended, or is to be construed, as a profit forecast or to be interpreted to mean that earnings per Lighthouse Share for the current or future financial years, will necessarily match or exceed the historical published earnings per Lighthouse Share.

Disclosure requirements of the Takeover Code

Under Rule 8.3(a) of the Takeover Code, any person who is interested in one per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the Announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm on the 10th business day following the Announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in one per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Publication on a website

This Announcement and the documents required to be published pursuant to Rule 26 of the Takeover Code will be available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Quilter's website at www.quilter.com/Lighthousegroupoffer and on Lighthouse's website at www.lighthousegroup.plc.uk/investor-relations/ promptly and in any event by no later than 12 noon on 4 April 2019.

Neither the content of the websites referred to in this Announcement nor the content of any website accessible from hyperlinks is incorporated into, or forms part of, this Announcement.

Request for hard copies

Lighthouse Shareholders may, subject to applicable securities laws, request a hard copy of this Announcement (and any information incorporated into it by reference to another source) by contacting Lighthouse's registrars, Link Asset Services during business hours on 0371 664 0300 within the United Kingdom or on +44 (0) 371 664 0300 from overseas or by submitting a request in writing to shareholderenquiries@linkgroup.co.uk or 34 Beckenham Rd, Beckenham BR3 4TU, United Kingdom, with an address to which the hard copy may be sent. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside of the United Kingdom will be charged at the applicable international rate. Unless you make such a request, a hard copy of this Announcement (and any information incorporated by reference to another source) will not be sent to you. Lighthouse Shareholders may, subject to applicable securities laws, also request that all future documents, Announcements and information to be sent in relation to the Acquisition should be in hard copy form.

Information relating to Lighthouse Shareholders

Please be aware that addresses, electronic addresses and certain information provided by Lighthouse Shareholders, persons with information rights and other relevant persons for the receipt of communications from Lighthouse may be provided to Intrinsic during the Offer Period as required under section 4 of Appendix 4 to the Takeover Code.

Rounding

Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Rule 2.9 of the Code

For the purposes of Rule 2.9 of the Takeover Code, Lighthouse confirms that, as at 2 April 2019, it had in issue 127,700,298 ordinary shares of 1 pence each in issue admitted to trading on AIM. The International Securities Identification Number for Lighthouse Shares is GB0009779116.

General

If you are in any doubt about the contents of this Announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser

Time

All times shown in this Announcement are London times, unless otherwise stated.

APPENDIX 1

CONDITIONS AND CERTAIN FURTHER TERMS OF THE ACQUISITION

The Acquisition will be subject to the terms and conditions set out in this Appendix and in the Scheme Document.

Part 1: Conditions to the Scheme and Acquisition

1. The Acquisition will be conditional upon the Scheme becoming unconditional and Effective, subject to the Takeover Code, before 11.59 pm on the Long Stop Date.

Scheme approval

2. The Scheme will be conditional upon:
 - (a)
 - (i) the approval of the Scheme by a majority in number representing not less than 75 per cent. in value of the Lighthouse Shares held by Lighthouse Shareholders (or the relevant class or classes thereof, if applicable) present, entitled to vote and voting, whether in person or by proxy, at the Court Meeting and at any separate class meeting which may be required by the Court (or any adjournment thereof); and
 - (ii) such Court Meeting and any separate class meeting which may be required by the Court or any adjournment of any such meeting being held on or before the 22nd day after the expected date of the Court Meeting to be set out in the Scheme Document in due course (or such later date, if any, as may be agreed between Intrinsic and Lighthouse and which the Court may allow); and
 - (b)
 - (i) all resolutions necessary to approve and implement the Scheme being duly passed by the requisite majority or majorities at the General Meeting (or any adjournment thereof); and
 - (ii) the General Meeting or any adjournment of such meeting being held on or before the 22nd day after the expected date of the General Meeting to be set out in the Scheme Document in due course (or such later date, if any, as may be agreed between Intrinsic and Lighthouse and which the Court may allow); and
 - (c)
 - (i) the sanction of the Scheme with or without modification (but subject to any such modification being acceptable to Intrinsic and Lighthouse) by the Court; and
 - (ii) the Court Hearing being held on or before the 22nd day after the expected date of the Court Hearing to be set out in the Scheme

Document in due course (or such later date, if any, as may be agreed between Intrinsic and Lighthouse and which the Court may allow); and

- (d) the delivery of a copy of the Court Order to the Registrar of Companies.

In addition, Intrinsic and Lighthouse have agreed that the Acquisition will be conditional upon the following Conditions and, accordingly, the necessary actions to make the Scheme effective will not be taken unless the following Conditions (as amended if appropriate) have been satisfied or, where relevant, waived:

CMA competition clearance

- 3. (a) Either:
 - (i) as at the date on which all other Conditions are satisfied or waived, the CMA having neither requested submission of a Merger Notice nor opened a CMA Merger Investigation; or
 - (ii) the CMA having indicated, in terms reasonably satisfactory to Intrinsic, that the CMA or, as the case may be, the Secretary of State for Business, Energy and Industrial Strategy does not intend to make a CMA Phase 2 Reference; or
 - (iii) in the event that any Member State of the EU requests a referral to the EC pursuant to Article 22(1) of the EUMR to review all of the Acquisition and such a request being accepted either: (i) the EC having declared the Acquisition to be compatible with the common market pursuant to Article 6(1)(b) of the EUMR; or (ii) the Acquisition having been deemed compatible with the common market pursuant to Article 10(6) of the EUMR; and
- (b) in the event that any Member State of the EU requests a referral to the EC pursuant to Article 22(1) of the EUMR to review part of the Acquisition and such a request being accepted either: (i) the EC having declared the Acquisition to be compatible with the common market pursuant to Article 6(1)(b) of the EUMR in respect of all parts of the Acquisition which were the subject of such a request; or (ii) all parts of the Acquisition which were the subject of the request having been deemed compatible with the common market pursuant to Article 10(6) of the EUMR.

