

NS Offer by

UNCONDITIONAL CASH OFFER BY HSQ INVESTMENT LIMITED

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FOR IMMEDIATE RELEASE

18 March 2025

KINGSWOOD HOLDINGS LIMITED

("Kingswood" or the "Company")

Unconditional cash offer by HSQ Investment Limited ("HSQ") for those shares in the Company not already held by HSQ

Summary

- HSQ acquired all of KPI's shares in Kingswood at a price of 7p per share on 13 March 2025
- Following the acquisition of KPI's shares, HSQ currently owns 89.39% of Kingswood's issued share capital
- HSQ is announcing an offer to purchase the issued share capital of Kingswood that it does not currently own, for 7p per share
- The offer secures the long-term future of Kingswood and provides all shareholders with the option of liquidity prior to the delisting

Unconditional Cash Offer

1 Introduction

HSQ announces an unconditional cash offer to acquire the entire issued and to be issued ordinary share capital of Kingswood not already held by HSQ at a price of 7 pence per ordinary share (the "**Offer**").

The Offer will be made through the despatch of the Offer Document and Form of Acceptance, both of which will be posted to Kingswood Shareholders no later than 28 days after the date of this announcement (unless agreed otherwise with the Panel). The Offer Document will contain the formal terms and conditions of the Offer. As the Offer is unconditional from the outset, an accepting Kingswood Shareholder will not be entitled to withdraw an acceptance of the Offer.

2 HSQ's recent acquisition of shares from KPI and the delisting

HSQ acquired all of KPI's 144,125,262 ordinary shares in Kingswood on 13 March 2025 and, as a result, HSQ now owns 89.39% of Kingswood's issued share capital. Having acquired KPI's shares, HSQ confirms that it has

requested that the Company cancel the admission to trading on AIM of the Kingswood Shares, with such cancellation proposed to take effect after Day 21 of the Offer. The cancellation date is currently anticipated to be on or around 17 April 2025.

3 Terms of the Offer

Under the terms of the Offer, Kingswood Shareholders will be entitled to receive:

7 pence in cash for each Kingswood Share held

The Offer values the entire issued share capital of Kingswood at approximately £48.03 million on a fully diluted basis. Having regard to the financial profile of the Group, and HSQ's intentions for the Group described in paragraph 9 below, HSQ considers that the Offer provides Kingswood Shareholders with the opportunity to realise their investment in the Company for cash in a scenario where HSQ believes there is limited prospect of any future liquidity for the Kingswood Shares.

The Offer is subject to valid acceptances being received from Kingswood Shareholders but is not subject to any minimum level of acceptance and will be unconditional when made. Certain further terms of the Offer are set out in Appendix 1 of this announcement. No regulatory approvals are required in respect of the making or the acceptance of the Offer. Should the Offer achieve acceptances and/or acquisitions amounting to 90% or more in value of the Kingswood Shares subject to the Offer (excluding Kingswood Shares which are Excluded Shares), HSQ will invoke its statutory rights under part XVIII of the Companies Law to compulsorily acquire any remaining Kingswood Shares not tendered under the Offer, thereby securing 100% ownership of Kingswood.

If, on or after the date of this announcement, any dividend and/or other distribution and/or return of capital is declared, made or paid, or becomes payable in respect of the Kingswood Shares, the cash consideration payable under the terms of the Offer for the Kingswood Shares shall be reduced by an amount equal to the amount of such dividend and/or other distribution and/or return of capital, in which case any reference in this announcement or in the Offer Document to the cash consideration payable under the terms of the Offer will be deemed to be a reference to the cash consideration as so reduced. In such circumstances, the relevant Kingswood Shareholder will be entitled to receive and retain such dividend and/or other distribution and/or return of capital. Any revision of the Offer price referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the terms of the Offer.

It is expected that the Offer Document will be published as soon as practicable and, in any event, no later than 28 days after the date of this announcement (unless agreed otherwise with the Panel). The Offer Document will contain the formal terms of the Offer.

Panmure Liberum, in undertaking the cash confirmation exercise for HSQ, confirms that it is satisfied that sufficient resources are available to HSQ to enable it to satisfy the full cash consideration under the terms of the Offer.

4 Recommendation

The Independent Kingswood Directors, who have been so advised by Cavendish as to the financial terms of the Offer, consider the terms of the Offer to be fair and reasonable. Cavendish is providing independent financial advice to the Independent Kingswood Directors for the purposes of Rule 3 of the Takeover Code. In providing its financial advice to the Kingswood Independent Kingswood Directors, Cavendish has taken into account the commercial assessments of the Independent Kingswood Directors.

5 Background to, and reasons for, the recommendation of the Offer by the Independent Kingswood Directors

The committee of Independent Kingswood Directors

Lindsey McMurray, non-executive director, and Duncan Gerard, non-executive director, are representatives on the Kingswood Board of Pollen Street Capital Limited ("**Pollen Street**"), the investment manager of funds which are the ultimate owners of HSQ Investment Limited ("HSQ"). Accordingly, each of Lindsey McMurray and Duncan Gerard have not participated in the appraisal of the Offer, as they cannot be considered independent on this matter.

The Board of Kingswood therefore constituted a committee of the five remaining Independent Kingswood Directors (also excluding Gary Wilder and Jonathan Massing having recused themselves from any discussions on the Offer prior to their subsequent resignation as directors) for the purposes of carefully evaluating and ultimately recommending the Offer (the "**Independent Kingswood Directors**").

Background

Kingswood is an international, fully integrated wealth and investment management group. It is a trusted provider of wealth planning and investment management solutions to clients, underpinned by investment in people and

innovation in technology that supports its advisers and clients. The Company has wholly-owned wealth management operations in the UK and majority-owned wealth management operations in Ireland and also a 50.1% interest in Kingswood US, LLC ("**KWUS**"), a financial services business in the USA providing wealth management, investment banking, equity research and advisory solutions.

Since listing in 2014, the Company has pursued a strategy of organic and inorganic growth, recognising the opportunities created by the sector dynamics in the wealth management and financial planning space to expand the Company's product offering and geographical presence. To provide the funding support to enable an accelerated acquisition led growth strategy, the Company obtained a commitment of up to £80m from Pollen Street in 2019. This investment was provided through HSQ. This commitment was satisfied by the issue of convertible preference shares that had the right to convert into Kingswood Shares. With the funding from HSQ, together with a debt facility subsequently put in place in October 2022, the Company has been able to complete 19 acquisitions since 2019, including the acquisition of the 50.1% interest in KWUS. This strategy has seen Assets under Advice and Management ("**AUA&M**") increase from £2.5bn at 31 December 2019 to £12.3bn at 31 December 2023 and revenues increase from £10.1m to £86.2m over the same period. As at 31 December 2024, the Group's AUA&M was circa. £13.1bn.

