

Investor Presentation

16 September 2021

H1 2021 result summary

Business update

Medium to long term financial objectives

TISE host



Charlie Geffen
Non-Executive Chair

Charlie has held his position since January 2021. He is also a member of the Group's Audit Committee, Nominations Committee and Remuneration Committee and was previously Chair of The International Stock Exchange Authority Limited.

Charlie is an English qualified lawyer with more than 30 years' experience advising on a wide range of corporate matters.

He joined Ashurst and spent 32 years there, including as Head of Private Equity and the last five as Senior Partner. This latter period included the merger with an Australian law firm and growth across continental Europe, Asia and the US. He then joined US law firm Gibson, Dunn & Crutcher and, as Chair of the Corporate Practice in London, led the growth of its Transactional Practice which secured several high-profile M&A mandates.

Charlie is a Senior Advisor at Flint Global, a European consulting business, and a Non-Executive Director at Kentech Corporate Holdings Limited. He is Deputy Chair of The Institute of Cancer Research and a member of Council at Surrey University.

TISE presenting team



Cees Vermaas
Chief Executive Officer

Cees has more than 20 years' experience within international financial market infrastructure. He was previously CEO of CME Europe Ltd, CEO of Euronext Amsterdam and Head of European Cash Markets for NYSE Euronext. Prior to that, he spent a decade working in IT and programme management roles within leading Netherlands based companies Philips and Delta Lloyd Group.



Andy Watchman
Chief Financial Officer

Andy has responsibility for financial reporting, financial control and management information, as well as assisting with technical and commercial matters. Andy joined in October 2017 as Senior Finance Manager. Prior to joining TISE, Andy worked at Kleinwort Benson in Guernsey for 12 years, where his most recent role was as Head of Channel Islands Finance.



Robbie Andrade
Chief Operating Officer

Robbie has been with the Exchange since 2005. He is responsible for leading the day to day running of the Listings Department and the Market & Products Department, providing assistance to the Members of the Exchange, issuers and other associated parties as well as reviewing and assisting in the analysis and work of his team, with a strong focus on business development.

Experienced management team with deep bench of talent.
Well equipped to grow and to gain market share in huge European listed bond market.

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Responsive.
Innovative.

Summary

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- **A leading international bond platform outside EU's and UK's regulatory oversight**
- **Favourable environment with increased market activity**
- **Experienced management executing on our strategy: diversify and scale up**
- **Business opportunities, possible short-term headwinds**
- **Strong balance sheet, low capital intensity**
- **Record H1 2021 revenue and profit**
- **£3.1m H1 2021 cash generation**
- **£12.6m 30/6/2021 cash and cash equivalents (incl. £1.5m of regulatory capital)**
- **Positive outlook for FY 2021**
- **Attractive medium to long term financial objectives**

Well placed to deliver significant medium term value

Business update

A leading international bond platform



A reminder of our stated strategy

Diversify and scale-up business

Enhance Operational Model

Operational optimisation and cost control

Improve IT Environment

System scalability and STP

Internal

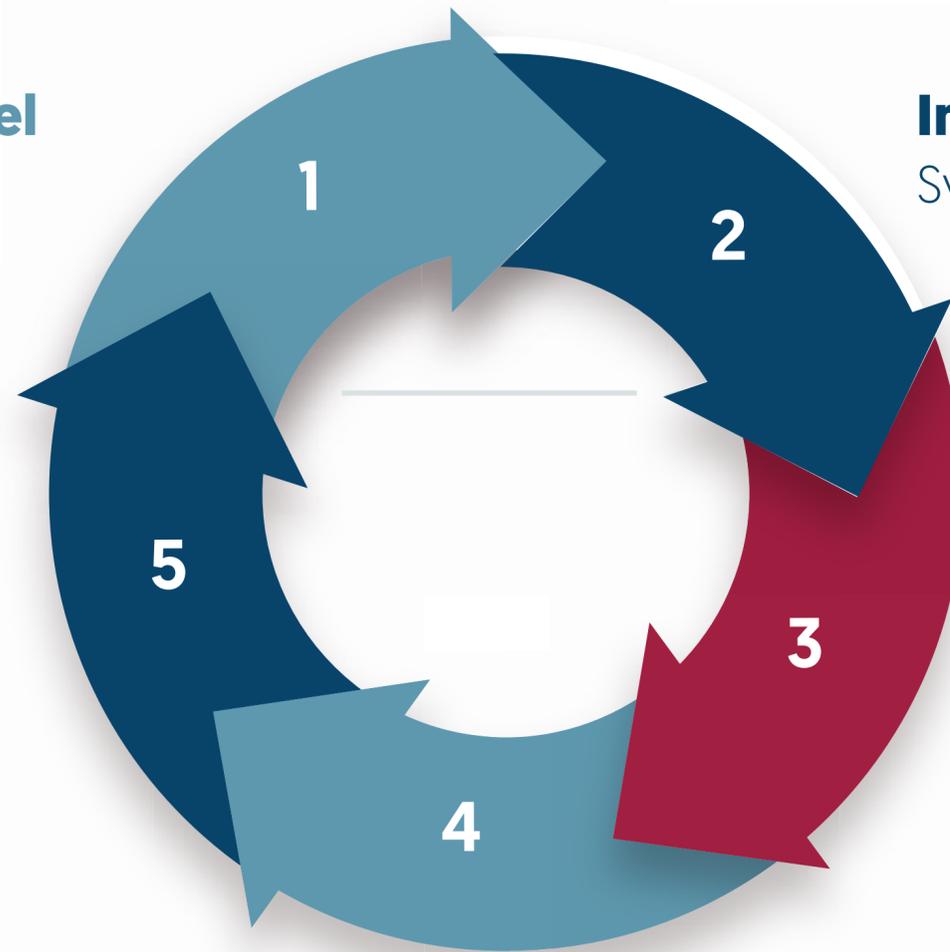
External

Diversify Business & Revenue Streams

New business initiatives which enlarge scope and revenue

Visibility

Visible, traded, committed group of 'anchor-shareholders'