FCA approvals

- 4. In respect of each notice under section 178 of FSMA which Intrinsic or any other person who has decided to acquire or increase control over any member of the Wider Lighthouse Group which is a UK authorised person (as such term is defined in section 191G of FSMA) is under a duty to give in connection with the proposed implementation of the Acquisition:
 - (a) the FCA having given notice in writing pursuant to section 189(4)(a) of FSMA that it has determined unconditionally to approve each such acquisition or increase in control pursuant to section 185 of FSMA;

- (b) in relation to such acquisition or increase in control, the FCA having given notice in writing pursuant to section 189(7) of FSMA subject to condition(s) specified in the decision notice and such condition(s) being satisfactory to Intrinsic, acting reasonably; or
- (c) the FCA being treated, under section 189(6) of FSMA, as having approved each such acquisition or increase in control.

Other Third Party clearances

- 5. Other than in respect of Conditions 3 and 4 above, no relevant government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental or investigative body, court, trade agency, association, institution, any entity owned or controlled by any relevant government or state, or any other similar body or person whatsoever in any jurisdiction (each a **Third Party**) having given notice of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference, or having required any action to be taken or otherwise having done anything or having enacted, made or proposed any statute, regulation, decision, order or change to published practice, or having taken any other steps (in each case, not having withdrawn the same) (in each case which would be material in the context of the Wider Intrinsic Group or Wider Lighthouse Group, as the case may be, taken as a whole) and there not continuing to be outstanding any statute, regulation, decision or order which would or might reasonably be expected to:
 - (a) make the Acquisition, its implementation or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, any member of the Wider Lighthouse Group by any member of the Wider Intrinsic Group void, illegal and/or unenforceable under the laws of any jurisdiction, or otherwise directly or indirectly prevent, prohibit, or restrain, restrict, impede, materially challenge, delay or otherwise interfere with the implementation of, or impose additional material conditions or material obligations with respect thereto or otherwise challenge or interfere therewith;
 - (b) impose any material limitation on, or result in a material delay in, the ability of any member of the Wider Intrinsic Group directly or indirectly to acquire or hold or to exercise effectively, directly or indirectly, all or any rights of ownership in respect of shares or loans or other securities convertible into shares or any other securities (or the equivalent) in Lighthouse (or any member of the Wider Lighthouse Group) or to exercise management control over, any member of the Wider Lighthouse Group;
 - (c) require, prevent or delay the divestiture or alter the terms envisaged for any proposed divestiture by any member of the Wider Intrinsic Group or by any member of the Wider Lighthouse Group of all or any part of their respective businesses, assets or property or impose any limitation on the ability of all or any of them to conduct their respective businesses (or any part thereof) or to own, control or manage any of their respective assets or properties or any part thereof which, in any such case, is material in the context of the Wider Intrinsic Group or the Wider Lighthouse Group, in either case taken as a whole;

- (d) other than pursuant to sections 974 to 991 of the 2006 Act and the implementation of the Scheme, require any member of the Wider Intrinsic Group or the Wider Lighthouse Group to acquire or offer to acquire any shares, other securities (or the equivalent) or interest in any member of the Wider Lighthouse Group owned by any third party;
- (e) require, prevent or materially delay a divestiture by any member of the Wider Intrinsic Group of any shares, securities or other interests in any member of the Wider Lighthouse Group (in each case to an extent which is material in the context of the Wider Intrinsic Group or the Wider Lighthouse Group, in each case, taken as a whole);
- (f) result in any member of the Wider Lighthouse Group or the Wider Intrinsic Group ceasing to be able to carry on business under any name under which it presently does so (in each case to an extent which is material in the context of the Wider Intrinsic Group or the Wider Lighthouse Group, in each case, taken as a whole);
- (g) impose any limitation on, or result in any delay of, the ability of any member of the Wider Intrinsic Group or any member of the Wider Lighthouse Group to integrate or co-ordinate all or any part of their respective businesses with all or any part of the business of any other member of the Wider Intrinsic Group and/or the Wider Lighthouse Group in a manner which is material in the context of the Wider Intrinsic Group and/or the Wider Lighthouse Group, in either case, taken as a whole; or
- (h) otherwise adversely affect the business, assets, value, profits, prospects or operational performance of any member of the Wider Lighthouse Group or any member of the Wider Intrinsic Group to an extent which is material in the context of the Wider Intrinsic Group or the Wider Lighthouse Group, in either case taken as a whole.

If there are any waiting or other time periods (including any extensions thereof) during which a Third Party could take, institute, implement or threaten any such action, proceeding, suit, investigation, enquiry or reference or take any other step under the laws of any jurisdiction in respect of the Acquisition or proposed acquisition of any Lighthouse Shares or otherwise intervene, this waiting or other time period must have expired, lapsed or been terminated.

6. Other than in relation to the FCA and competition law approvals referred to in Conditions 3 and 4 above, all notifications, filings or applications which are necessary or reasonably considered appropriate by Intrinsic or any member of the Wider Intrinsic Group having been made in connection with the Acquisition and all necessary waiting and other time periods (including any extensions thereof) under any applicable legislation or regulation of any jurisdiction having expired, lapsed or been terminated (as appropriate) and all statutory and regulatory obligations in any jurisdiction having been complied with in respect of the Acquisition and all Authorisations which are necessary or reasonably considered appropriate by Intrinsic or any member of the Wider Intrinsic Group in any jurisdiction for or in respect of the Acquisition or the proposed acquisition of any shares or other securities in, or control of, Lighthouse by any member of the Wider Intrinsic Group having been obtained in

terms and in a form reasonably satisfactory to Intrinsic from all appropriate Third Parties or (without prejudice to the generality of the foregoing) from any person or bodies with whom any member of the Wider Lighthouse Group has entered into contractual arrangements and all such Authorisations which are necessary or reasonably considered appropriate by Intrinsic or any member of the Wider Intrinsic Group to carry on the business of any member of the Wider Lighthouse Group in any jurisdiction having been obtained in each case where the consequence of a failure to make such notification or filing or to wait for the expiry, lapse or termination of any such waiting or other time period or to comply with such obligation or obtain such Authorisation would be unlawful in any relevant jurisdiction or have a material adverse effect on the Wider Lighthouse Group, any member of the Intrinsic Group or the ability of Intrinsic to implement the Scheme and all such Authorisations remaining in full force and effect at the time at which the Scheme becomes otherwise unconditional and there being no notice or intimation of an intention to revoke, suspend, restrict, modify or not to renew such Authorisations.

