

GRESHAM HOUSE PLC

FINAL RESULTS YEAR-ENDED DEC 31 2014

ESTABLISHING A SPECIALIST ASSET MANAGER

Contents

SUMMARY	■ SUMMARY: GRESHAM HOUSE PLC	1
FINAL RESULTS	■ FINAL RESULTS: 2014 HIGHLIGHTS (THE HISTORY)	2
HIGHLIGHTS	■ EXISTING ASSETS UPDATE: OPTIMISING VALUE REALISATION	3
	■ ESTABLISHING THE PLATFORM: WHAT'S CHANGED IN 2015?	4
THE VISION	■ SIGNIFICANT MARKET OPPORTUNITY	5
	■ CREATING VALUE FOR SHAREHOLDERS	6
	■ COMPETITIVE ADVANTAGES OF GRESHAM HOUSE ASSET MANAGEMENT	7
MANAGEMENT TEAM	■ THE EXECUTIVE TEAM & INVESTMENT COMMITTEE	8
JOURNEY	■ 3 PILLARS FOR GROWTH: PHILOSOPHY, PEOPLE, PLATFORM	9
	■ STRATEGIC VISION	10
	■ THE JOURNEY: TRANSITION TO PROFITABILITY	11
	■ CO-INVESTMENT PLATFORM: LONG TERM COMPETITIVE ADVANTAGE AND OPPORTUNITY	12
CONCLUSION	■ CONCLUSION	13
APPENDIX		

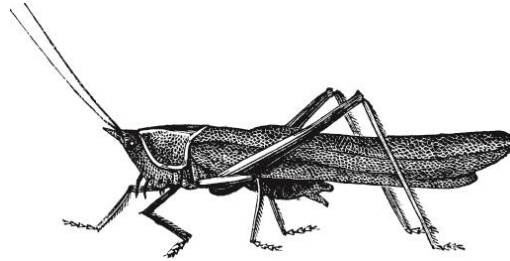


Summary: Gresham House plc

Gresham House is one of the oldest quoted UK companies, incorporated in 1857. It consists of c.£28m of net assets (including c.£11m of cash, plus properties in realisation), it is now establishing itself as a Specialist Asset Manager

- **Dec 2014 working capital fund raise** – £10.6m (net) fund raise supported by new institutional and Family Office shareholders . The new Board and Investment Committee invested £2m in the placing
- **Market opportunity** – Build an Asset Manager to address significant demand from Family Office, UHNW and Institutional Investors for superior returns from longer-term, differentiated and illiquid asset strategies, including increased investor discretion
- **The journey, initially laying the foundations for growth** – Transition progressing from an Investing Company into a differentiated Specialist Asset Manager focused on AUM build, delivering shareholder value creation through profit growth
- **Management** – Experienced and proven team of investors and business managers who have successfully worked together over several years
- **3 pillars for growth: Philosophy, People, Platform** – Supporting organic growth and ability to execute acquisitions





FINAL RESULTS FY14 HIGHLIGHTS

Final results: 2014 highlights (the history)

- **Successful placing, working capital fund raise and admission to LSE AIM in December**
 - Restructured and supportive shareholder register (Institutions, Family Office, UHNW)
 - New management team, Board appointments and Investment Committee
 - New strategy and vision
- **Property portfolio in realisation**
 - 2014 April – Persimmon contract at Newton Le Willows worth £7.43m plus overage (Conditional)
 - 2014 May – Completion of sale of 6 acre site at Knowsley for £0.4m
 - 2014 Oct – Signing of 10 year lease agreement with a substantial new tenant at Southern Gateway
- **Cash and Securities**
 - The value of the SpaceandPeople plc holding has increased 30% in 2015 (as of 24 April) from a low base in 2014, having fallen 66% following two earnings downgrades
 - £11.2m cash on balance sheet including proceeds from placing
- **NAV** – 298p following the dilutive working capital fund raise
- Property valuation uplift of 2.4% since the placing in December 2014 to £16.67m (£16.35m)