TISE in London

Post-Brexit, UK regulated entity for listing and trading becomes a major priority to build out our franchise

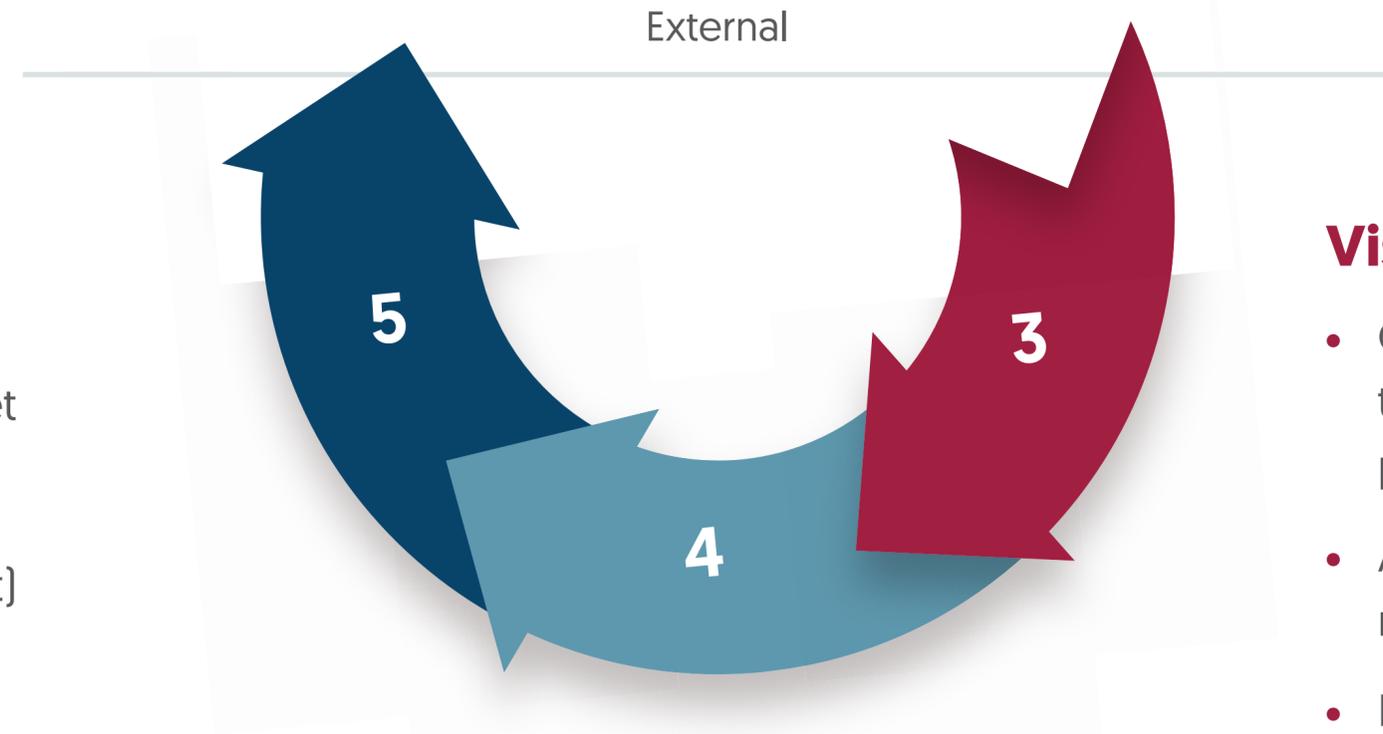
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Execution of our stated strategy

Current initiatives

Diversify Business & Revenue Streams

- QIBM - Penetration into the EU market
- Trading System
- Private Market (TISE regulated market)
- CSD



Visibility

- Create visibility / build credibility in UK to defend and build out our market proposition
- Active investor relationship management and communication
- Facilitate equity liquidity through trading infrastructure (incl. multiple brokers)

