

J & E Davy Holdings – Summary Non-Statutory Financial Statement

Davy House, 49 Dawson Street, Dublin 2.

The J & E Davy Group

Background

J & E Davy Holdings (“JEDH” or the “J & E Davy Group”) is the holding company for the J & E Davy Group and was established in 1926. It is Ireland’s leading provider of wealth management, fund services and asset management, capital markets and financial advisory services. It is headquartered in Dublin, with offices in Belfast, Cork, Galway, London, Luxembourg and Chicago. Employing over 700 people, we offer a broad range of services to private clients, small businesses, corporations and institutional investors.

The J & E Davy Group is structured around three core operating divisions:

- Wealth Management
- Capital Markets
- Global Fund Management

These core operating divisions are further diversified as follows:

- Wealth Management includes: Private Clients, Charities, Credit Unions, Real Estate, Share Dealing and Intermediary Services
- Capital Markets includes: Corporate Finance, Institutional Equities, Fixed Income, Money Broking & Research
- Global Fund Management includes: Davy Asset Management, Investment Funds Services and Listing

Davy Wealth Management has three core offerings. Private Clients (tailored financial advice to High Net Worth clients), Financial Advice Service (advice to affluent clients), & Davy Select & Intermediaries (dealing services, self-directed investment and pensions and intermediaries). We manage €14bn+ discretionary and advisory assets under management and received a 98% trust and 92% overall satisfaction rating

in the Voice of the Client Survey in 2019. Managing wealth can be complex and present many challenges. We provide our discretionary and advisory clients with personalised investment strategies, financial life plans and a dedicated financial advisor. Our advisors work with teams of technical specialists aiming to ensure the financial goals of the clients are met, giving them confidence in their future. Our Wealth Management division has continued to grow organically and through acquisitions over the past few years, to be the leader in the Irish and Northern Irish market.

Davy Capital Markets is the leading broker in the Irish market and accounted for over 35% of all dealings in Irish equities on Euronext Dublin in 2019*. Davy is a primary dealer in Irish Government Bonds and acts as arranger on most Irish corporate bond issues. We advise approximately 66% of companies on Euronext Dublin, including 8 of Ireland’s top 10 listed companies**. We are Ireland’s leading Euronext Growth and LSE AIM adviser, representing approximately 76% of companies quoted on the Euronext Growth market**, and 9 companies quoted on the AIM market of the London Stock Exchange***. Between 2015 and 2019, Davy has advised on 38 Irish ECM transactions and are ranked first in this region in terms of market share (25.7%) (Dealogic, 2020).

Davy Global Fund Management offers institutional clients UCITS and AIFM management company services (Super Manco) including portfolio management. Our asset management team manage segregated mandates and unitised funds which cover all the major asset classes including equities, fixed income and alternatives.

Ownership

J & E Davy Holdings (“JEDH”), the holding company for the J & E Davy Group, is wholly owned by Davy management and staff. The largest trading entity in the Group (“J & E Davy”) is a wholly owned subsidiary of JEDH and trades as Davy.

*Source: Euronext Dublin, December 2019

** Source: Euronext Dublin, June 2020

*** Source: London Stock Exchange, July 2020

J & E Davy Group Regulatory Environment

The Davy Group deals in, and promotes, a variety of regulated financial products and services and is regulated by the appropriate regulatory authority in the various jurisdictions in which it operates. These jurisdictions include Ireland, UK, Europe and US.

J & E Davy, trading as Davy, is regulated by the Central Bank of Ireland. The Markets in Financial Instruments Directive (MiFID) and Capital Requirements Directive apply to our business and are designed to ensure that our regulatory environment conforms to the highest European standards. Davy is a member of Euronext Dublin and the London Stock Exchange. In the UK, Davy is authorised by the Central Bank of Ireland and authorised and subject to limited regulation by the Financial Conduct Authority. Details about the extent of our authorisation and regulation by the Financial Conduct Authority are available from us on request.

Davy Securities is a FINRA registered broker dealer and a member of SIPC and regulated by the Central Bank of Ireland.