Confirmation of absence of adverse circumstances

7. Except as Disclosed, there being no provision of any arrangement, agreement, licence, permit, franchise, lease or other instrument to which any member of the Wider Lighthouse Group is a party or by or to which any such member or any of its assets is or may be bound, entitled or be subject or any event or circumstance which, in each case as a consequence of the Acquisition or the proposed acquisition by any member of the Wider Intrinsic Group of any shares or other securities in Lighthouse or because of a change in the control or management of any member of the Wider Lighthouse Group or otherwise, would or might reasonably be expected to result in (in each case to an extent which is or would be material in the context of the Wider Lighthouse Group as a whole):
 - (a) any monies borrowed by, or any other indebtedness or liabilities (including, without limitation, guarantees, letters of credit and hedging contracts), actual or contingent of, or any grant available to, any member of the Wider Lighthouse Group being or becoming repayable, or capable of being declared repayable immediately or prior to its or their stated maturity date or repayment date, or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
 - (b) any such arrangement, agreement, licence, permit, lease or instrument, or the rights, liabilities, obligations or interests of any member of the Wider Lighthouse Group thereunder being or becoming capable of being terminated or adversely modified or affected or any onerous obligation or liability arising or any adverse action being taken or arising thereunder;
 - (c) any member of the Wider Lighthouse Group ceasing to be able to carry on business under any name under which it presently does so;
 - (d) any assets or interests of, or any asset the use of which is enjoyed by, any member of the Wider Lighthouse Group being or falling to be disposed of or charged or ceasing to be available to any member of the Wider Lighthouse Group or any right arising under which any such asset or interest could be

required to be disposed of or charged or could cease to be available to any member of the Wider Lighthouse Group otherwise than in the ordinary course of business;

- (e) the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any member of the Wider Lighthouse Group or any such mortgage, charge or other security interest (whenever created, arising or having arisen), becoming enforceable;
- (f) the business, assets, value, financial or trading position, profits, prospects or operational performance of any member of the Wider Lighthouse Group being materially prejudiced or adversely affected;
- (g) the creation or acceleration of any material liability (actual or contingent) by any member of the Wider Lighthouse Group, other than trade creditors or other liabilities incurred in the ordinary course of business; or
- (h) any liability of any member of the Wider Lighthouse Group to make any severance, termination, bonus or other payment to any of its directors or other officers,

and no event having occurred which, under any provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider Lighthouse Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, could result in any of the events or circumstances as are referred to in sub-paragraphs (a) to (h) of this Condition, in each case, to an extent which is material in the context of the Wider Lighthouse Group taken as a whole.

No material transactions, claims or changes in the conduct of the business of the Lighthouse Group

8. Except as Disclosed, no member of the Wider Lighthouse Group having since 31 December 2018:
- (a) save as between Lighthouse and wholly-owned subsidiaries of Lighthouse or for Lighthouse Shares issued pursuant to the exercise of options or vesting of awards granted in the ordinary course under the Lighthouse LTIP, issued or agreed to be issued or authorised or proposed or announced its intention to authorise or propose the issue of additional shares of any class, or securities or securities convertible into, or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares or convertible securities;
 - (b) other than to another member of the Lighthouse Group, recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus issue, dividend or other distribution (whether payable in cash or otherwise) save for the Pre-Close Dividend;
 - (c) save for Intra-Lighthouse Group Transactions, merged or demerged with any body corporate or acquired or disposed of any body corporate, partnership or business or acquired or disposed of, or transferred, mortgaged or charged or

created any security interest over, any assets or any right, title or interest in any asset (including shares and trade investments) or authorised, proposed or announced any intention to do so, in each case, other than in the ordinary course of business;

- (d) save for Intra-Lighthouse Group Transactions, made, authorised, proposed or announced an intention to propose any change in its loan capital in each case, to the extent which is material in the context of the Wider Lighthouse Group taken as a whole;
- (e) issued, authorised or proposed or announced an intention to authorise or propose the issue of, or made any change in or to the terms of, any debentures or (save for Intra-Lighthouse Group Transactions), save in the ordinary course of business, incurred or increased any indebtedness or become subject to any contingent liability which in any case is material in the context of the Wider Lighthouse Group taken as a whole;
- (f) entered into, varied, authorised or proposed entry into or variation of, or announced its intention to enter into or vary, any contract, transaction, arrangement or commitment (whether in respect of capital expenditure or otherwise) which is of a long term, unusual or onerous nature, or which involves or could reasonably be expected to involve an obligation of a nature or magnitude or which is other than in the ordinary course of business and which, in any such case, is material in the context of the Wider Lighthouse Group or in the context of the Acquisition, or which is or is reasonably likely to be restrictive on the business of any member of the Wider Lighthouse Group or Wider Intrinsic Group;
- (g) entered into any licence or other disposal of intellectual property rights of any member of the Wider Lighthouse Group which is material in the context of the Wider Lighthouse Group or which is other than in the ordinary course of business;
- (h) entered into, varied, authorised or proposed entry into or variation of, or announced its intention to enter into or vary the terms of or made any offer (which remains open for acceptance) to enter into or vary the terms of, any contract, commitment, arrangement or any service agreement with any director or senior executive of the Wider Lighthouse Group;
- (i) proposed, agreed to provide or modified to a material extent the terms of the Lighthouse LTIP or any share option scheme, incentive scheme, or other benefit relating to the employment or termination of employment, of any employee of the Wider Lighthouse Group;
- (j) procured the trustees of any pension scheme or other retirement or death benefit arrangement established for the directors, former directors, employees or former employees of any entity in the Wider Lighthouse Group or their dependants (a "**Relevant Pension Plan**"), or any such trustees having taken any action since 31 December 2018, to:

- (I) make or agree to any material change to: (a) the terms of the trust deeds, rules, policy or other governing documents constituting any Relevant Pension Plan; (b) the basis on which benefits accrue, pensions which are payable or the persons entitled to accrue or be paid benefits, under any Relevant Pension Plan; (c) the basis on which the liabilities of any Relevant Pension Plan are funded or valued; or (d) the basis or rate of employer contribution to a Relevant Pension Plan, in each case other than as required by applicable law;
- (II) carry out any act: (a) which would or could reasonably be expected to lead to the commencement of the winding up of any Relevant Pension Plan; (b) which would or is reasonably likely to create a material debt owed by an employer to any Relevant Pension Plan; (c) which would or might accelerate any obligation on any employer to fund or pay additional contributions to any Relevant Pension Plan, in each case other than as required by applicable law;
- (k) entered into, implemented or effected, or authorised, proposed or announced its intention to implement or effect, any joint venture, asset or profit sharing arrangement, partnership, composition, assignment, reconstruction, amalgamation, commitment, scheme or other transaction or arrangement other than the Scheme;
- (l) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, save in respect of the matters mentioned in sub-paragraph (a) above, made any other change to any part of its share capital;
- (m) waived, compromised or settled any claim (whether actual or threatened) otherwise than in the ordinary course of business and which is material in the context of the Wider Lighthouse Group taken as a whole;
- (n) save as is envisaged by the Acquisition, made any alteration to its articles of association or other constitutional documents;
- (o) (other than in respect of a member of the Wider Lighthouse Group which is dormant and was solvent at the relevant time) taken or proposed any steps, corporate action or had any legal proceedings instituted or threatened against it in relation to the suspension of payments, a moratorium of any indebtedness, its winding-up (voluntary or otherwise), dissolution, reorganisation or for the appointment of any administrator, receiver, manager, administrative receiver, trustee or similar officer of all or any of its assets or revenues or any analogous proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed;
- (p) been unable, or admitted in writing that it is unable, to pay its debts or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business;

- (q) entered into any contract, commitment, agreement or arrangement otherwise than in the ordinary course of business or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced an intention to, or to propose to, effect any of the transactions, matters or events referred to in this Condition and which is material in the context of the Wider Lighthouse Group taken as a whole or in the context of the Acquisition;
- (r) terminated or varied the terms of any agreement or arrangement between any member of the Wider Lighthouse Group and any other person in a manner which would or would reasonably likely to be expected to have a material adverse effect on the financial position of the Wider Lighthouse Group taken as a whole; or
- (s) other than with the consent of Intrinsic, having taken (or agreed or proposed to take) any action which requires, or would require, the consent of the Panel or the approval of Lighthouse Shareholders in general meeting in accordance with, or as contemplated by, Rule 21.1 of the Takeover Code.

No material adverse change

9. Except as Disclosed, since 31 December 2018:

- (a) there having been no adverse change or deterioration in the business, assets, value, financial or trading position, profits, prospects or operational performance of any member of the Wider Lighthouse Group which, in any such case, is material in the context of the Wider Lighthouse Group taken a whole or in the context of the Acquisition and no circumstances have arisen which would or might reasonably be expected to result in any such adverse change;
- (b) no material litigation, arbitration proceedings, prosecution or other material legal proceedings including, without limitation, with regard to intellectual property rights used by the Wider Lighthouse Group to which any member of the Wider Lighthouse Group is or may become a party (whether as claimant or defendant or otherwise) and no enquiry, review, investigation or enforcement proceedings by, or complaint or reference to, any Third Party against or in respect of any member of the Wider Lighthouse Group having been threatened, announced or instituted by or against, or remaining outstanding in respect of, any member of the Wider Lighthouse Group in each case which is material in the context of the Wider Lighthouse Group taken as a whole;
- (c) no contingent or other liability having arisen, increased or become apparent which would reasonably be likely adversely to affect the business, assets, financial or trading position, profits, prospects or operational performance of any member of the Wider Lighthouse Group to an extent which is material to the Wider Lighthouse Group taken as a whole or in the context of the Acquisition; and
- (d) no steps having been taken and no omissions having been made which are reasonably likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider Lighthouse

Group, which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which is material and reasonably likely to have an adverse effect on the Wider Lighthouse Group taken as a whole or in the context of the Acquisition.

No discovery of certain matters

10. Except as Disclosed, since 31 December 2018 Intrinsic not having discovered:
- (a) that any financial, business or other information concerning the Wider Lighthouse Group publicly announced or disclosed to any member of the Wider Intrinsic Group at any time by or on behalf of any member of the Wider Lighthouse Group or to any of their advisers is materially misleading, contains a material misrepresentation of fact or omits to state a fact necessary to make that information not materially misleading; or
 - (b) that any member of the Wider Lighthouse Group is subject to any material liability, contingent or otherwise, which is not disclosed in the Annual Report and Financial Statements of Lighthouse; or
 - (c) any information which affects the import of any information disclosed at any time by or on behalf of any member of the Wider Lighthouse Group and which is material in the context of the Wider Lighthouse Group taken as a whole or in the context of the Acquisition.

Intellectual Property

11. Save as Disclosed, no circumstance having arisen or ceasing to exist, or no event having occurred, in each case, in relation to any intellectual property owned or used by any member of the Wider Lighthouse Group which is reasonably anticipated to have a material adverse effect on the Wider Lighthouse Group taken as a whole or is otherwise material in the context of the Acquisition.