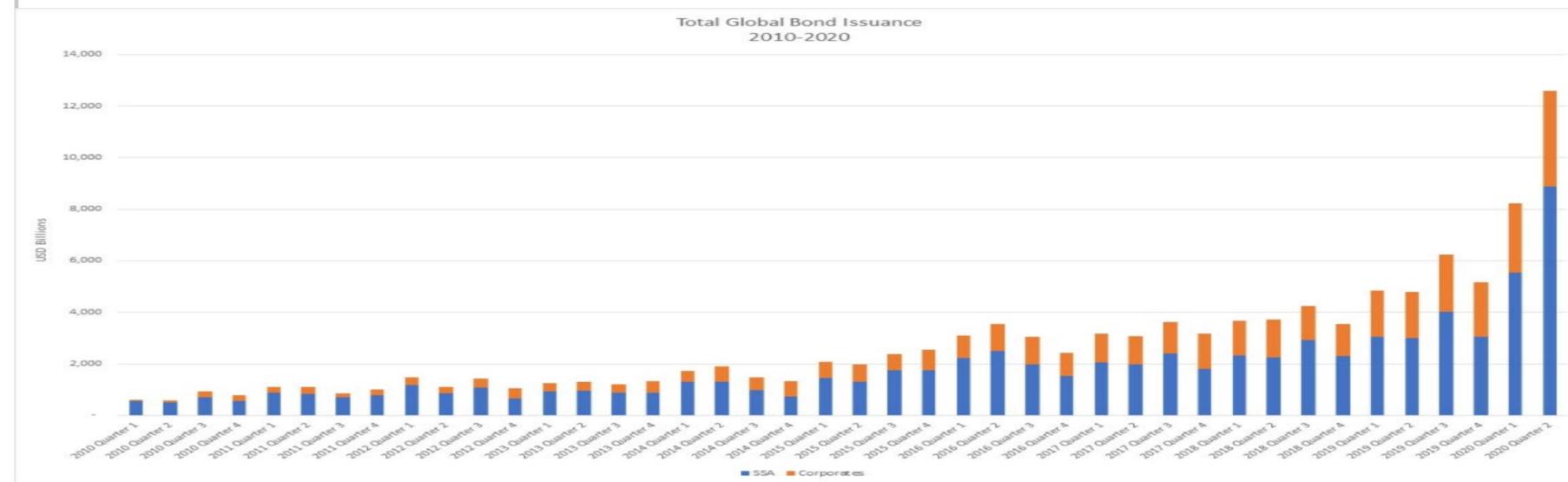
TISE in London

- Protect UK franchise
- Strengthen relationship with UK based stakeholders
- Deploy execution and distribution in liquid zone London
- Benefit from synergies between TISE's business initiatives through 2 regulatory zones post-Brexit

QIBM [2021]

Momentum to increase EU market share

Trends in Global Bond Issuance



Source: ICMA analysis using Bloomberg Data (August 2020)

2020 Bond Listings by Venue

EU/UK Regulated Market
MTF/Exchange Regulated Market
Total New Listings (Market Share%)

	#1	#2	#3	#4	#5
					The International Stock Exchange
					-
					801 (QIBM)
					801 (3.3%)

Financing conditions remain favourable across all asset classes, issuance totals are expected to remain robust

Investors' hunt for yield pushed speculative-grade bond, leveraged loan, and collateralised obligation totals to multi-year and record-breaking totals

Despite (COVID19) challenges, economic growth projections remain very strong

Gaining momentum tapping into 'wider' bond market:

- Changing regulatory landscape provides opportunities to win business
- Dublin's position post-Brexit
- TISE's competitive offering and strong operating model

Trading system [2021]

Rationale

- Approximately 23 traded securities on TISE with low liquidity
- Previously TISE lacked a proper price-discovery mechanism, causing:
 - “Catch 22” situation: challenging to build proper ecosystem
[liquidity -> distribution -> attract listings]
 - Insufficient flexibility for enhanced business development in the equity space
 - Credibility questions *[regulated exchange without a trading system]*
- Requested by our stakeholders

Opportunities

- Improving our equity market offering
[enhancing liquidity -> developing better distribution -> improved listing proposition]
- Leveraging on our [40%] market position in UK listed REITs
[extending trading & distribution offering]
- Trading system suitable for our Private Market initiative and electronic bond issuing and trading*

Solution

- Auction trading system
- State of the art technology, low [maintenance] cost *[cloud-based]*
- Limited regulatory constraints *[no decentralised data storage]*

Private market [2022]

Rationale

- Exchange solution for SMEs is insufficient:
 - majority listed companies below £1-£1.5b market cap are not happy with a regulated listing
 - although secondary market demand remains
- Opportunity: private markets 7 times bigger than public markets
- TISE does not have political constraints that other exchanges have to disintermediate SME markets
- Favourable regulatory environment (CI)
- Several approaches by UK-based (PE) networks to provide bespoke secondary market services
- Positive feedback market research/target group interviews

Scope

- Full value chain exchange services *[registry-trading-settlement]* for private companies
- Investor network creation
- Related company and/or asset administration

Solution

- FinTech, jurisdiction-agnostic and rule based Private Market proposition for UK based, EU based and international enterprises; suitable for funds
- Central Securities Depository (CSD) in the Channel Islands; standalone CSD-as-a-Service (CaaS) T=0
- Corporate bond offering (HY) for private companies via TISE main market

Business initiatives, progress to date

QIBM

Operational from 2 August 2021

- New Listing Rules and regulatory regime created and delivered
- Commercial proposition delivered
- Industry launch delivered
- Sales and Marketing [Dublin, London, CI] intensified
- 5 new international memberships since June 2021, 2 new requests pending

Trading system

Technically implemented, in test phase

- Auction system acquired
- Cloud based operational and test environment installed
- Rulebook delivered, regulatory approved
- Market Surveillance system delivered – in test
- Client functional and technical documentation drafted
- Broker integration discussion started
- Expected to go live [stock TISEG] H2 2021