Existing assets update: Optimising value realisation

- Attila disposal to Cala Homes is now complete with £0.3m in cash proceeds expected imminently and a further £0.6m in both April and Oct 2016
- Significant contract award at Memorial Holdings
- Upward revision to valuation at Speke (a result of reduced void). Valued on a yield in excess of 9%
- Improved share price performance from SpaceandPeople plc, having increased 30% since 2014 year-end¹
- Progressing Newton Le Willows disposal – s.106 documentation taking place, followed by the standard 6 week judicial review, upon which completion is expected

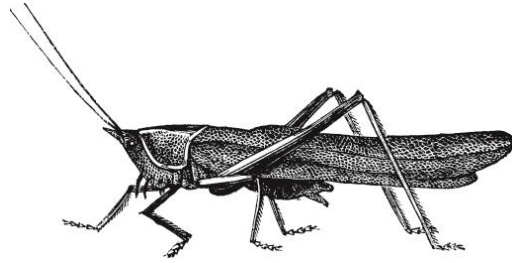
¹ SpaceandPeople Plc mid price of 60p as of 24th April 2015



Establishing the platform: What's changed in 2015?

- New team office established in Austin Friars in the City of London
- Undertaking a review (1) of existing assets and (2) of group structure looking to simplify and utilise tax losses
- Established Gresham House Asset Management - application for FCA authorisation submitted and in-progress
- Approved capital reduction, facilitating the potential for share buy-back and dividend distribution
- Extended £3.28m bank facility with the Co-operative bank with a further £0.37m advance for property capex
- New hires - Graham Bird joining the team as Head of Strategic Investments in June (former Head of SVG Strategic Public Equity Investments)
- Progress in developing our Strategic Public Equity offering in discussion with potential investors
- Assessing / reviewing a number of acquisition opportunities





THE VISION

Significant market opportunity

Increased demand for:

- Alternatives, specialist investments and Private Equity style, illiquid opportunities (e.g. Strategic Public Equity)
- Superior returns and unconstrained investment within the Family Office, Institutional and UHNW investment community
- Quality asset managers with long-term investment track records of outperformance
- Co-Investment opportunities providing increased discretion, transparency, lower fees and alignment



Creating value for shareholders

- **Shareholder value creation through organic growth and acquisitions:**
 - Focus on earnings (growth in profitability)
 - Carried interest / performance fees to the plc
 - AUM growth
 - Creation of competitive advantages
- **Current intrinsic value**
 - Existing assets in realisation expected to exceed book value

The Board, Executive Management team, and Investment Committee own c.8% of Gresham House plc, and are aligned with shareholders



Competitive advantages of Gresham House Asset Management

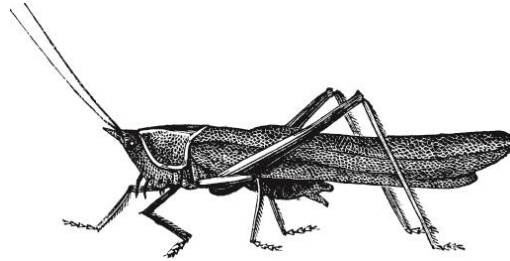
Gresham House value-add:

- Distribution
- Product Development Expertise
- Co-Investment Platform

Gresham House Asset Management will be differentiated by:

- **Client alignment** - with managers and investors
- **Superior returns** - Specialist and illiquid asset management strategies
- **Investment Philosophy** – Disciplined Private Equity processes
- **Investment Team and Manager Track Record** – Gresham House plc includes senior individuals previously at Schroder Ventures (London)/SVGIM, Schrodgers, Rothschild Asset Management and Miton Group plc
- **Private & Public Equity market interface** – Access to deal flow (Advisory Group / network)





THE MANAGEMENT TEAM

The Executive team and Investment Committee

Executive Management



Tony Dalwood, CEO | Established SVGIM and launched Strategic Equity Capital plc and the Strategic Recovery Funds. Former CEO of SVG Advisers (Schroder Ventures London), Chair of Downing Active Management investment committee and a member of the UK Investment Committee at PDFM.