The Company now provides a holistic wealth management offering, encompassing a comprehensive, financial planning, mortgage and investment proposition across UK and Ireland serving both retail and corporate clients. An experienced and effective management team is in place, and the Board believes that there is substantial potential, with the appropriate levels of investment, to build both scale and value across the business. A strong risk culture underpins these ambitions of growth.

On 31 May 2024, it was announced that HSQ had converted all of its convertible preference shares into Kingswood Shares, resulting in HSQ being beneficially interested in 68.39% of the Company's issued share capital.

Notwithstanding the Company's growth in revenues and AUA&M, the Company's performance has been impacted by the headwinds seen across the sector over the last couple of years. This has resulted in the Company's growth not being as strong over the period as management had expected. In conjunction with this, the acquisition strategy has seen the Company's debt position increase significantly over the last two years, rising from a net cash position of £39.7m to a net debt position of £48.1m as at 31 December 2023. Between 1 February 2024 and 31 December 2024, HSQ and/or Pollen Street provided the Company with a further £21m through additional loans to enable the Company to meet its obligations in relation to deferred consideration due from previous acquisitions and in relation to interest payments due on its senior debt facility.

As at 31 December 2024, the unaudited gross debt in the Company from its senior debt facility, outstanding leases and the loans provided by HSQ and/or Pollen Street since February 2024 amounted to, in aggregate, £91.6m and the unaudited net debt of the Company was circa. £73.2m. As at 31 December 2024, the Company also had additional expected deferred consideration obligations over the next 12 months and additional obligations in respect of its revolving credit facility. Having regard to the trading position of the Company, these obligations would not be able to be satisfied through the operating cash flows of the Company and, unless alternative sources of capital were obtained, HSQ would need to remain the ultimate funder to enable the Company to meet these obligations. As announced on 12 March 2025, HSQ confirmed that they continued to be supportive of the business but believed that this was most appropriate from a position as sole institutional shareholder alongside the Company moving to an unlisted, private company setting and therefore they have stated that they would be willing to provide the required near-term funding only on this basis.

On 13 March 2025, HSQ acquired the interests of KPI and following that acquisition, HSQ provided a further loan facility which enabled the Company to satisfy its immediate deferred consideration obligations.

Prior to the acquisition of the KPI stake by HSQ, the Independent Kingswood Directors were strongly of the view that there was no near term credible funding route for the Company other than the continued financial support from HSQ. In reaching this view, the Independent Kingswood Directors had considered a full range of potential alternative options including but not limited to equity financing, additional external debt funding, accelerated realisation of businesses or assets, and third party potential suitors for the Company as a whole. The Independent Kingswood Directors concluded that, given factors such as the size of the HSQ shareholding, the debt owed by the Company (including to HSQ) and the terms of the Make Whole Instrument (which provides a guaranteed level of return to HSQ of approximately £140.1m), none of such options were deliverable (either at all or in any meaningful timescale) and that there could be no certainty as to the remaining value from these alternatives that would be attributable to the Kingswood Independent Shareholders and whether such value would be in excess of the 7p per Kingswood Share available under the Offer.

The Independent Kingswood Directors are also mindful that HSQ now owns 89.39% of the Company's issued share capital and that they are therefore seeking to cancel the listing of the Company on AIM, meaning that any shareholders not accepting the Offer would be minority shareholders in an unlisted Guernsey company.

Conclusion

As required by the Code, the Independent Kingswood Directors, together with their financial adviser Cavendish, have carefully considered and evaluated the financial terms of the Offer. Cavendish is providing financial advice to the Independent Kingswood Directors under Rule 3 of the Code.

The Independent Kingswood Directors recognise that the Offer represents an opportunity for Kingswood Shareholders to realise their entire existing holdings in Kingswood for cash.

The Independent Kingswood Directors have also, in addition to considering the various matters described above, carefully evaluated HSQ's intentions regarding the conduct of the Kingswood business under HSQ's ownership.

In light of that assessment and also taking into account the financial advice received from Cavendish, the Independent Kingswood Directors intend to recommend unanimously that Kingswood Shareholders accept the Offer (as those Independent Kingswood Directors who hold Shares intend to do in respect of their own shareholdings).

6 The Memorandum of Understanding between HSQ and KPI

The previous arrangements

On 30 September 2019, and as described in previous announcements, including on 31 May 2024, Kingswood issued a promissory note to HSQ (the "**Make Whole Instrument**") which was structured to provide PSC with a guaranteed return on its investment in convertible preference shares. Pursuant to this agreement, which was subsequently modified on 28 December 2021, upon a sale of HSQ's shares in Kingswood, HSQ had a guaranteed minimum return of an amount equal to two times the total amount subscribed for their convertible preference shares prior to 28 December 2021 and an amount equal to one and a half times the total amount subscribed for their convertible preference shares on or after 28 December 2021. The aggregate level of return guaranteed by Kingswood to HSQ under the Make Whole Instrument is approximately £140.1m.

Separate to its shareholding in Kingswood, KPI holds an additional economic interest in Kingswood via HSQ, pursuant to a side letter entered into in December 2019 (the "**Side Letter**"). Pursuant to the Side Letter, KPI paid HSQ £5 million in exchange for an economic interest in a portion of the convertible preference shares that HSQ had at that time subscribed for in Kingswood (the "**Trust Shares**"). HSQ agreed in the Side Letter to hold the Trust Shares on trust for, and to pay any proceeds relating to the Trust Shares to, KPI. On 31 May 2024, it was announced that HSQ had converted all of its convertible preference shares into Kingswood Shares resulting in HSQ being beneficially interested in 68.39% of the Company's share capital. The Side Letter remains in force and, as a result, KPI has a continuing economic interest of approximately 7% in HSQ's shareholding in Kingswood and also a 7% interest in HSQ's rights under the Make Whole Instrument.

Finally, as part of the commercial arrangements agreed between HSQ and KPI at the time of the Side Letter, a call option dated 28 February 2020 between HSQ and KPI was entered into (the "**Call Option**"). Under the Call Option, were HSQ to achieve a certain level of return in connection with its investment in Kingswood, KPI was entitled to be awarded options over HSQ's shares in Kingswood that would in turn entitle KPI to certain proceeds from HSQ on any eventual sale of HSQ's shares in Kingswood.