Anti-corruption and sanctions

12. Save as Disclosed, Intrinsic not having discovered that:
- (a) any past or present member, director, officer or employee of the Wider Lighthouse Group or any person that performs or has performed services for or on behalf of any such company is or has at any time engaged in any activity, practice or conduct (or omitted to take any action) in connection with the performance of such services which would constitute an offence under the UK Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977, Part 3 of the Criminal Finances Act 2017 (each as amended) or any other applicable anti-corruption or anti-tax-evasion legislation; or
 - (b) any past or present member, director, officer or employee of the Wider Lighthouse Group or any person who has performed services for and on behalf of any such company has engaged in any activity or business with, or made any investments in, or made any funds or assets available to or received any funds or assets from: (i) any government, entity or individual in respect of which US or European Union persons, or persons operating in those

territories, are prohibited from engaging in activities or doing business, or from receiving or making available funds or economic resources, by US or European Union laws or regulations, including the economic sanctions administered by the HM Treasury & Customs, the United Nations or the European Union (or any of their respective member states) or the United States Office of Foreign Assets Control; or (ii) any government, entity or individual targeted by any of the economic sanctions of the United Nations, the United States, the European Union or any of its member states, in each case to an extent which is material in the context of the Wider Lighthouse Group taken as a whole; or

- (c) any member of the Lighthouse Group has been engaged in any transaction which would cause Intrinsic to be in breach of any applicable law or regulation upon its acquisition of Lighthouse, including the economic sanctions of the United States Office of Foreign Assets Control, or HM Treasury & Customs, or any government, entity or individual targeted by any of the economic sanctions of the United Nations, the United States, the European Union or any of its member states.

No criminal property

- 13. Save as Disclosed, Intrinsic not having discovered that any material asset of any member of the Wider Lighthouse Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition).

Part 2: Waiver and invocation of the Conditions

- 1. Subject to the requirements of the Panel in accordance with the Takeover Code, Intrinsic reserves the right in its sole discretion to waive:
 - (a) those parts of all or any of the Conditions set out in paragraph 2 of Part 1 of this Appendix 1 relating to the deadlines for the Court Meeting, General Meeting and/or the Court Hearing. If any such deadline is not met, Intrinsic shall make an announcement by 8.00 a.m. on the Business Day following such deadline confirming whether it has invoked the relevant Condition, waived the relevant deadline or agreed with Lighthouse to extend the relevant deadline; and
 - (b) in whole or in part, all or any of the Conditions 3 and 5 to 13.
- 2. Under Rule 13.5(a) of the Takeover Code, Intrinsic may not invoke a Condition to the Acquisition so as to cause the Acquisition not to proceed, to lapse or to be withdrawn unless the circumstances which give rise to the right to invoke the Condition are of material significance to Intrinsic in the context of the Acquisition. Conditions 2(a)(i), 2(b)(i), 2(c)(i) and 2(d), 3 (*CMA Competition Clearance*) and, if applicable, any acceptance condition if the Acquisition is implemented by means of a Takeover Offer, are not subject to this provision of the Takeover Code.
- 3. Intrinsic shall be under no obligation to waive (if capable of waiver), to determine to be or remain satisfied or treat as fulfilled any of the Conditions by a date earlier than

the latest date specified above for the fulfilment or waiver thereof, notwithstanding that any other Conditions may at any earlier date have been waived or fulfilled and that there are, at such earlier date, no circumstances indicating that any of such Conditions may not be capable of fulfilment.

Part 3: Implementation by way of Takeover Offer

Intrinsic reserves the right to elect to implement the Acquisition by way of a Takeover Offer, subject to the Panel's consent. In such event, such Takeover Offer will be implemented on the same terms and conditions as those which would apply to the Scheme subject to appropriate amendments, including (without limitation) an acceptance condition set at 90 per cent. (or such other percentage (being more than 50 per cent.) as Intrinsic may, subject to the rules of the Takeover Code and with the consent of the Panel, decide) in nominal value of the shares to which such Takeover Offer relates and of the voting rights to those shares.

Part 4: Certain further terms of the Acquisition

1. The availability of the Acquisition to persons not resident in the UK may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the UK should inform themselves about, and observe, any applicable requirements. Further information in relation to Overseas Shareholders will be contained in the Scheme Document.
2. If Intrinsic is required by the Panel to make an offer for Lighthouse Shares under the provisions of Rule 9 of the Takeover Code, Intrinsic may make such alterations to any of the above Conditions as are necessary to comply with the provisions of that Rule.
3. The Lighthouse Shares will be acquired by Intrinsic fully paid and free from all liens, charges, equities, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature whatsoever and together with all rights attaching to them as at the date of this Announcement or subsequently attaching or accruing to them, including without limitation voting rights and the right to receive and retain, in full, all dividends and other distributions (if any), declared, made or paid, or any other return of capital (whether by way of reduction of share capital or share premium account or otherwise) made on or after the date of this Announcement and before the Effective Date, other than the Pre-Close Dividend.
4. Intrinsic reserves the right to reduce the consideration payable in respect of each Lighthouse Share under the terms of the Acquisition to the extent that the Pre-Close Dividend exceeds 0.5 pence per Lighthouse Share. If any dividend or other distribution is announced, declared, made, payable or paid in respect of the Lighthouse Shares on or after the date of this Announcement and prior to the Effective Date, other than the Pre-Close Dividend, Intrinsic reserves the right to reduce the consideration payable in respect of each Lighthouse Share by the amount of all or part of any such dividend or other distribution. If Intrinsic exercises this right or makes such reduction in respect of a dividend or other distribution that has not been paid, Lighthouse Shareholders will be entitled to receive and retain that dividend or other distribution.

5. The Acquisition will lapse and the Scheme will not become Effective if the Acquisition or any matter arising from or relating to it becomes subject to a CMA Phase 2 Reference before 11.59 p.m. (London time) on the date immediately preceding the date of the Court Meeting.
6. The Acquisition will lapse and the Scheme will not become Effective if the European Commission either initiates proceedings under Article 6(1)(c) of Council Regulation (EC) 139/2004 or makes a referral to a competent authority of the United Kingdom under Article 9(3)(b) of that Regulation and there is a subsequent CMA Phase 2 Reference, in either case before the Lighthouse Meetings.
7. The Scheme will be governed by the laws of England and Wales and be subject to the jurisdiction of the Courts and to the Conditions and further terms set out in this Announcement and in the Scheme Document. The Acquisition will comply with the AIM Rules and the Takeover Code.
8. Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.