Michael Phillips, Strategic Director | Former Director of Strategic Equity Capital plc and co-founded iimia Investment Group plc (now Miton Group). He was a co-founder of Christows Group Limited



Duncan Abbot, Finance Director | Former Chairman of Christows Group Limited and co-founded iimia Investment Group plc (now Miton Group)

Investment Committee



Matthew Peacock | Managing Partner of Hanover Investors and Chairman of Regenersis plc. Prior to this, he was head of international M&A in London at BZW, having started his career at Credit Suisse First Boston in New York

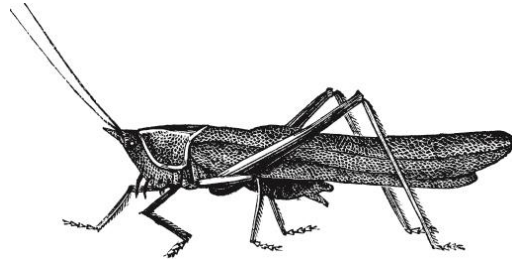


Bruce Carnegie Brown | Currently Chairman of Aon (UK) and Moneysupermarket.com plc and NED of Santander. Formerly Managing Director of 3i QPE



Rupert Robinson | Former CEO and CIO of Schroders Private Bank and Head of UK Wealth Management at Rothschild Asset Management