As a result, whilst KPI has sold its shares in Kingswood to HSQ, it retained an economic interest in Kingswood through its interests in HSQ's shares in Kingswood, the Make Whole Instrument and the Call Option. These arrangements are proposed to be amended as set out below.

The amended arrangements

On 26 February 2025, HSQ and KPI entered into a binding memorandum of understanding (the "MOU") that sets out the proposed terms to reconstitute the existing entitlements due to KPI under the Side Letter and the Call Option (the "Amendment").

The Amendment provides that in respect of any future proceeds distributed by HSQ, KPI is entitled to the following:

- a. KPI shall receive 7% of the proceeds arising and distributed to HSQ following the sale of the UK and Irish business (whether as a result of the Make Whole Instrument or otherwise) (the "First Amount");
- b. KPI shall receive 7% of the historic unpaid interest due by Kingswood to HSQ on HSQ's historic shareholding of convertible preference shares in Kingswood (the "Second Amount");
- c. any amounts paid to HSQ by Kingswood in excess of the amounts received from paragraph (a) above and, to the extent distributed, paragraph (b) above up to \$50 million (the "Third Amount") will be distributed by HSQ in the following proportion: 90% to PSC and 10% to KPI;
- d. any amounts in excess of the First Amount, the Second Amount and the Third Amount will be distributed by HSQ in the following proportion: 93% to PSC and 7% to KPI.

In addition, under the terms of the MOU, KPI shall have a put right under which it can require Pollen Street to acquire all of KPI's interests in HSQ for the lower of: (i) USD 5.25 million or (ii) an amount calculated pursuant to a formula derived from the future value of Kingswood US. The put right is only exercisable 3 years after the date of the MOU. The price will be reduced by any proceeds received by KPI, pursuant to its interests in HSQ, that are in

excess of the First Amount, by the time of exercise (and the exercise of the put option will extinguish those rights to any further proceeds going forward).

Acquisition of KPI's shares by HSQ

HSQ acquired all of KPI's shares in Kingswood on 13 March 2025 at a price of 7p per share and as a result HSQ now owns 89.39% of Kingswood's issued share capital. Having now acquired KPI's shares, it is anticipated that the binding documentation in relation to the terms set out in the MOU will be completed shortly. Gary Wilder and Jonathan Massing resigned from the Board on 13 March 2025, when HSQ acquired all of KPI's shares in Kingswood.

The Independent Kingswood Directors' views relating to the Amendment

The Independent Kingswood Directors note that because:

- the Company's current indebtedness exceeds the existing equity value of the Company and the value implied to the Company by the Offer; and
- there can be no certainty as to the likelihood of a future sale of the Company or its underlying assets nor as to the valuation achieved on any such sale; and
- HSQ's shareholding following the acquisition of the Kingswood Shares previously held by KPI, will (regardless of the outcome of the Offer) be such that any decisions regarding the future strategy and any decisions that may or may not trigger payments under the Make Whole Instrument will be subject to HSQ's controlling influence

there can be no certainty that any payments will be required under the Make Whole Instrument, and therefore, what future economic benefit (if any) KPI may or may not receive as a result of the Amendment in excess of that to which it is entitled pursuant to its existing arrangements with HSQ. For this reason, neither the Independent Kingswood Directors nor Cavendish are able to form any clear view on the financial terms of the Amendment nor as to the future value, if any, that may be payable or receivable subsequent to the Amendment (save that the Independent Kingswood Directors note the put right afforded to KPI which, if exercised provides to KPI an amount that is the lower of: (i) USD 5.25 million or (ii) an amount calculated pursuant to a formula derived from the future value of Kingswood US (subject to a reduction for any proceeds already received by KPI, pursuant to its interests in HSQ, that are in excess of the First Amount, by the time of the exercise of the put option)).

As noted in the paragraph setting out the background to and reasons for the Independent Kingswood Directors' recommendation for the Offer, the Company has a significant debt burden and has near term deferred consideration obligations and additional debt obligations that require urgent funding without which the Company would be unable to meet its obligations. Since February 2024, HSQ has provided the capital required by the Company to meet its obligations in the form of additional loans to the Company. HSQ had informed the Independent Kingswood Directors that HSQ was only willing to provide further capital support from a position of sole institutional shareholder which was conditional on its acquisition of the KPI Shares which occurred on 13 March 2025. Absent that immediate funding support from HSQ, Kingswood would have been unable to continue trading as a going concern.

The Independent Kingswood Directors are of the view that in these circumstances that, notwithstanding that the terms of the Amendment will not extend beyond KPI and HSQ, Independent Kingswood Shareholders should be offered the opportunity to exit their investment on the same terms as KPI at 7 pence per share, a value that the Independent Kingswood Directors, having been so advised by Cavendish as to the financial terms, consider to be fair and reasonable. Cavendish has taken into account the Independent Kingswood Directors' commercial assessments in forming this view.

As required by, and solely for the purposes of, Rule 16.1 of the Code, Cavendish (in its capacity as independent adviser to Kingswood for the purposes of Rule 3 of the Code) considers that the entry into the Amendment is fair and reasonable, so far as the Independent Kingswood Shareholders are concerned. In forming this view, Cavendish has taken into account the commercial assessments of the Independent Kingswood Directors as set out above.

Save as set out above, and the irrevocable undertakings entered into by the Independent Kingswood Directors, there are currently no arrangements or understandings between HSQ and/or KPI and/or Kingswood (or persons acting in concert with any of HSQ, KPI, or Kingswood) having any connection with or dependence upon the Offer.

7 HSQ's views as to the considerations as to whether or not to accept the Offer

In considering the Offer, HSQ believes that Kingswood Shareholders should consider the financial position of the Group as detailed in paragraph 10 below and the proposed future strategy for the Company as detailed in paragraph 9 below. Further, HSQ believes that Kingswood Shareholders should balance their desire for an immediate cash realisation now with:

- the current level of liquidity in the Company's shares and their current ability to realise their holdings in the Group;

- the current level of indebtedness of the Company, which was £73.2m as at 31 December 2024; and
- the Kingswood Shares no longer being able to trade on AIM once the De-Listing (as described in paragraph 16 below) occurs and the consequent impact on future marketability.

If Kingswood Shareholders are in any doubt as to what action they should take, they should seek their own independent professional advice from their stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000, as amended, if they are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

8 Irrevocable undertakings

HSQ has received irrevocable undertakings from the following Independent Kingswood Directors: David Hudd and Jonathan Freeman in respect of, in aggregate, 737,750 Kingswood Shares (representing, in aggregate, approximately 0.11% of the Kingswood Shares as at the Last Practicable Date).