APPENDIX 2

SOURCES AND BASES OF INFORMATION

Unless otherwise stated in this Announcement:

1. As at close of business on 2 April 2019 (being the last Business Day prior to the date of this Announcement):
 - (a) Lighthouse had in issue 127,700,298 ordinary shares;
 - (b) Old Mutual Wealth Holdings Limited, which is presumed to be acting in concert with Intrinsic under the Takeover Code, was the registered holder of 5,581,383 Lighthouse Shares; and
 - (c) Quilter Cheviot Limited, which is presumed to be acting in concert with Intrinsic under the Takeover Code in respect of shares held by it in client accounts and which are managed at its discretion, was the registered holder of 150,000 Lighthouse Shares,

giving a total number of outstanding shares excluding those owned by Intrinsic or a person acting in concert with Intrinsic of 121,968,915.
2. Lighthouse does not hold any shares in treasury.
3. Any reference to the entire issued and to be issued ordinary share capital of Lighthouse is based on:
 - (a) 127,700,298 Lighthouse Shares referred to in paragraph 1 above; and
 - (b) 12,163,972 Lighthouse Shares which may be issued on or after the date of this Announcement on the exercise of options or vesting of awards under the Lighthouse LTIP.
4. The excess cash of Lighthouse of approximately £4m is based on Quilter's and Intrinsic's expectation of the surplus cash of Lighthouse over and above the capital required for regulatory purposes.
5. The volume-weighted average prices of a Lighthouse Share are derived from data provided by Bloomberg.
6. Unless otherwise stated, all prices for Lighthouse Shares have been derived from data provided by Bloomberg and represent Closing Prices on the relevant date(s).
7. Unless otherwise stated, the balance sheet and income statement financial information relating to Lighthouse is extracted from the Annual Report and Financial Statements of Lighthouse for the period ending 31 December 2018.
8. Certain figures included in this Announcement have been subject to rounding adjustments.

**APPENDIX 3
DETAILS OF IRREVOCABLE UNDERTAKINGS**

1. Lighthouse Directors

The following Lighthouse Directors have given irrevocable undertakings in respect of their own beneficial holdings (or those Lighthouse Shares over which they have control) of Lighthouse Shares to vote (or procure a vote) in favour of the resolutions relating to the Acquisition at the Lighthouse Meetings or, in the event that the Transaction is implemented by way of a Takeover Offer, to accept (or procure the acceptance of) such Takeover Offer:

Name	Total Number of Lighthouse Shares	Percentage of existing issued share capital
Richard Last	912,500	0.71%
Malcolm Streatfield	2,791,563	2.19%
Peter Smith	430,000	0.34%
Kenneth Paterson	100,000	0.08%
Alexander Scott-Barrett	305,000	0.24%

The obligations of the Lighthouse Directors under the irrevocable undertakings given by them shall lapse and cease to have effect on and from the earlier of the following occurrences:

- (a) Intrinsic publicly announces, with the consent of the Panel, that it does not intend to proceed with the Acquisition;
- (b) immediately if the Scheme Document is not published within 28 days of the date of publication of this Announcement (or within such longer period as Lighthouse and Intrinsic may agree, with the consent of the Panel);
- (c) the Acquisition lapses, is withdrawn or otherwise terminates in accordance with its terms; or
- (d) the Scheme has not become Effective before 11.59 p.m. on the Long Stop Date.

These irrevocable undertakings remain binding in the event a competing offer is made for Lighthouse. Malcolm Streatfield, Peter Smith and Kenneth Paterson also hold options over 9,900,778 Lighthouse Shares pursuant to the Lighthouse LTIP. If any of these options are exercised prior to the date of the Lighthouse Meetings, the irrevocable undertakings provide for the directors to vote in favour of the Scheme in respect of the Lighthouse Shares issued as a consequence of any exercise of these options.

2. **Lighthouse Shareholders**

The following persons have given irrevocable undertakings to vote (or procure a vote) in favour of the resolutions relating to the Acquisition at the Lighthouse Meetings in respect of its holdings of Lighthouse Shares or, in the event that the Transaction is implemented by way of a Takeover Offer, to accept (or procure the acceptance of) such Takeover Offer:

Name	Total Number of Lighthouse Shares	Percentage of existing issued share capital
Helium Rising Stars Fund	21,756,979	17.04%
Allan Rosengren	20,699,396	16.21%
MI Discretionary Unit Fund	8,510,588	6.66%

The obligations of Allan Rosengren under his irrevocable undertaking shall lapse and cease to have effect on and from the earlier of the following occurrences:

- (a) Intrinsic publicly announces, with the consent of the Panel, that it does not intend to proceed with the Acquisition;
- (b) immediately if the Scheme Document is not published within 28 days of the date of publication of this Announcement (or within such longer period as Lighthouse and Intrinsic may agree, with the consent of the Panel);
- (c) the Acquisition lapses, is withdrawn or otherwise terminates in accordance with its terms;
- (d) the Scheme has not become Effective before 11.59 p.m. on the Long Stop Date; or
- (e) any competing offer for the issued and to be issued ordinary share capital of Lighthouse is announced which exceeds Intrinsic's offer price by 10 per cent. or more, and Intrinsic has not issued a revised offer where the value of consideration represents an amount not less than the value of consideration under that competing offer before 11.59 p.m. on the fourteenth day following the date of that announcement.