Private Market

Regulatory choices explored

- Business Plan, Market Model [delivered]
- Market research/client testing [delivered]
- Functional & technical models explored
- Legal advice [company structure, jurisdiction]
- Regulator discussion under preparation [with legal adviser]
- Planning and budgeting in progress
- Scheduled launch MID 2022 [Private Market + CSD CI]

Forward looking

Threats and opportunities

Possible short term headwinds

- [April 2022] UK legislation asset holding companies (“AHC”)
 - AHC is part of bigger policy environment post-Brexit
 - AHC is part of TISE’s QEE franchise
 - Draft legislation unclear, appears to be bureaucratic
 - Continue to assess possible outcome
 - Timing 2022, 2023 and beyond

Business opportunities

- [2021] Qualified Investor Bond Market (QIBM)
- [2022] Private Market
- [2022] Possible EU legislation on securitisations
- [2022] Auction system (price discovery)
- [2023] CSD-as-a-Service (CAAS)
- [2024] London MTF

Financials

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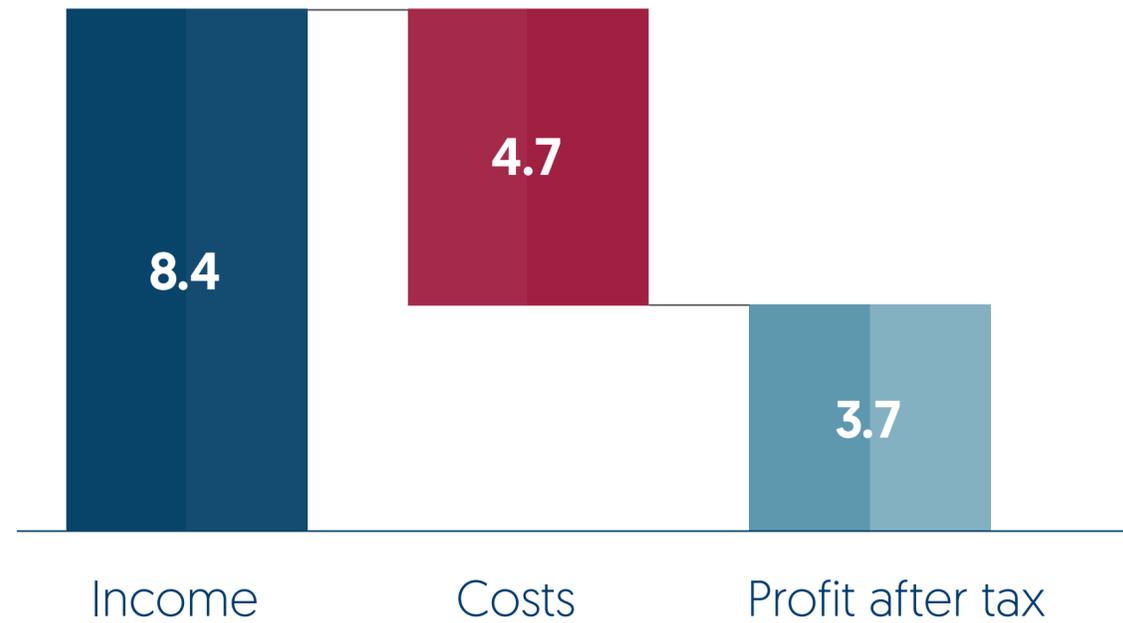
H1 2021 results summary and FY 2021 outlook



- Record H1 2021 revenue and profit
- Operating margin increased from 41.6% to 52.2%
- Balance sheet remains liquid with £12.6m cash and near term cash equivalents at 30/06/21 (incl. £1.5m of regulatory capital)
- Net assets increased by 15.8% to £10.3m
- ROE (annualised) 46.4%
- Dividends of 35p per share (paid April 2021) and 45p per share (to be paid October 2021)
- Strong July and August listing volumes
- Positive outlook for FY 2021

Income statement

FY 2020 (£'m)



Top line and bottom line growth delivered across the 3 previous financial years

HY 2021 delivered record first half income (+16.3%) and profit after tax (+45.4%) figures

New listing volumes have remained strong over the traditionally quieter summer months of July and August

HY 2021 (£'m)



Balance sheet

	June 2021 [£'m]	Dec 2020 [£'m]	June 2021 vs Dec 2020
Fixed assets	0.2	0.1	+126.9%
Debtors	0.8	1.0	-20.7%
Cash & near cash investments	12.6	10.7	+17.5%
Total assets	13.6	11.8	+15%
Current liabilities	[3.3]	[2.9]	+12.5%
Total liabilities	[3.3]	[2.9]	+12.5%
Net assets	10.3	8.9	+15.8%
Cash ratio	388%	373%	
ROE (annualised)	46.4%	40.7%	
Dividend paid	35p	50p	

Increase in fixed assets primarily driven by investment in trading system

Balance sheet highly liquid with £12.6m cash and near term cash equivalents held at 30 June 2021

Net asset growth of £1.4m (15.8%) to 30 June 2021

Cash on the balance sheet to be utilised to invest in strategic initiatives to grow and diversify the business into a more resilient company, whilst returning dividends to shareholders in line with the stated policy