In addition to the irrevocable undertakings given by the Directors listed above, HSQ has also received irrevocable undertakings from Gary Wilder and Jonathan Massing in respect of 1,115,001 and 350,000 Kingswood Shares respectively (representing, in aggregate, approximately 0.21% of the Kingswood Shares as at the Last Practicable Date).

HSQ has therefore received indications of support to accept, or to procure the acceptance of, the Offer in respect of a total of 2,202,751 Kingswood Shares, representing, in aggregate, approximately 0.32% of the Kingswood Shares as at the Last Practicable Date. Together with the Kingswood Shares already held by HSQ, this represents approximately 89.71% of the Kingswood Shares as at the Last Practicable Date.

Further details of these irrevocable undertakings (including the circumstances in which they cease to be binding) are set out in Appendix 3 to this announcement.

9 HSQ's intentions for Kingswood's business, directors, management, employees, pensions and locations

Intentions for business

HSQ initially invested in Kingswood in September 2019, providing up to £80m of growth equity capital to the business to pursue Kingswood's strategy of creating the leading UK advice led wealth management consolidator. Since the HSQ investment in 2019, the management team has completed 19 acquisitions, funded utilising the HSQ growth equity capital and financial debt provided by a large asset manager. The business is now positioned as a vertically integrated platform of scale in the UK, and as at 30 June 2024, Group assets under advice and management ("AUA&M") were approximately £12.9bn.

Over the last 12 months, in order to satisfy the working capital obligations of the Company (including to meet deferred payment obligations relating to historic acquisitions completed by the Company and debt interest payments). HSQ, or affiliates of HSQ, have provided the Company with additional loans, amounting to in aggregate £25.8m. As at 31 December 2024, the unaudited gross debt in the Company from its senior debt facility, outstanding leases and the loans provided by HSQ and/or Pollen Street amounted to, in aggregate, £91.6m. Having regard to the trading of the business, HSQ believes that this level of indebtedness is too great for the Group. Therefore, to ensure the long term success for Kingswood, its employees and clients, following the completion of the Offer pursuant to which the Kingswood Shareholders will have had the opportunity to realise their investment in the Company, HSQ intends to pursue a sale of the UK and Ireland operations, and has agreed in the MOU that they will use all reasonable endeavours to arrange for a sale of such business as soon as reasonably practicable. Although no offer has been received, HSQ and Pollen Street intend to consider a merger of the Company's UK and Ireland business with another wealth management company that is an existing portfolio company of funds managed and advised by Pollen Street. HSQ believes that this has the prospect of delivering the long-term capital investment that the UK and Ireland operations requires which would provide all advisers and clients within these businesses an exciting opportunity for growth.

If such a sale were pursued and completed, the sale proceeds would first be applied to satisfying the Group's existing third-party debt facility, the various additional debt instruments that have been provided by Pollen Street and/or HSQ and satisfaction of the contingent liability under the Make Whole Instrument, as detailed at paragraph 6 above. Given the circumstances described in paragraph 6 above, there could be no guarantee of any value attributable to the Kingswood Shares.

The investment that the Group has in Kingswood US, LLC will continue to focus on organic growth over the next twelve months with no material change to its business model being considered.

The statements contained in this section do not constitute post-offer undertakings under Rule 19.5 of the Takeover Code.

Intentions for directors, management and employees

The independent non-executive directors intend to resign from the board on the cancellation of admission of the Kingswood Shares to trading on AIM.

HSQ recognises that Kingswood is a people business, and it is important to offer long term security and certainty to all stakeholders. As at the date of this announcement, no firm decisions have been made by HSQ with respect to any specific actions which may be taken in relation to the Company's management or employees.

As at the date of this announcement, HSQ does not intend to make any material change to the conditions of employment or in the balance of the skills and functions of the employees and management. If a sale of the UK and Ireland business is sold as a separate division, it is expected that a review of certain central functions of the Company would be undertaken, which may result in rationalisation within certain of the central functions.

As at the date of this announcement, HSQ does not intend to make any changes to the continued employment of the directors or employees of Kingswood US, LLC.

Intentions for pensions

As at the date of this announcement, HSQ does not intend to make any changes to the contributions rate, the accrual of benefits for existing members or the rules applicable to the admission of new members that currently applies to the Company's defined contribution pension plans. Pension rights of employees and former employees of the UK and Ireland businesses will be protected in accordance with applicable laws.

Intentions for locations of business

As at the date of this announcement, HSQ does not intend to make any changes to the location of the Company's headquarters or the functions carried out at the Company's headquarters, however, if there is a sale of the UK and Ireland business this may change, as referred to above.

Intentions for fixed assets

As at the date of this announcement, HSQ does not intend to make any changes to the Company's fixed assets, and there is no intention to redeploy any of the fixed assets to another location.

Intentions for research and development

As at the date of this announcement, the Company has no expenditure on research and development, which HSQ does not intend to change.

Intentions for the existing trading facilities for the relevant securities of Kingswood

It is intended that, on the date of this announcement, Kingswood will also make an application to the London Stock Exchange for the cancellation of admission of the Kingswood Shares to trading on AIM, as detailed further in paragraph 16 below.

10 Information relating to Kingswood

Kingswood is a non-cellular company incorporated in Guernsey with company number 42316. Kingswood is an international, fully integrated wealth and investment management group. It is a trusted provider of wealth planning and investment management solutions to clients, underpinned by investment in people and innovation in technology that supports its advisers and clients.

Kingswood offers a range of investment solutions to its clients included investment advice and management, the management of personal and company pensions and wealth planning. The Company has a network of 22 offices across the UK as well as overseas offices in the USA, Ireland and South Africa.

In the accounts for the year ended 31 December 2023, published in June 2024, the Company reported Group revenue of £86.2m split as follows:

- UK & Ireland revenues of £46.6m; and
- US revenues (the Company has a 50.1% interest in Kingswood US, LLC which accordingly is fully consolidated into Group reporting) of £39.6m.

For the year ended 31 December 2023, the Group reported a loss before tax of £13.3 million.

For the six months ended 30 June 2024, announced on 30 September 2024, the Group reported revenue of £40.6 million split as follows:

- UK & Ireland revenues of £23.4m; and
- US revenues of £17.2m

For the six months to 30 June 2024 the Group reported operating profit of £6.1m and a statutory loss before tax of £5.9m.