The obligations of each of Helium Rising Stars Fund and MI Discretionary Unit Fund under the irrevocable undertakings given by them shall lapse and cease to have effect on and from the earlier of the following occurrences:

- (a) Intrinsic publicly announces, with the consent of the Panel, that it does not intend to proceed with the Acquisition;

- (b) immediately if the Scheme Document is not published within 28 days of the date of publication of the Press Announcement (or within such longer period as Lighthouse and Intrinsic may agree, with the consent of the Panel);
- (c) the Acquisition lapses, is withdrawn or otherwise terminates in accordance with its terms;
- (d) the Scheme has not become Effective before 11.59 p.m. on the Long Stop Date; or
- (e) any competing offer for the issued and to be issued ordinary share capital of Lighthouse is announced which exceeds Intrinsic's offer price by 5 per cent. or more, and Intrinsic has not issued a revised offer where the value of consideration represents an amount not less than the value of consideration under that competing offer before 11.59 p.m. on the fourteenth day following the date of that announcement.

APPENDIX 4 DEFINITIONS

The following definitions apply throughout this Announcement unless the context otherwise requires:

"2006 Act"	the Companies Act 2006, as amended from time to time
"Acquisition"	the proposed acquisition by Intrinsic of the entire issued and to be issued share capital of Lighthouse by means of the Scheme, or should Intrinsic so elect, by means of a Takeover Offer
"AIM"	the AIM market operated by the London Stock Exchange
"AIM Rules"	the rules of AIM as set out in the publication entitled 'AIM Rules for Companies' published by the London Stock Exchange from time to time
"Announcement"	this announcement
"Annual Report and Financial Statements of Lighthouse"	the annual report and financial statements of Lighthouse for the year ended 31 December 2018
"associated undertaking"	shall be construed in accordance with paragraph 19 of Schedule 6 to The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) but for this purpose ignoring paragraph 19(1)(b) of Schedule 6 to those regulations
"Authorisations"	authorisations, orders, grants, recognitions, confirmations, consents, licences, clearances, certificates, permissions or approvals
"Business Day"	a day, not being a public holiday, Saturday or Sunday, on which banks in London are open for normal business
"Cash Consideration"	means the cash amount of 33 pence payable by Intrinsic under the Acquisition in respect of each Lighthouse Share, as may be adjusted in accordance with the terms of the Acquisition as set out in this Announcement
"Closing Price(s)"	the closing price of a Lighthouse Share as derived from Bloomberg on any particular date
"CMA"	the Competition and Markets Authority of the UK
"CMA Merger Investigation"	the investigation by the CMA to enable it to

	determine whether to make a reference under section 33 of the Enterprise Act 2002
"CMA Phase 2 Reference"	a reference pursuant to sections 22, 33, 45 or 62 of the Enterprise Act 2002 (as amended) of the Acquisition to the chair of the CMA for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013
"Condition(s)"	the conditions of the Acquisition, as set out in Part 1 of Appendix 1 to this Announcement and to be set out in the Scheme Document
"Confidentiality Agreement"	the confidentiality agreement dated 17 January 2019 between Intrinsic and Lighthouse, as described in paragraph 10 of this Announcement
"Court"	the High Court of Justice of England and Wales
"Court Hearing"	the Court hearing at which Lighthouse will seek an order sanctioning the Scheme pursuant to Part 26 of the 2006 Act
"Court Meeting"	the meeting or meetings of Lighthouse Shareholders to be convened by an order of the Court pursuant to section 896 of the 2006 Act, notice of which will be set out in the Scheme Document, for the purposes of considering, and if thought fit, approving the Scheme (with or without amendment) and any adjournment, postponement or reconvention thereof
"Court Order"	the order of the Court sanctioning the Scheme under section 899 of the 2006 Act
"CREST"	the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001/3755)) (the " Regulations ") in respect of which Euroclear UK & Ireland Ltd is the Operator (as defined in the Regulations) in accordance with which securities may be held and transferred in uncertificated form
"Dealing Disclosure"	an announcement pursuant to Rule 8 of the Takeover Code containing details of dealings in relevant securities of a party to an Acquisition
"Disclosed"	the information which has been fairly disclosed by or on behalf of Lighthouse: (i) in writing prior to the date of this Announcement to Intrinsic or Intrinsic's professional advisers (in their capacity as such in relation to the Acquisition); (ii) in the Annual Report and Financial Statements of Lighthouse; (iii) in this Announcement; or (iv) in any other public announcement made by Lighthouse after

	31 December 2018 and prior to the date of this Announcement in accordance with the Market Abuse Regulation, the AIM Rules or the Disclosure Guidance and Transparency Rules
"Disclosure Guidance and Transparency Rules"	the Disclosure Guidance and Transparency Rules of the FCA under FSMA and contained in the FCA's publication of the same name (as amended from time to time)
"EC"	the European Commission of the European Union
"Effective"	in the context of the Acquisition: (i) if the Acquisition is implemented by way of the Scheme, the Scheme having become effective pursuant to its terms; or (ii) if the Acquisition is implemented by way of the Takeover Offer, the Takeover Offer having been declared or having become unconditional in all respects in accordance with the requirements of the Takeover Code
"Effective Date"	the date on which the Acquisition becomes Effective
"Enlarged Group"	the enlarged group following the Acquisition comprising the Intrinsic Group and the Lighthouse Group
"EU"	the European Union
"EUMR"	the EU Merger Regulation (No. 139/2004), as amended
"Eurozone"	the Member States of the European Union that have adopted the euro as their common currency and sole legal tender
"Excluded Shares"	any Lighthouse Shares: <ul style="list-style-type: none"> (i) beneficially owned by Intrinsic or any other member of the Intrinsic Group; and (ii) held by Lighthouse in treasury
"FCA"	Financial Conduct Authority or its successor from time to time
"FCA Handbook"	the FCA's Handbook of rules and guidance as amended from time to time
"FSMA"	the Financial Services and Markets Act 2000 (as amended from time to time)
"General Meeting"	the general meeting of Lighthouse Shareholders (including any adjournment, postponement or reconvention thereof) to be convened for the purpose of considering and, if thought fit