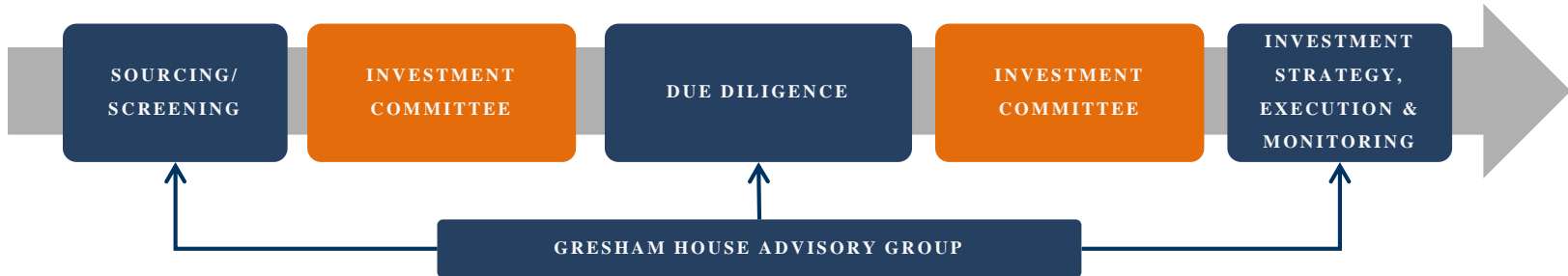




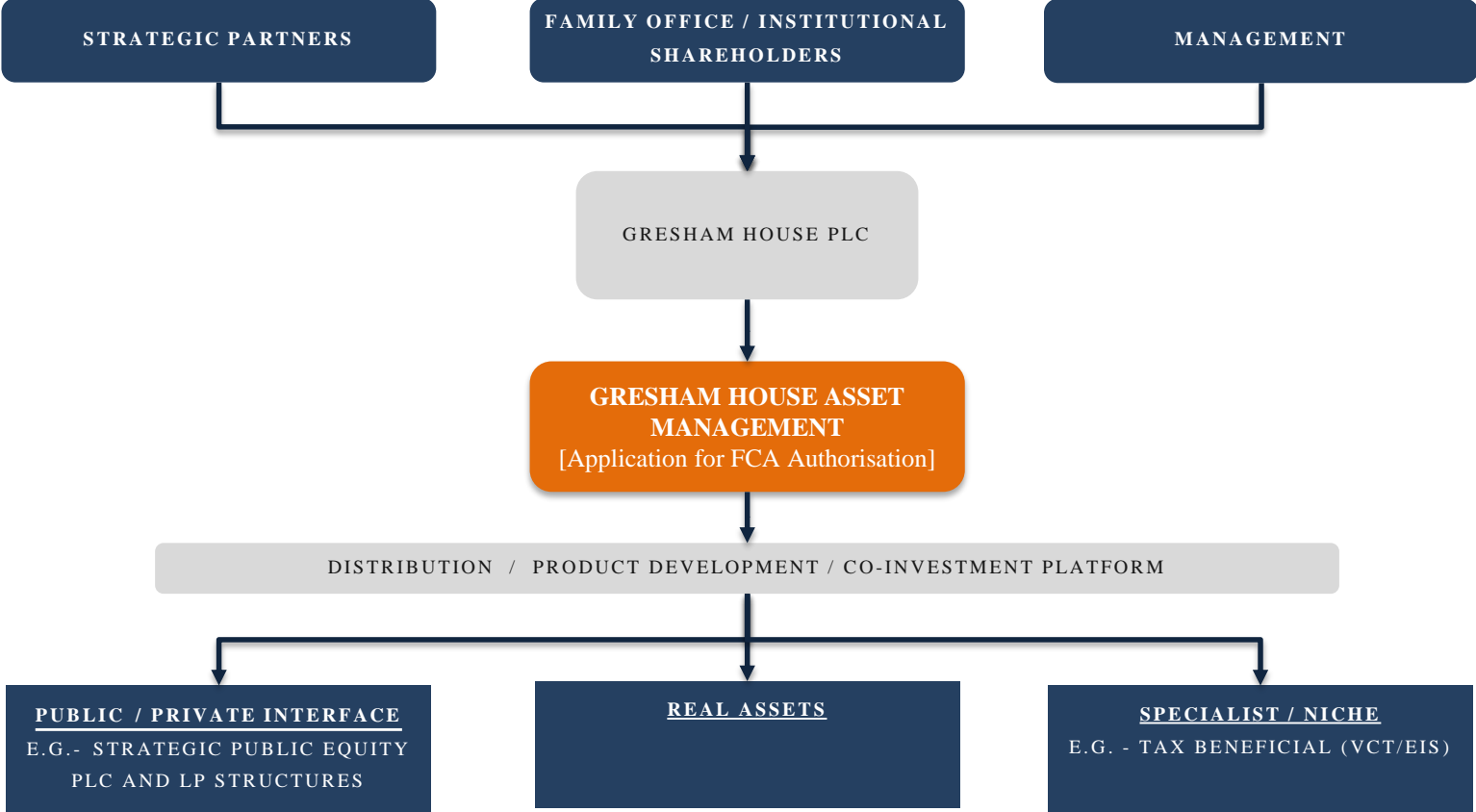
THE JOURNEY

3 Pillars for growth: Philosophy, People, Platform

1. **Philosophy:** A disciplined Private Equity process based on a value investment philosophy, including an Investment Committee to make capital allocation decisions, appraise investment opportunities and address risk management.
2. **People:** Experienced and successful team of investors and business managers who have worked together for several years, and includes an Advisory Group of highly respected industrialists, investors and financiers.
3. **Platform:** Product development, distribution and structured co-investment.