11 Information relating to HSQ

HSQ is a wholly owned indirect subsidiary of funds managed and/or advised by Pollen Street Capital Limited ("**Pollen Street**"). Pollen Street is a global, independent alternative asset investment management company focused on the financial and business services sectors. It was established in 2013 and now has over £5 billion gross AUM across private equity and credit strategies.

12 Information relating to KPI

KPI was established in 2006 and is owned by Kingswood Property Finance Limited Partnership, a private investment partnership wholly owned by Gary Wilder and Jonathan Massing with a focus on long-term strategic investments in financial services and other sectors.

13 Kingswood Shares to which the Offer relates

The Offer shall extend to all of the Kingswood Shares not already owned by HSQ, which represent approximately 10.61% of Kingswood's existing issued ordinary share capital. As the Offer is unconditional from the outset, an accepting Kingswood Shareholder will not be entitled to withdraw an acceptance of the Offer.

For the avoidance of doubt, the Offer shall extend to any Kingswood Shares which are unconditionally allotted and/or issued and fully paid (or credited as fully paid) on or before the date on which the Offer closes. This will include Kingswood Shares arising pursuant to the exercise of options under the Kingswood share plans.

Participants in the Kingswood share plans will be contacted regarding the effect of the Offer on their rights under the Kingswood share plans.

14 Financing the Offer

The cash consideration payable to Kingswood Shareholders under the terms of the Offer will be financed from debt funding to be invested into HSQ by Pollen Street group entities.

Panmure Liberum, in undertaking the cash confirmation exercise for HSQ, is satisfied that sufficient resources are available to HSQ to satisfy in full the cash consideration payable to Kingswood Shareholders under the terms of the Offer.

15 Offer structure and timetable

It is intended that the Offer will be implemented by way of a takeover bid within the meaning of Part XVIII of the Companies Law, the provisions of which will be set out in full in the Offer Document. HSQ will make the Offer through the despatch of the Offer Document and Form of Acceptance, both of which will be posted to Kingswood Shareholders no later than 28 days after the date of this announcement (unless agreed otherwise with the Panel). The Offer Document will contain the formal terms of the Offer and a full expected timetable of principal events. At present the following timetable is anticipated:

Posting of Offer Document	25 March 2025
Day 21	15 April 2025
Cancellation of trading of the Kingswood Shares on AIM	17 April 2025

In order to meet the proposed timetable set above and in accordance with Rule 24.1(a) of the Takeover Code, the Independent Kingswood Directors have given their consent to the publication of the Offer Document within 14 days of the date of this Rule 2.7 announcement. The Offer is subject to valid acceptances being received from Kingswood Shareholders but is not subject to any minimum level of acceptance and will be unconditional when made. As the Offer is unconditional from the outset, an accepting Kingswood Shareholder will not be entitled to withdraw an acceptance of the Offer. Certain further terms of the Offer are set out in Appendix 1 of this announcement.

If HSQ receives acceptances under the Offer in respect of and/or otherwise acquires or contracts to acquire, 90% or more in value of the Kingswood Shares to which the Offer relates, HSQ intends to exercise its rights in accordance with section 337 of the Companies Law to acquire compulsorily the remaining Kingswood Shares on the same terms as the Offer.

It is intended that, on the date of this announcement, Kingswood will also make an application to the London Stock Exchange for the cancellation of admission of the Kingswood Shares to trading on AIM (the "**De-Listing Application**"). Since the Kingswood Shares held by HSQ already represent approximately 89.39% of the Kingswood Shares at the Last Practicable Date (i.e. not less than 75% of the voting rights attached to the Kingswood Shares), the De-Listing Application will not be subject to any minimum level of acceptance and will be unconditional when made (subject to the approval by London Stock Exchange). It is anticipated that the De-Listing will take effect no earlier than **7:00 a.m. on 17 April 2025**.

The principal effects of De-Listing will be that:

- HSQ is not proposing that there will be any matched bargain facility and therefore there will not be a formal market mechanism enabling the Kingswood Shareholders to trade Kingswood Shares;
- while the Kingswood Shares will remain freely transferrable (subject to the provisions of the Articles and the Companies Law), it is possible that the liquidity and marketability of the Kingswood Shares will, in the future, be more constrained than at present and the value of such shares may be adversely affected as a consequence;
- Kingswood Shareholders will no longer be afforded the protections given by the AIM Rules, such as the requirement to be notified of certain events, and the separate requirement to seek shareholder approval for certain other corporate events, including substantial transactions, related party transactions and fundamental changes in the Company's business;
- Cavendish will cease to be the Company's nominated adviser and broker;
- whilst the Company's CREST facility will remain in place immediately post the De-Listing, the Company's CREST facility may be cancelled in the future. Although the Kingswood Shares will remain transferable, they may cease to be transferable through CREST. In this instance, Kingswood Shareholders who hold Kingswood Shares in CREST will receive share certificates;
- in the absence of a formal market and quote, it may be more difficult for Kingswood Shareholders to determine the market value of their investment in the Company at any given time;
- stamp duty will potentially be payable on transfers of Kingswood Shares as the Kingswood Shares will no longer be traded on AIM; and
- the De-Listing may have personal taxation consequences for Kingswood Shareholders. Kingswood Shareholders who are in any doubt about their tax position should consult their own professional independent tax adviser.

In the event that the De-Listing becomes effective, Kingswood Shareholders unable, or unwilling, to hold Kingswood Shares in a private company may consider selling their Kingswood Shares pursuant to the Offer (as described in this announcement).

Upon De-Listing, liquidity in, and marketability of, the Kingswood Shares will be very limited. As such, interests in Kingswood Shares are unlikely thereafter to be readily capable of sale and where a buyer is identified, it may be difficult to place a fair value on any such sale. While there can be no guarantee that Kingswood Shareholders will be able to sell any Kingswood Shares, any Kingswood Shareholder seeking to do so following the De-Listing should contact the Company in writing at the registered office of the Company, Mont Crevett House, Bulwer Avenue, St. Sampson, Guernsey GY2 4LH. The Company will then be able to advise as to whether the Directors are aware of any prospective buyers for any Kingswood Shares which the holder thereof wishes to sell at that time.