Medium to long term financial objectives - our aspirations

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1

Operating ratio improvement of 10%+

2

Margins improvement target of 7.5%+

3

Profit after tax CAGR of 20%+

4

Dividend policy to remain at 50% of taxed profits. Other return of capital to be kept under review

Summary

TISE is well placed to deliver significant medium term value



- A leading international bond platform outside EU's and UK's regulatory oversight
- Favourable environment with increased market activity
- Experienced management executing on our strategy: diversify and scale up
- Business opportunities, possible short-term headwinds
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Questions and answers

TISE

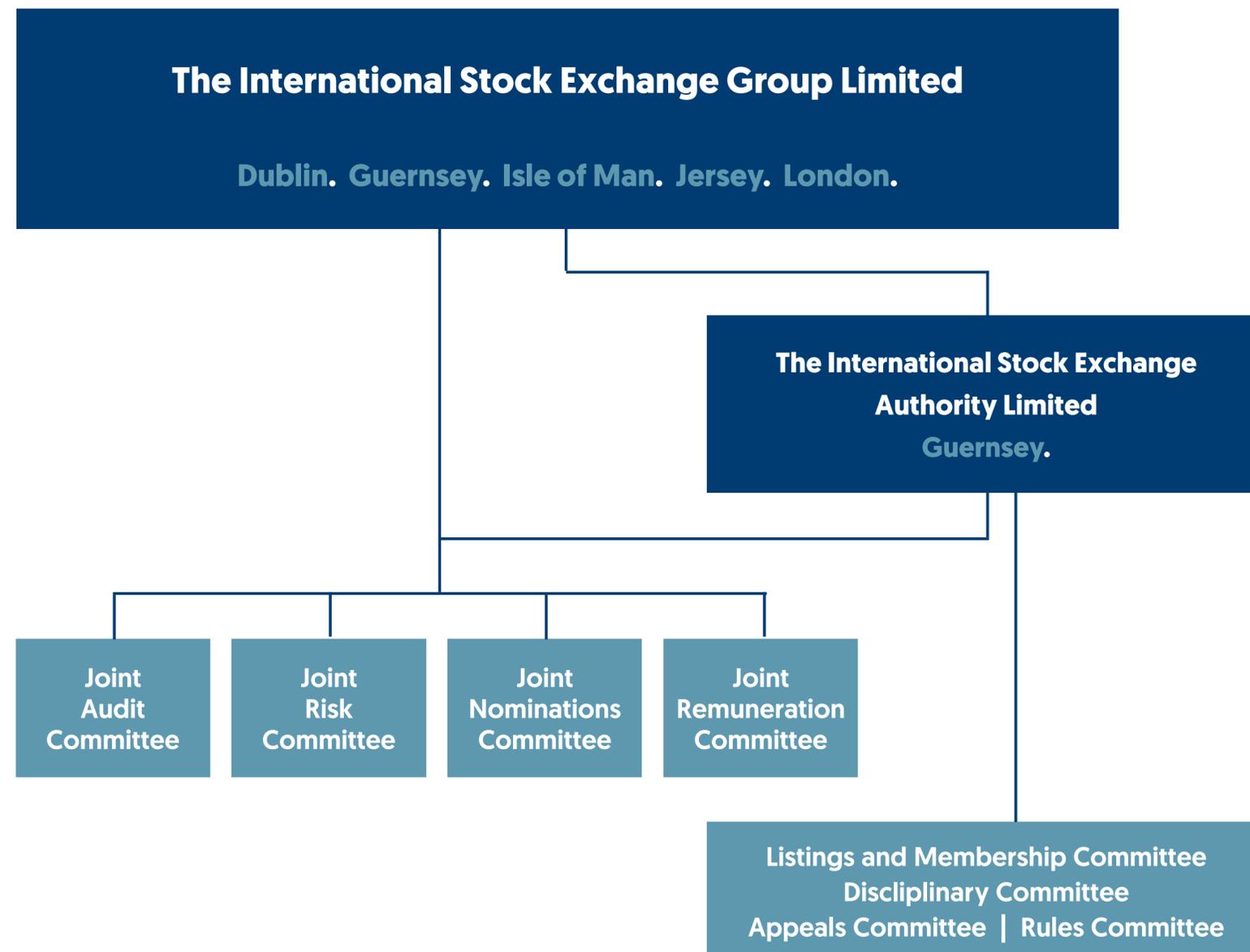
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Appendices

Group Governance

Robust and effective governance framework - ringfenced regulatory activities

Boards and Committees



The International Stock Exchange Group Limited

- TISEG – Parent company
 - Corporate strategy
 - Promotion and business development
 - Shared services (HR, finance etc)
- Staff operating across Dublin, Guernsey, Isle of Man, Jersey and London
- Not licensed or authorised – does not undertake regulated activities
- CEO: Cees Vermaas

The International Stock Exchange Authority Limited

- TISEA – Subsidiary company
 - Ringfenced regulatory activities
 - Operates and regulates our market
 - Self Regulatory Organisation (SRO)
- Limitation of liability under Guernsey Law
- All regulatory decision making in Guernsey, principally via Listing and Membership Committee
- MD: Mark Nicol

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Experienced, talented team



Cees Vermaas - CEO & Director, TISEG

Cees joined TISE in November 2020 and is responsible for all aspects of leadership and management of the Company. With a strong focus on strategy, business development and infrastructure, he aims to work with, and create enhanced value for, the Group's stakeholders, including its staff, members, issuers and shareholders.