	approving, the Resolutions in relation to the Acquisition, notice of which shall be contained in the Scheme Document
"Intra-Lighthouse Group Transactions"	transactions between Lighthouse and its wholly owned subsidiaries or between such wholly owned subsidiaries within the Lighthouse Group
"Intrinsic"	Intrinsic Financial Services Limited, a company incorporated in England and Wales with registered number 05372217
"Intrinsic Directors" or "Intrinsic Board"	the directors of Intrinsic as at the date of this Announcement or, where the context so requires, the directors of Intrinsic from time to time
"Intrinsic Group"	Intrinsic and its subsidiary undertakings from time to time
"Letter Agreement"	the letter agreement dated 3 April 2019 between Intrinsic and Lighthouse, as described in paragraph 10 of this Announcement
"Lighthouse"	Lighthouse Group plc, a company incorporated in England and Wales with registered number 04042743
"Lighthouse Directors" or "Lighthouse Board"	the directors of Lighthouse as at the date of this Announcement or, where the context so requires, the directors of Lighthouse from time to time
"Lighthouse Group"	Lighthouse and its subsidiary undertakings from time to time
"Lighthouse LTIP"	the Lighthouse long term incentive plan
"Lighthouse Meetings"	the Court Meeting and the General Meeting
"Lighthouse Scheme Shareholders"	holders of Lighthouse Scheme Shares
"Lighthouse Scheme Shares"	Lighthouse Shares: <ul style="list-style-type: none"> (i) in issue as at the date of the Scheme Document; (ii) (if any) issued after the date of the Scheme Document and prior to the Voting Record Time; and (iii) (if any) issued on or after the Voting Record Time and before the Scheme Record Time, either on terms that the original or any subsequent holders thereof shall be bound by the Scheme or in respect of which the holders thereof shall have agreed in writing to be bound

	by the Scheme,
"Lighthouse Share(s)"	but in each case other than the Excluded Shares the ordinary shares of one pence each in the capital of Lighthouse
"Lighthouse Shareholder(s)"	holders of Lighthouse Shares
"London Stock Exchange"	the London Stock Exchange plc or its successor
"Long Stop Date"	30 September 2019 or such later date (if any) as Intrinsic and Lighthouse may agree, with the consent of the Panel, and the Court may allow
"Market Abuse Regulation"	Regulation (EU) No. 597/2014 of the European Parliament and the Council of 16 April 2014 on market abuse
"Merger Notice"	a notice to the CMA in the prescribed form as contemplated by section 96 of the Enterprise Act 2002
"Offer Period"	the offer period (as defined by the Takeover Code) relating to Lighthouse, which commenced on the date of this Announcement
"Opening Position Disclosure"	an announcement pursuant to Rule 8 of the Takeover Code containing details on interests or short positions in, or rights to subscribe for, any relevant securities of a party to an Acquisition
"Overseas Shareholders"	shareholders who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom
"Panel"	the Panel on Takeovers and Mergers
"PRA"	the Prudential Regulation Authority or its successor from time to time
"Pre-Close Dividend"	has the meaning given in the Summary section of this Announcement
"Quilter"	Quilter plc, a company incorporated in England and Wales with registered number 06404270
"Registrar of Companies"	the Registrar of Companies in England and Wales
"Regulatory Information Service"	a regulatory information service as defined in the FCA Handbook
"relevant securities"	shall be construed in accordance with the Takeover Code
"Resolutions"	the resolutions proposed to be passed at the General Meeting in connection with, inter alia, implementation of the Scheme and such other matters as may be necessary to implement the

	Scheme
"Restricted Jurisdiction(s)"	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Acquisition is sent or made available to Lighthouse Shareholders in that jurisdiction
"Scheme"	the proposed scheme of arrangement under Part 26 of the 2006 Act between Lighthouse and the holders of the Lighthouse Scheme Shares, with or subject to any modification, addition or condition approved or imposed by the Court and agreed by Lighthouse and Intrinsic
"Scheme Document"	the document to be sent to Lighthouse Shareholders and persons with information rights containing, amongst other things, the Scheme, the full terms and conditions of the Scheme and notices of the Lighthouse Meetings and proxy forms in respect of the Lighthouse Meetings
"Scheme Record Time"	the time and date to be specified in the Scheme Document, expected to be 6.00 p.m. on the Business Day immediately after the Court Hearing
"Significant Interest"	in relation to an undertaking, a direct or indirect interest of 20 per cent. or more of: (i) the total voting rights conferred by the equity share capital (as defined in section 548 of the 2006 Act) of such undertaking; or (ii) the relevant partnership interest
"subsidiary", "subsidiary undertaking" and "undertaking"	shall be construed in accordance with the 2006 Act
"Takeover Code"	the Takeover Code issued by the Panel on Takeovers and Mergers, as amended from time to time
"Takeover Offer"	if (with the consent of the Panel), Intrinsic elects to effect the Acquisition by way of a takeover offer (as defined in Chapter 3 of Part 29 of the 2006 Act), the offer to be made by or on behalf of Intrinsic to acquire the entire issued and to be issued ordinary share capital of Lighthouse on the terms and subject to the conditions to be set out in the related offer document and, where the context permits, any subsequent revision, variation, extension or renewal of such takeover offer

"UK" or "United Kingdom"	United Kingdom of Great Britain and Northern Ireland
"US" or "United States"	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
"US Exchange Act"	the US Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder;
"US Securities Act"	the US Securities Act of 1933, as amended and the rules and regulations promulgated thereunder
"Voting Record Time"	the time and date to be specified in the Scheme Document by reference to which entitlement to vote on the Scheme will be determined
"Wider Intrinsic Group"	Intrinsic Group and associated undertakings and any other body corporate, partnership, joint venture or person in which Intrinsic and all such undertakings (aggregating their interests) have a Significant Interest
"Wider Lighthouse Group"	Lighthouse Group and associated undertakings and any other body corporate, partnership, joint venture or person in which Lighthouse and all such undertakings (aggregating their interests) have a Significant Interest
"£" or "pence"	the lawful currency of the United Kingdom from time to time

For the purposes of this Announcement, "subsidiary", "subsidiary undertaking", "undertaking" and "associated undertaking" have the meanings given by the 2006 Act.

References to an enactment include references to that enactment as amended, replaced, consolidated or re-enacted.