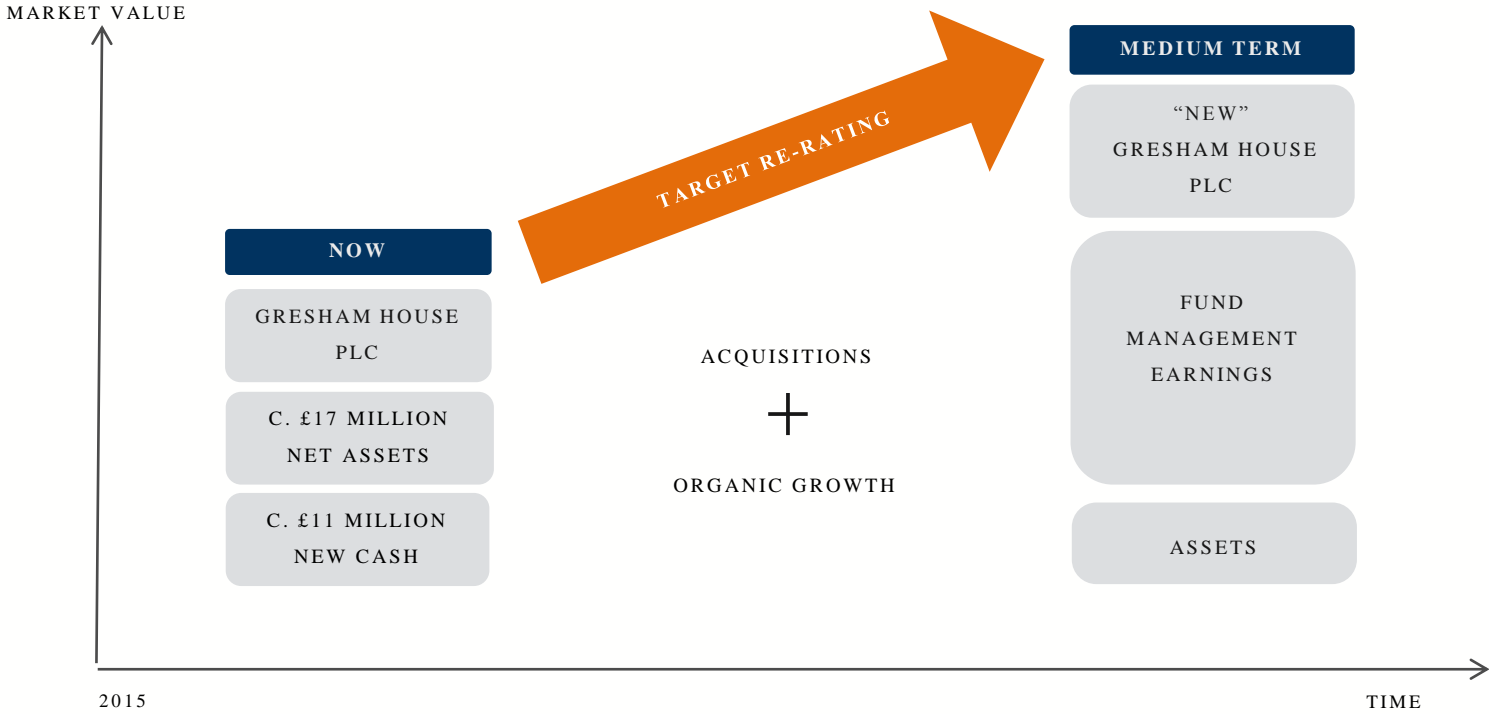


Strategic vision



The journey: Transition to profitability

Transition from Investment Trust to Specialist Asset Manager*



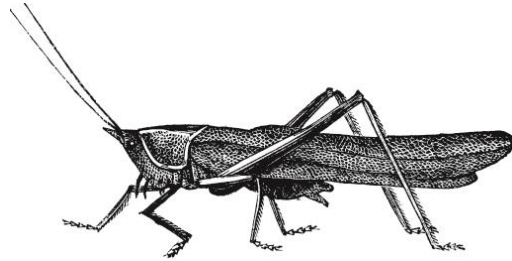
* illustrative



Co-Investment platform: Long-term competitive advantage and opportunity

- Development of client led co-investment platform to provide:
 - Access to GH investment reports and proprietary research
 - Timely provision of co-investment opportunities and details
 - Portfolio management capability of private (illiquid) assets for clients
- Co-Investment platform to provide increased:
 - Client discretion
 - Transparency
 - Lower total fee opportunities for clients / increased route to fee generation for Gresham House





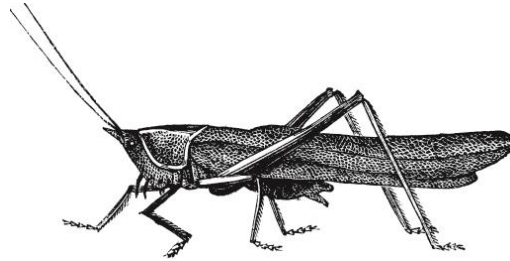
IN CONCLUSION

Conclusion

“We are at the start of an exciting journey to establish a Specialist Asset Management business focused on differentiated strategies that will deliver superior returns to shareholders”