Cees has more than 20 years' experience within international financial market infrastructure. He has held senior executive positions within several international exchanges, including CEO of CME Europe Ltd, CEO of Euronext Amsterdam and Head of European Cash Markets for NYSE Euronext. Prior to that, he spent a decade working in IT and programme management roles within leading Netherlands based companies Philips and Delta Lloyd Group.

Cees holds a degree in Business Administration and Industrial Engineering from The Hague University of Applied Sciences in the Netherlands.



Robbie Andrade - Chief Operating Officer

Robbie has been with the Exchange since 2005. He is responsible for leading and maintaining responsibility for the day to day running of the Listings Department and the Market & Products Department, providing assistance to the Members of the Exchange, issuers and other associated parties as well as reviewing and assisting in the analysis and work of his team, with a strong focus on business development.

Robbie holds a Degree in European Law from the University of Lancaster. Born in Guernsey and a naturalised citizen of Portugal, Robbie is bilingual and holds a number of management and leadership qualifications from the Chartered Management Institute [CMI] and is a member of the Institute of Directors [IoD].



Andy Watchman - Chief Financial Officer

Andy has responsibility for financial reporting, financial control and management information, as well as assisting with technical and commercial matters. Andy joined in October 2017 as Senior Finance Manager.

Prior to joining TISE, Andy worked at Kleinwort Benson in Guernsey for 12 years where his career took him from Trust Accounting, to Fund Accounting, where he worked on a portfolio of LSE Listed Funds, and then finally to the Finance team where he spent six years providing financial reporting, management information and commercial support to Kleinwort Benson's various business units. Andy's most recent role was as Head of Channel Islands Finance.

Andy is a Fellow Member of the Association of Chartered and Certified Accountants [FCCA].



Emily Humphry - Chief Governance Officer & Company Secretary

Emily is responsible for overseeing TISE's corporate governance, advising and supporting the work of the boards and committees, and building shareholder engagement through investor relations activities.

Emily has over ten years' experience working within the Company Secretarial departments of financial services companies. She has worked in both London and Guernsey and has experience of a wide variety of regulated entities including banking, investment management, private fiduciary, fund administration and insurance services. Prior to joining TISE as Company Secretary in July 2017, she was a Senior Company Secretary at SG Kleinwort Hambros.

Emily is a Chartered Secretary, an Associate Member of ICSA: The Chartered Governance Institute and holds a MSc in Corporate Governance from Bournemouth University.

Experienced, talented team



Anthony Byrne - Head of Bond Markets

Based in Ireland and operating primarily across Dublin and London, his role is to promote the Exchange's global bond offering to his extensive industry network within the international debt capital markets.

Anthony joined TISE in February 2021, having previously held senior executive positions at both the Irish Stock Exchange and Euronext. He has nearly 15 years' experience working in a stock exchange business development and client relationship capacity with particular expertise in international primary bond markets.

He holds a degree in Law from the National University of Ireland, a Postgraduate Diploma in Financial Services and Securitisation from the Dublin Institute of Technology and a Postgraduate Diploma in Legal Practice from BPP University, London.



Carolyn Gelling - Head of Equity Markets

She is a Chartered Fellow of the Chartered Institute for Securities & Investment, a Chartered Wealth Manager and has completed the Institute of Directors Certificate and Diploma in Company Direction.

With over 20 years of financial services industry experience, Carolyn is a technical investment manager by training whose career to date has encompassed asset management, investment analysis, investment operations, before progressing into corporate governance and business and strategic development, for private clients and their structures, institutional clients, funds and investment businesses in both the UK and international business jurisdictions and for whom she has held board positions. Carolyn also has a wealth of experience of small business establishment and 'scale-ups'.



Mark Nicol - Managing Director

His role includes responsibility for developing and executing TISEA's long term strategy, leading its day to day operations, and ensuring its ongoing compliance with applicable rules, regulation and legislation as a regulated financial services business.

Prior to his appointment in December 2017, Mark held a number of senior leadership positions at the Financial Conduct Authority, a financial services regulator in the U.K. Previously he spent twelve years working for a number of exchange businesses in London, including the London Stock Exchange, EDX London Ltd and OM London Exchange Ltd.

Mark is qualified with the Chartered Institute of Management Accountants (CIMA) and holds a Bachelor of Commerce Degree from the University of Cape Town, South Africa.