Disclosure of interests in Kingswood securities

As at the close of business on the Last Practicable Date, HSQ had the following interests in securities of Kingswood:

Name	Nature of interest	Number of Kingswood Shares interested in	Interest as a percentage of issued Kingswood Shares
HSQ	Owner of Kingswood Shares	613,388,553	89.39%

As at the close of business on the Last Practicable Date, neither HSQ nor, so far as HSQ is aware, any person acting in concert (within the meaning of the Takeover Code) with HSQ:

- had an interest in, or right to subscribe for, relevant securities of Kingswood;

- had 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 relevant securities of Kingswood;
- had procured an irrevocable commitment or letter of intent to accept the terms of the Offer in respect of relevant securities of Kingswood; or
- had borrowed or lent any Kingswood Shares (including for these purposes, any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the Takeover Code) save for any borrowed shares which have been either on-lent or resold.

Save as described in paragraph 6 above, no arrangement exists between HSQ or Kingswood or a person acting in concert with HSQ or Kingswood in relation to Kingswood Shares. For these purposes, an "arrangement" includes any indemnity or option arrangement, any agreement, or any understanding, formal or informal, of whatever nature, relating to Kingswood Shares which may be an inducement to deal or refrain from dealing in such securities.

It has not been practicable for HSQ to make enquiries of all of its concert parties in advance of the release of this announcement. Therefore, if HSQ becomes aware, following the making of such enquiries, that any of its concert parties have any additional interests in relevant securities of Kingswood, all relevant details in respect of HSQ's concert parties will be included in HSQ's opening position disclosure in accordance with Rule 8 of the Takeover Code, which shall be made on or before 12 noon (London time) on the 10th Business Day following the commencement of the offer period.

An "interest in" securities for these purposes arises, in summary, when a person has long economic exposure, whether absolute or conditional, to changes in the price of securities (and a person who only has a short position in securities is not treated as interested in those securities). In particular, a person will be treated as having an 'interest' by virtue of the ownership, voting rights or control of securities, or by virtue of any agreement to purchase, option in respect of, or derivative referenced to securities.

17 Opening position disclosure

HSQ confirms that it will make a public Opening Position Disclosure, which sets out the details required to be disclosed by it under Rule 8.1(a) of the Takeover Code as soon as possible and by no later than 12 noon on the 10th Business Day following the commencement of the offer period. HSQ confirms that any further necessary disclosures in accordance with Rule 8.1(a) and Note 2(a)(i) on Rule 8 will be made as soon as possible.

18 Consents

Each of Panmure Liberum and Cavendish 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 such references appear.

19 Documents available on website

Copies of the following documents will be available promptly on HSQ's and Kingswood's websites subject to certain restrictions relating to persons resident in Restricted Jurisdictions at <https://arena.pollencap.com> and www.kingswood-group.com, respectively and in any event by no later than 12 noon (London time) on the Business Day following the publication of this announcement until the end of the offer period:

- this announcement;
- the irrevocable undertakings referred to at paragraph 8 above;
- equity commitment letters from Pollen Street Limited to PSC III Nominee Limited and from PSC III Nominee Limited to HSQ;
- the consent letters of Panmure Liberum and Cavendish;
- the Side Letter between HSQ and KPI;
- the MOU between HSQ and KPI; and
- the Facility Agreement between HSQ and the Company dated 13 March 2025.

Neither the contents of Kingswood's and HSQ's websites, nor the content of any other website accessible from hyperlinks on either such websites, is incorporated into or forms part of, this announcement.

The Offer will be on the terms set out in full in the Offer Document and (in respect of Kingswood Shares held in certificated form) the Form of Acceptance which will be sent to Kingswood Shareholders within 28 days of this announcement but is currently expected to be posted on or about 25 March 2025.

The Kingswood Shares will be acquired pursuant to the Offer with full title guarantee fully paid and free from all liens, charges, equities, encumbrances, rights of pre-emption and any other interests of any nature whatsoever and together with all rights now or hereafter attaching thereto, 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 on or after the date of this announcement.

This announcement does not constitute an offer or an invitation to purchase or subscribe for any securities.

Appendix 4 to this announcement contains definitions of certain terms used in this announcement.

The implications of the Offer for persons resident in, or citizens of, jurisdictions outside the United Kingdom and Guernsey may be affected by the laws of the relevant jurisdictions. Such persons should inform themselves about and observe any applicable requirements.

Enquiries:

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David Hudd / Peter Coleman

**Cavendish Capital Markets Limited, Rule 3 adviser, Tel: +44 (0)20 7220 0500
nominated adviser and corporate broker to Kingswood**

Marc Milmo/ Henrik Persson /Isaac Hooper

Greentarget, public relations adviser to Kingswood Tel: +44 (0)20 7324 5498

Jamie Brownlee/ Ellie Basle

IMPORTANT NOTICES

Cavendish Capital Markets Limited, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for Kingswood and for no one else in connection with the subject matter of this announcement and will not be responsible to anyone other than Kingswood for providing the protections afforded to clients of Cavendish or for providing advice in relation to the contents of this announcement or any matters referred to in this announcement.

Panmure Liberum and Cavendish Capital Markets Limited have each given and not withdrawn their consent to the publication of this announcement with the inclusion herein of the references to their names in the form and context in which they appear.

This announcement is for information purposes only and is not intended to, and does not constitute, or form part of any offer, invitation, inducement or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of or exercise rights in respect of any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Offer or otherwise, nor shall there be any sale, issuance or transfer of securities of Kingswood in any jurisdiction in contravention of applicable law.

The full terms and conditions of the Offer (including details of how the Offer may be accepted) will be set out in the Offer Document and, in the case of certificated Kingswood Shares, the related Form of Acceptance. The Offer will be made solely through the Offer Document and, in the case of certificated Kingswood Shares, the Form of Acceptance, and any acceptance of the Offer should be made only on the basis of the information contained in the Offer Document and, in the case of certificated Kingswood Shares, the Form of Acceptance.

This announcement does not constitute a prospectus, prospectus equivalent document or an exempted document.

The statements contained in this announcement are made as at the date of this announcement, unless some other time is specified in relation to them, and publication of this announcement shall not give rise to any implication that there has been no change in the facts set out in this announcement since such date.

Overseas jurisdictions

The availability of the Offer and the release and/or distribution of this announcement in or into jurisdictions other than the United Kingdom or Guernsey may be restricted by the laws and regulations of those jurisdictions and

therefore persons who are not resident in the United Kingdom or Guernsey into whose possession this announcement comes should inform themselves about and observe any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction.

Copies of this announcement are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction, and persons receiving this announcement (including custodians, nominees and trustees) must not mail or otherwise distribute or send it in, into or from such Restricted Jurisdictions as doing so may violate the securities laws of such jurisdictions and invalidate any purported acceptance of the Offer.

This announcement has been prepared in compliance with English law and regulation (including the Takeover Code) and Guernsey law, and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws and regulations of jurisdictions outside England or Guernsey.