- **Specialist Asset Manager** - Focused on generating sustainable earnings and AUM growth
- **Experienced Management** - Proven team of successful investment managers and builders of businesses within Asset Management and Private Wealth, fully aligned with Gresham House plc shareholders
- **Balance Sheet** – Asset realisation and merchant banking - style model to develop niche strategies organically and support growth through selective acquisitions
- **Competitive Advantages** - Structured co-investment platform providing increased discretion, transparency and reduced fees





APPENDIX

EXISTING ASSETS
BLUE-CHIP SHAREHOLDER REGISTER
INVESTMENT TEAM – 10 YEAR HISTORY
SUPERIOR RETURNS FROM STRATEGIC PUBLIC EQUITY APPROACH
NON-EXECUTIVE DIRECTOR BIOGRAPHIES
SENIOR TEAM BIOGRAPHIES

Existing assets

Property Valuation	£m	Notes
Light Industrial property and land with residential and retail permissions granted	16.67 ²	<ul style="list-style-type: none"> Southern Gateway - c.400k sqft multi-use industrial / consumer tenants in close proximity to Liverpool airport and the JLR Halewood plant valued at £7.25m. Newton Le Willows - 25.8 acres of land sold to Persimmon for residential development for £7.43m. Further 5 acres of land with retail planning consent.
Equities & Cash		
Investments	2.95 ³	<ul style="list-style-type: none"> SAL carrying value of £928,000 as of 31 Dec 2014. 2,062,500 SpaceandPeople Plc (SAL) shares valued at £1.23m⁴. Atilla BR Ltd valued at £0.95m – property in Edinburgh sold to CALA Homes with an initial cash payment of £0.3m followed by two further payments of £0.6m each in 2016. Memorial Holdings / Kemnal Investments – equity and loan note investment in a cemetery operation in Sidcup - £0.9m. Other investments valued at £0.2m.
Cash and cash equivalents (including trade and other receivables)	12.18	<ul style="list-style-type: none"> Including trade and other receivables, accrued income and prepaid expenses of £0.97.
Property loan facility (including trade and other payables)	(3.99)	<ul style="list-style-type: none"> £3.28m facility post 2014 year-end with the Co-operative Bank until 2017. Agreed to advance a further £0.37m to finance CAPEX at Southern Gateway property. £3.99m total includes trade and other payables of £0.7m
Total Net Assets	27.8	

² Correct as of 31 Dec 2014.

³ Carrying value as of 31 Dec 2014.

⁴ SpaceandPeople Plc valued at £1.23m based on the mid price on 24th April 2015 of 60p.