Davy Global Fund Management Limited is authorised by the Central Bank of Ireland (“CBI”) to act as an Alternative Investment Fund Manager (“AIFM”) and UCITS Management Company. In the UK, it is authorised by the Central Bank of Ireland and subject to limited regulation by the Financial Conduct Authority. In the United States, it is an investment adviser registered with the Securities and Exchange Commission (“SEC”).

Davy Corporate Finance is regulated by the Central Bank of Ireland.

J & E Davy (UK) Limited is authorised and regulated by the Financial Conduct Authority.

J & E Davy is subject to the Irish Client Asset Regulations.

Financial Position and Current Trading

A Summary Non-Statutory Consolidated Balance Sheet for JEDH as at 30 December 2019 is set out on page 3, together with an Accountants’ Report thereon. JEDH prepares consolidated financial statements in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the EU.

The J & E Davy Group was in a strong financial position at the end of 2019 and current trading performance is satisfactory notwithstanding the challenges arising from COVID-19.

Directors’ Statement

The Summary Non-Statutory Consolidated Balance Sheet presented overleaf is an extract from JEDH’s statutory financial statements and is prepared in order to summarise the JEDH financial position as at 30 December 2019. The Summary Non-Statutory Consolidated Balance Sheet is not the statutory financial statements of JEDH and is considered a non-statutory consolidated balance sheet. The statutory financial statements

have been reported on by the Group’s auditors without modification or reservation.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company’s websites. Legislation in the Republic of Ireland governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.



Brian McKiernan - Director

Date: 31 July 2020



Caitriona O’Kelly - Director

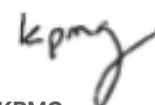
Accountants’ Report to the Directors of J & E Davy Holdings

We have examined the Summary Non-Statutory Consolidated Balance Sheet presented overleaf, which has been accurately prepared by the Directors of J & E Davy Holdings. In our opinion the Summary Non-Statutory Consolidated Balance Sheet has been accurately extracted from the J & E Davy Holdings statutory financial statements for the year ended 30 December 2019. We reported on the J & E Davy Holdings statutory financial statements and related notes without modification or reservation on 31 March 2020.

The Summary Non-Statutory Consolidated Balance Sheet does not contain all the disclosures required by IFRS which were applied in the preparation of the statutory financial statements. The Summary Non-Statutory Consolidated Balance Sheet and the statutory financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the statutory financial statements.

Respective responsibilities of the Directors and Auditors

The Directors are responsible for the preparation of the Summary Non-Statutory Consolidated Balance Sheet. We have agreed to report to you whether in our opinion the Summary Non-Statutory Consolidated Balance Sheet has been accurately extracted from the statutory financial statements for the year ended 30 December 2019, on which this firm reported without modification or reservation, on 31 March 2020. That report, on the statutory financial statements, including the opinion, was prepared for, and only for, the Company’s members as a body in accordance with Section 391 of the Companies Act 2014 and for no other purpose. We do not, in giving that report or opinion, accept or assume responsibility for any other purpose or to any other person. This report including its opinion is prepared for, and only for, the Directors of J & E Davy Holdings. We do not in giving this report accept or assume responsibility for any other purpose or to any other person save where expressly agreed by prior consent in writing.



KPMG
Chartered Accountants
Registered Auditor
1 Harbourmaster Place
IFSC
Dublin 1

31 July 2020

J & E Davy Holdings Summary Non-Statutory Consolidated Balance Sheet

30 December 2019

Assets

Non-current assets	€m
Property, plant and equipment	6
Intangible assets	20
Other	1
Total non-current assets	27
Current assets	€m
Trade and other receivables	251
Financial assets at fair value through profit or loss	112
Other assets	28
Current tax	1
Cash and cash equivalents	162
Total current assets	554
Total assets	581

Equity capital and reserves attributable to the equity holders of the company

Non-current assets	€m
Called up share capital presented as equity	3
Share premium account	33
Retained earnings and other reserves	123
Total equity attributable to owners of the company	159

Liabilities

Non-current liabilities	€m
Trade, other payables, financial liabilities at fair value through profit or loss and provisions	4
Total non-current liabilities	4
Current liabilities	€m
Trade, other payables and provisions	354
Financial liabilities at fair value through profit or loss	60
Bank overdraft	4
Total current liabilities	418
Total liabilities	422
Total equity and liabilities	581