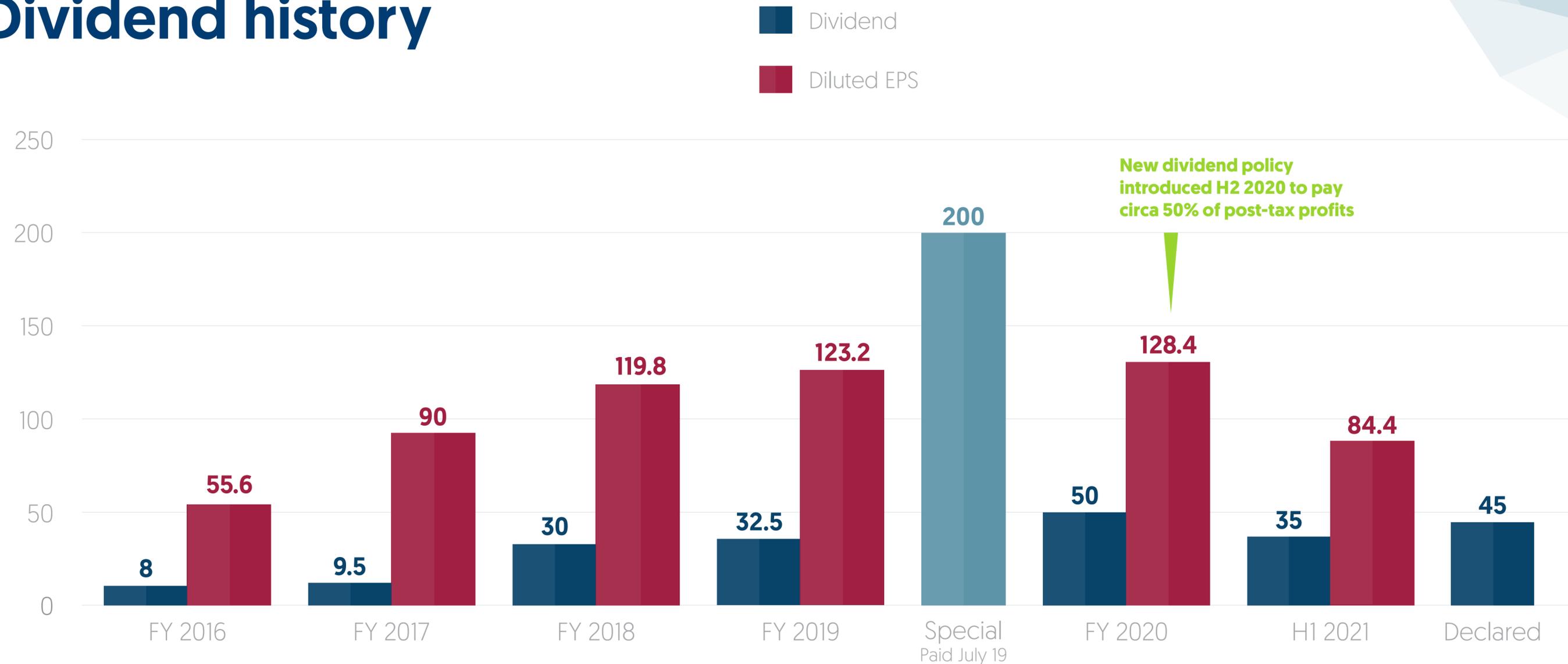
Jon Richards - Head of Market Regulation & Director

Jon has responsibility for TISEA's market surveillance, continuing obligations and membership. He is also TISEA's MLRO.

He joined the Exchange in 2014 following a career in law enforcement. During his time in law enforcement, Jon worked in a variety of disciplines and following promotion to Senior Investigation Officer was responsible for the management of a team of officers investigating a wide range of criminal offences, many of which were heard by the Royal Court of Guernsey. Prior to joining the Exchange, Jon had been managing the Financial Criminal Team at the Financial Investigation Unit.

In his role at the Exchange, Jon is responsible for monitoring market and trading activity as well as investigating any cases where serious breaches of the Exchange's rules are suspected. Jon also has responsibility for managing the Exchange's AML/CFT policies and procedures.