Blue-chip shareholder register

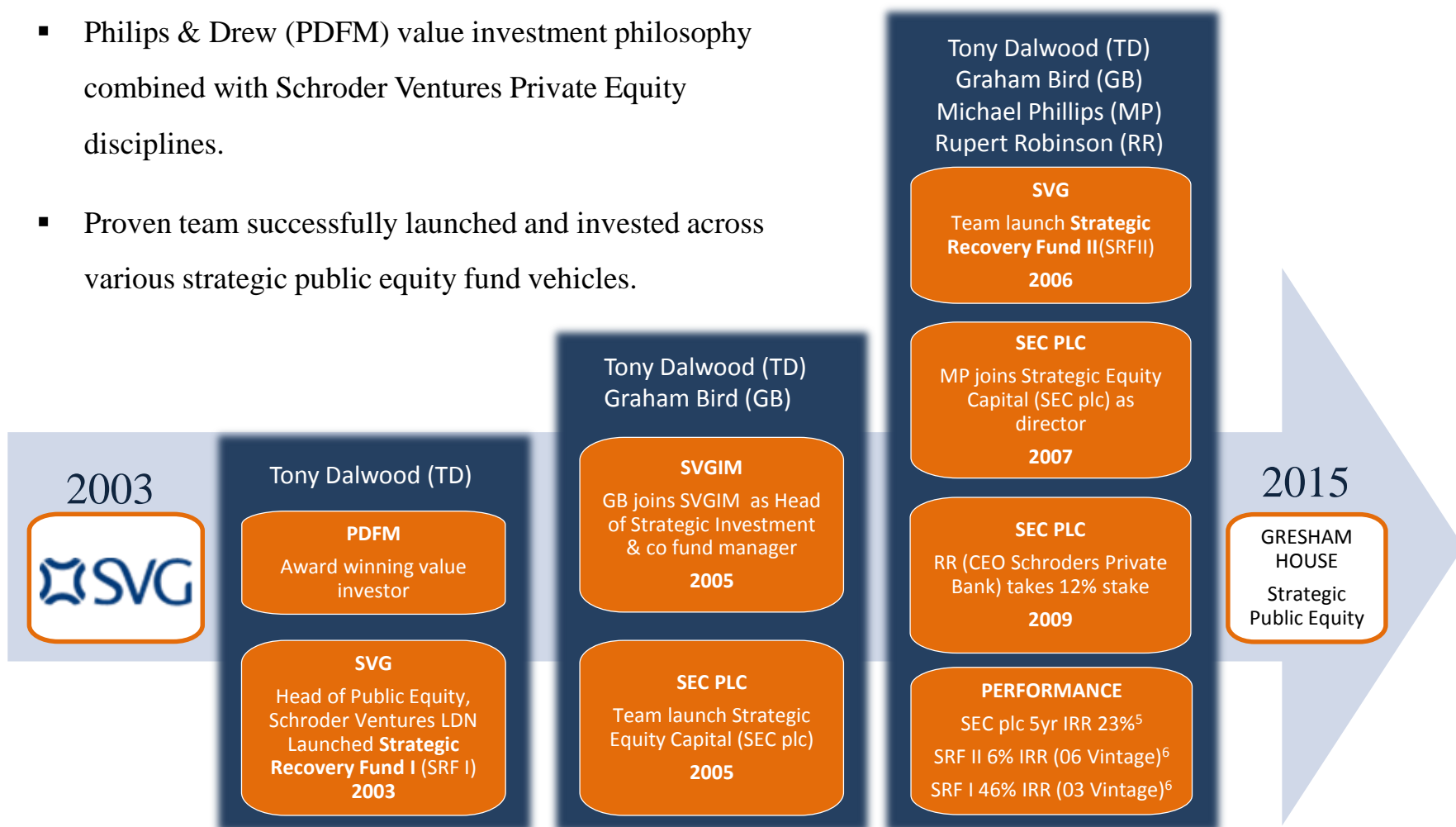
- RevCap (12.5%)
- Helium Rising Star Fund (8%)
- Majedie (7.5%)
- River & Mercantile (7.5%)
- Hargreave Hale (5%)
- Charles Stanley (4.3%)
- The Rowe Trust (3.6%)
- Rathbones (3.3%)
- Standard Life (2.9%)
- Miton (2.9%)
- Octopus (1%)
- Living Bridge (1%)
- **Executive Directors / IC members / Advisory Network (c.9.7%)**