This announcement is not an offer of securities for sale in the United States, Canada, Australia, or Japan or in any other jurisdiction in which such an offer is unlawful.

Neither the Securities and Exchange Commission in the United States nor any state securities commission in the United States has reviewed, approved, or disapproved this announcement or any of the proposals contained in this announcement.

Forward-Looking Statements

This announcement (including information incorporated by reference into this announcement), statements made regarding the Offer, and other information to be published by HSQ and Kingswood, contain statements which are, or may be deemed to be, "forward-looking statements". Forward-looking statements are prospective in nature and not based on historical facts, but rather on current expectations and projections of the management of HSQ and Kingswood about future events and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements.

The forward-looking statements contained in this announcement include statements with respect to the financial condition, results of operations and business of Kingswood and certain plans and objectives of HSQ with respect thereto and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the fact that they do not relate only to historical or current facts and may use words such as "anticipate", "target", "expect", "estimate", "forecast", "intend", "plan", "budget", "scheduled", "goal", "believe", "hope", "aims", "continue", "will", "may", "should", "would", "could" or other words of similar meaning. These statements are based on assumptions and assessments made by Kingswood and/or HSQ in light of their experience and their perception of historical trends, current conditions, future developments and other factors they believe appropriate. By their nature, forward-looking statements involve known and unknown risk and uncertainty and other factors which may cause actual results, performance or developments to differ materially from those expressed in or implied by such, because they relate to events and depend on circumstances that will occur in the future. Although HSQ and/or Kingswood believe that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct and you are therefore cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this announcement. Neither HSQ nor Kingswood assumes any obligation to update or correct the information contained in this announcement (whether as a result of new information, future events or otherwise), except as required by applicable law.

No Profit Forecasts or Estimates

No statement in this announcement is intended, or is to be construed, as a profit forecast, profit estimate or quantified financial benefits statement for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per share for Kingswood for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Kingswood.

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 3:30pm (London time) on the tenth business day following the commencement of the offer period and, if appropriate, by no later than 3:30pm (London time) on the tenth 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 3:30pm (London time) 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 Takeover 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.

Information Relating to Kingswood Shareholders

Please be aware that addresses, electronic addresses and certain information provided by Kingswood Shareholders, persons with information rights and other relevant persons for the receipt of communications from Kingswood may be provided to HSQ during the offer period as required under Section 4 of Appendix 4 of the Takeover Code to comply with Rule 2.11(c) of the Takeover Code.

Publication on Website(s) and Availability of Hard Copies

A copy of this announcement will be available free of charge (subject to any applicable restrictions with respect to persons resident in Restricted Jurisdictions) on HSQ's and Kingswood's website (<https://arena.pollencap.com> and <https://www.kingswood-group.com> respectively) by no later than 12:00 noon (London time) on 19 March 2025.

Neither the contents of these websites, nor the content of any other website accessible from hyperlinks on such websites, is incorporated into, or forms part of, this announcement.

In accordance with Rule 30.3 of the Takeover Code, Kingswood Shareholders and persons with information rights may request a hard copy of this announcement, free of charge, by contacting Kingswood's Registrar, MUFG Corporate Markets. If calling from within the United Kingdom, you should contact MUFG Corporate Markets on 0371 664 0300, or if calling from outside the United Kingdom, you should call +44 (0) 371 664 0300 or by submitting a request in writing to MUFG Corporate Markets, Central Square, 29 Wellington Street, Leeds LS1 4DL. Calls are charged at the standard geographic rate and will vary by provider. Calls from outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 - 17:30, Monday to Friday excluding public holidays in England and Wales. You may also request that all future documents, announcements and information to be sent to you in relation to the Offer be in hard copy form.

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 Disclosure

In accordance with Rule 2.9 of the Takeover Code, Kingswood confirms that as at the date of this announcement it has 686,184,011 Kingswood Shares in issue under ISIN: GG00BKY4K072 with no Kingswood Shares held in treasury. The total number of voting shares is therefore 686,184,011.

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 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.

APPENDIX 1

FURTHER TERMS OF THE OFFER

1. The Offer is unconditional from the outset and is therefore not subject to the satisfaction of any condition.
2. The Offer will be governed by English law, and where applicable Guernsey law, and be subject to the further terms set out in this Appendix 1 and to be set out in the Offer Document and the Form of Acceptance. The Offer will be subject to the applicable rules, regulations and requirements of the Companies Law, the Financial Conduct Authority, the Panel, the AIM Rules and the Takeover Code. This announcement does not constitute, or form part of, an offer or invitation to purchase Kingswood Shares or any other securities.
3. The Kingswood Shares acquired by HSQ in connection with the Offer will be acquired with full title guarantee fully paid and free from all liens, charges, equities, encumbrances, rights of pre-emption and any other interests of any nature whatsoever and together with all rights now or hereafter attaching thereto, 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 on or after the date of this announcement.
4. If, on or after the date of this announcement, any dividend and/or other distribution and/or return of capital is declared, made or paid or becomes payable in respect of the Kingswood Shares, the cash consideration payable under the terms of the Offer for the Kingswood Shares shall be reduced by an amount equal to the amount of such dividend and/or other distribution and/or return of capital, in which case any reference in this announcement or in the Offer Document to the cash consideration payable under the terms of the Offer will be deemed to be a reference to the cash consideration as so reduced. In such circumstances, the relevant Kingswood Shareholder will be entitled to receive and retain such dividend and/or other distribution and/or return of capital. Any revision of the Offer price referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the terms of the Offer.
5. The Offer will not be made, directly or indirectly, in or into, or by use of the mails of, or by any means or instrumentality (including, without limitation, facsimile transmission, telex, telephone, internet or e-mail) of interstate or foreign commerce of, or of any facility of a national securities exchange of, any Restricted Jurisdiction and the Offer will not be capable of acceptance by any such use, means, instrumentality or facility or from within, any Restricted Jurisdiction.
6. In deciding whether or not to accept the Offer in respect of their Kingswood Shares, Kingswood Shareholders should rely on the information contained in, and follow the procedures described in, the Offer Document and (if they hold their Kingswood Shares in certificated form) the Form of Acceptance which will be posted to Kingswood Shareholders (other than to any Kingswood Shareholders with addresses in any Restricted Jurisdiction) as soon as reasonably practicable and in any event within 28 days of the date of this announcement. HSQ has sought and obtained the consent of Kingswood to despatch the Offer Document and Form of Acceptance to Kingswood Shareholders within 14 days of this announcement. As the Offer will be unconditional from the outset, settlement of consideration to accepting shareholders will be made in accordance with the requirements of the Takeover Code, within 14 calendar days of receipt of a valid acceptance.
7. The Offer will be made on the further terms and will be subject to the further terms which are set out in this Appendix 1, those terms which will be set out in the Offer Document and (in respect of Kingswood Shares in certificated form) the Form of Acceptance and such further terms as may be required to comply with the Takeover Code and applicable law.