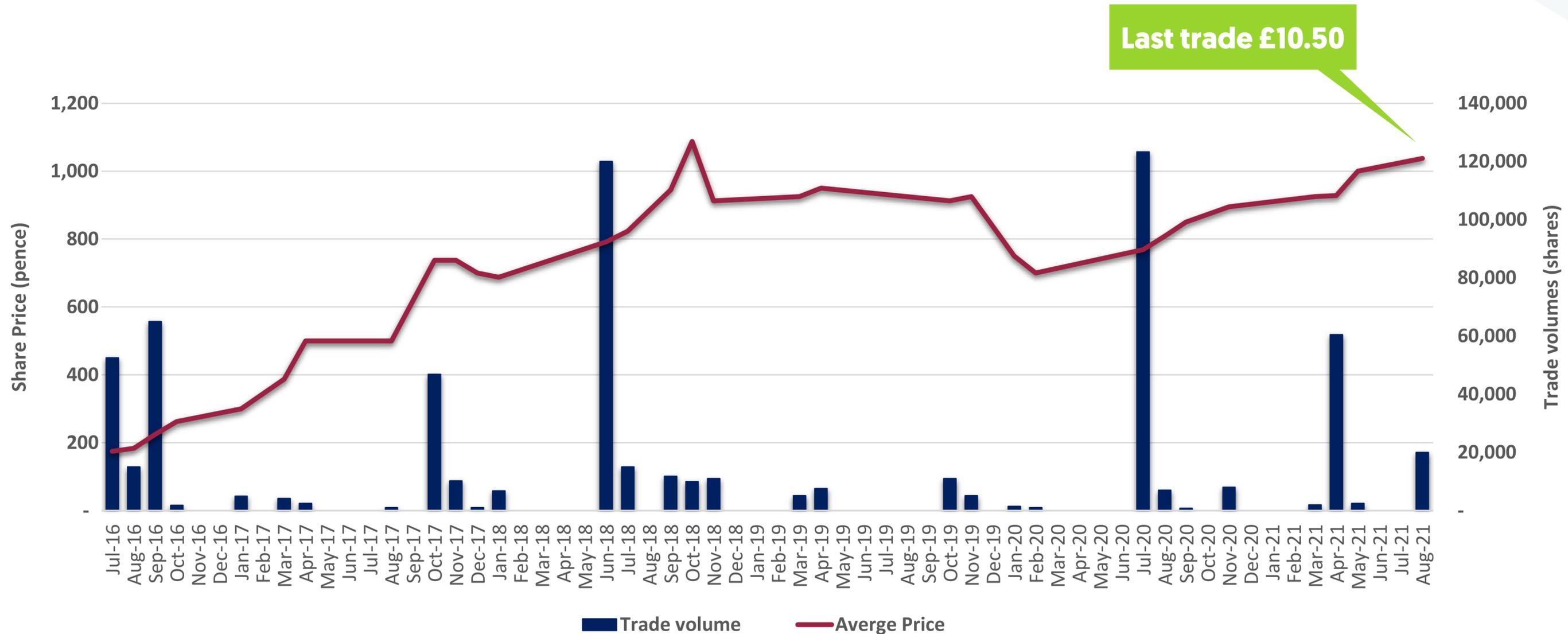
Dividend history



410 pence per share returned to shareholders since listing (**£11.5m**)

45 pence per share to be paid on 11 October 2021 to holders on the register on 24 September 2021

Share price and trade volume



Last trade £10.50

Auction trading system is key to driving growth and development of TISE's secondary market



Peer group trading multiples

Company	Share price (local)	Market cap (£m)	EV (£m)	EV/Sales		EV/EBITDA		PER	
				FY21	FY22	FY21	FY22	FY21	FY22
CME Group	195.30	50,562	52,269	15.0x	14.1x	22.7x	20.7x	29.0x	26.5x
Hong Kong Exchange	498.00	58,451	29,488	13.9x	12.1x	17.8x	15.2x	45.0x	38.1x
Intercontinental Exchange	121.13	49,175	60,399	12.1x	11.7x	19.1x	18.1x	24.7x	23.2x
London Stock Exchange	82.08	41,812	47,599	6.9x	6.5x	14.9x	13.6x	30.2x	27.0x
Deutsche Boerse	145.55	22,878	12,269	3.9x	3.7x	7.1x	6.6x	22.3x	20.4x
Nasdaq	198.53	23,930	26,266	10.8x	10.3x	19.3x	18.7x	27.3x	26.4x
Japan Exchange	2,853.00	9,962	8,831	10.1x	9.7x	15.0x	13.9x	30.6x	29.7x
Euronext	102.80	9,413	9,952	9.1x	7.8x	15.4x	12.8x	20.7x	19.0x
Singapore Exchange	10.27	5,901	5,598	9.6x	9.0x	16.5x	15.9x	24.4x	23.5x
TMX Group	139.78	4,508	4,838	8.6x	8.2x	14.2x	13.9x	19.9x	19.6x
JSE Limited	102.20	449	332	2.5x	2.3x	6.0x	5.9x	10.2x	9.8x
Warsaw Stock Exchange	43.70	348	280	3.9x	3.9x	7.3x	7.6x	12.7x	13.1x
NZX Limited	1.82	266	266	6.2x	5.9x	15.4x	14.1x	30.9x	27.6x
Aquis Exchange	7.05	194	183	11.7x	9.5x	nm	nm	nm	nm
Average		19,846	18,469	8.9x	8.2x	14.7x	13.6x	25.2x	23.4x

Source: FactSet data as at 3 September 2021 with trading multiples calendarised to 31 December

Profitability

	FY2020 (£'m)	HY2021 (£'m)	HY2020 (£'m)	HY2021 vs HY2020
Turnover	8.4	4.7	4.1	+16.3%
Operating costs	4.6	2.3	2.4	-4.8%
Operating profit	3.8	2.4	1.7	+45.9%
PBT	3.8	2.4	1.7	+44.3%
Tax	[0.2]	[0.1]	[0.1]	+21.3%
PAT	3.6	2.3	1.6	+45.4%
Operating margin	45.1%	52.2%	41.6%	+25.5%
Net profit margin	43.3%	50.4%	40.3%	+25.1%
EPS	128.4p	84.8p	58.3p	+45.4%

Cash flow statement

	FY2020 [£'m]	HY2021 [£'m]	HY2020 [£'m]	HY2021 vs HY2020
Cash generated	4.0	3.1	1.8	+72.3%
Tax paid	[0.2]	[0.1]	-	+100%
Net cash inflow	3.8	3.0	1.8	+67.8%
Net cash outflow from investing activities	[1.8]	[1.6]	[1.0]	+60%
Dividends paid	[1.4]	[1.0]	[0.6]	+75%
Increase in cash & cash equivalents	0.6	0.4	0.2	+87.5%

**£4.0m of cash generated in FY2020,
with a further £3.1m in HY2021**

**Financing costs (dividends) £2.4m
over previous 18 months**

Increasing liquidity of TISEG stock

Enable on-market **trading**
via new auction trading
system [via broker network]

Improve **visibility** TISEG

- Enhance IR section on website
- Research coverage
- Participate in industry associations, events, social media

Active **Investor Relations**

- Investor results calls (interim and annual)
- Strategy meeting (November)
- Target sector investors, UK, Europe, RoW

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