As of 17 April 2015



Investment team - 10 year team history

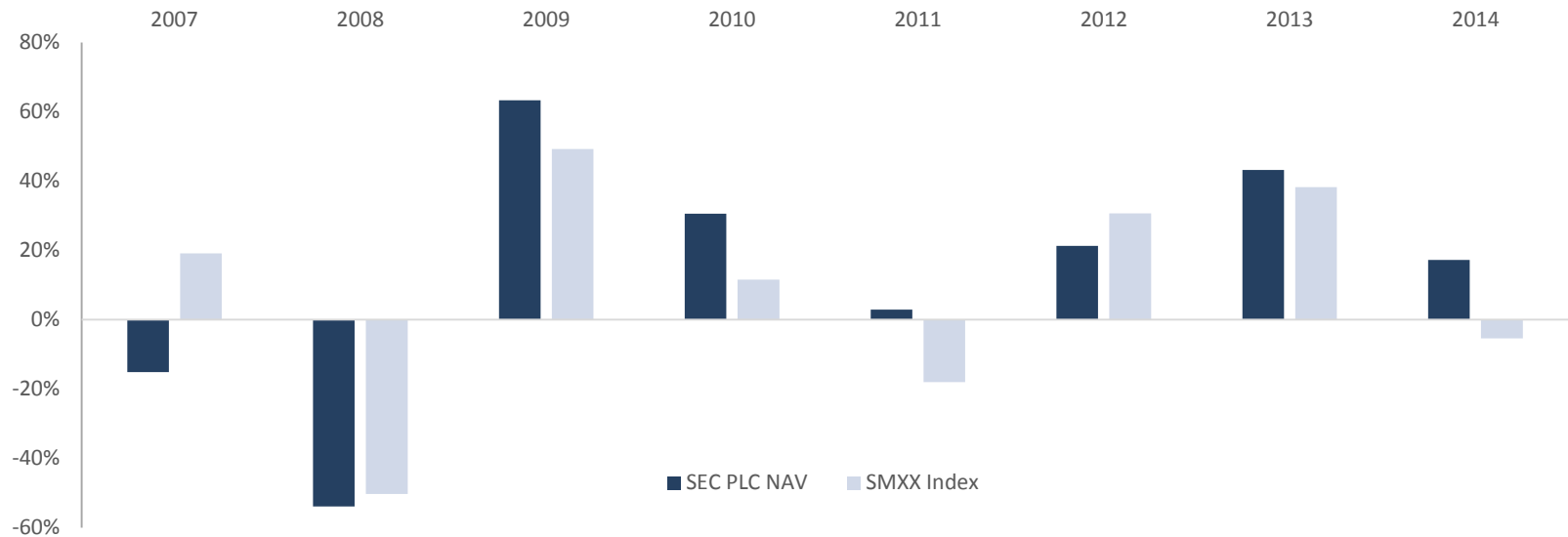
- Philips & Drew (PDFM) value investment philosophy combined with Schroder Ventures Private Equity disciplines.
- Proven team successfully launched and invested across various strategic public equity fund vehicles.



⁵ Gresham House calculation. 5yr IRR SEC Plc NAV return, extracting reported NAV values from Bloomberg. ⁶ GVOIM website



Superior returns from 'Strategic Public Equity' approach



Source: Bloomberg data. SEC NAV vs FTSE small-cap (ex IT).

- SEC delivered **annualised return of 9%³** since 2007 vs 0.3% for SMXX, **NAV IRR of 11%⁴**
- Over **5 yrs** SEC delivered an **annualised return of 32%³** vs 14.7% for SMXX & **NAV IRR of 23%⁴**.

³ Total return Bloomberg data – SEC share price appreciation, including dividend and assuming immediate reinvestment of dividend. 5yrs based on 31/3.2010 – 27/02/2015).

⁴ Gresham House calculation. IRR SEC Plc NAV return, extracting reported NAV values from Bloomberg.



Non-Executive Directors



Anthony Townsend, Chairman | Chairman of BaronsmeadVCT3 plc, British & American Investment Trust plc, F&C Global Smaller Companies plc & Finsbury Growth & Income Trust plc. Former chairman of the Association of Investment Companies



Peter Moon, NED | Director of Scottish American Investment Company & Chairman of Arden Partners plc. Former CIO of USS and the BA pension fund.



Richard Chadwick, NED | Non-executive director of SpaceandPeople plc. Former Corporate Finance director at J Sainsbury plc



Senior team members



Graham Bird, Head of Strategic Investments | Former Strategic Planning and Corporate Development Director at Paypoint plc and Executive Chairman of PaybyPhone a division of Paypoint. Previously Director of Strategic Investments at SVGIM and a Director within the Corporate Finance department at JPM Cazenove



Jonathan Dighe, Commercial Director | Over five years working within UK small-cap equities as both a Research Analyst and as a Director on the equity sales desk at Charles Stanley Securities. Former Management Consultant at BP plc and Accenture UK Ltd





Traditional values
modern methods