APPENDIX 2

SOURCES OF INFORMATION AND BASES OF CALCULATION

In this announcement, unless otherwise stated or the context otherwise requires, the bases of calculation and sources of information are used as described below:

1. Financial information relating to Kingswood has been extracted or derived (without any adjustment) from (i) the annual report and accounts of Kingswood for the year ended 31 December 2023 (ii) the interim accounts of Kingswood for the six months to 30 June 2024 and (iii) the AUA&M and the indebtedness of the Company as at 31 December 2024 from Kingswood management accounts.
2. References to the existing issued ordinary share capital of Kingswood and the existing issued Kingswood Shares are to the number of Kingswood Shares in issue as at the Lastest Practicable Date, which was 686,184,011 Kingswood Shares as disclosed by Kingswood in the Rule 2.4 announcement.
3. It is assumed that there are no Kingswood Shares which will be issued on or after the date of the announcement pursuant to the Kingswood share plans, given that all of the options issued pursuant to the Kingswood share plans as at the Last Practicable Date have exercise prices higher than the Offer Price.
4. The international securities identification number for Kingswood Shares is GG00BKY4K072.

APPENDIX 3

IRREVOCABLE UNDERTAKINGS

The following holders or controllers of Kingswood Shares have given irrevocable undertakings to accept, or procure the acceptance of the Offer:

Part A: Director shareholder irrevocable undertakings

Name	Registered Holder	Number of Kingswood Shares	% of Voting Shares as at the date of this announcement
David Hudd	W B Nominees Limited	650,000	0.09
Jonathan Freeman	Hargreaves Lansdown (Nominees) Limited	87,750	0.01
TOTAL	-	737,750	0.10

The undertakings listed in this Part A cease to be binding if:

- the Offer Document is not published within 28 days of the date of publication of this announcement or such later date as HSQ and the Company may agree, with the consent of the Panel;
- the Offer lapses or is withdrawn and no new or replacement offer or scheme of arrangement is announced in accordance with the Takeover Code at the same time; or
- HSQ announces, with the consent of the Panel, that it does not intend to make or proceed with the Offer and no new or replacement Offer is announced in accordance with the Takeover Code at the same time.

Part B: Non-director shareholder irrevocable undertakings

Beneficial Holder	Registered Holder	Number of Kingswood Shares	% of Voting Shares as at the date of this announcement
Gary Wilder	Seguro Nominees Limited	1,115,001	0.16
Jonathan Massing	Interactive Investor Services Nominees Limited	350,000	0.05

TOTAL	-	1,465,001	0.21
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The undertakings listed in this Part B cease to be binding if:

- the Offer lapses or is withdrawn and no new or replacement offer or scheme of arrangement is announced in accordance with the Takeover Code at the same time; or
- HSQ announces, with the consent of the Panel, that it does not intend to make or proceed with the Offer and no new or replacement Offer is announced in accordance with the Takeover Code at the same time.

APPENDIX 4

DEFINITIONS

AIM	the market of that name operated by the London Stock Exchange;
AIM Rules	the AIM Rules for Companies published by the London Stock Exchange, as amended from time to time;
announcement	this announcement of which the appendices form part;
Articles	the memorandum and articles of incorporation of the Company from time to time;
AUA&M	assets under advice and management
Business Day	a day (other than Saturdays, Sundays and public holidays in the United Kingdom) on which banks are generally open for business in London and Guernsey;
Cavendish	Cavendish Capital Markets Limited;
Code or Takeover Code	the City Code on Takeovers and Mergers;
Companies Law	the Companies (Guernsey) Law, 2008, as amended;
CREST	the relevant system (as defined in the Regulations) in respect of which Euroclear UK & International Limited is the Operator (as defined in the Regulations);
Day 21	the 21st day following the date on which the Offer Document is published, being the minimum period for which the Offer must remain open for acceptance in accordance with the Code;
De-Listing	the cancellation of admission of the Kingswood Shares to trading on AIM;
De-Listing Application	the application made by Kingswood on the date of this announcement to the London Stock Exchange for cancellation of admission of the Kingswood Shares to trading on AIM;
Dealing Disclosure	as defined in the Takeover Code;
Directors or Board	the directors of the Company or any duly authorised committee thereof, and "Director" means any one of them;
Excluded Shares	means:

	(a) shares held as treasury shares; (b) shares held by HSQ; (c) shares held by a nominee of HSQ; (d) shares held by a holding company, subsidiary or a fellow subsidiary of HSQ or a nominee of such a holding company, subsidiary or fellow subsidiary; (e) a body corporate in which HSQ is substantially interested; (f) a person who is, or is a nominee of, a party to a share acquisition agreement with HSQ; or (g) shares acquired by HSQ during the offer period at a price other than the offer price save where the offer price is raised to match the offer price;
FCA	the Financial Conduct Authority or its successor from time to time;
fellow subsidiary	has the meaning ascribed to it in the Companies Law;
Form of Acceptance	the form of acceptance relating to the Offer which, where appropriate, will accompany the Offer Document;
Group	Kingswood and its subsidiaries;
hard copy form	a document, an announcement or any information will be sent in hard copy form if it is sent in a paper copy or similar form capable of being read;
holding company	has the meaning ascribed to it in the Companies Law;
HSQ	HSQ Investment Limited, a private company incorporated in England and Wales with registered number 12156807;
Independent Kingswood Directors	the independent Kingswood directors of the Board being, Peter Coleman, Jonathan Freeman, Gemma Godfrey, David Hudd, and Jane Millar;
Independent Kingswood Shareholders	the Kingswood Shareholders other than HSQ, Jonathan Massing and Gary Wilder
Kingswood or the Company	Kingswood Holdings Limited, a non-cellular company incorporated in Guernsey with company number 42316;
Kingswood Shareholders	holders of Kingswood Shares;
Kingswood Shares	ordinary shares in the capital of Kingswood;
KPI	KPI (Nominees) Limited, a private company incorporated in England and Wales with registered number 05723493;
Last Practicable Date	close of business on 17 March 2025, being the Business Day immediately prior to the date of this announcement;
London Stock Exchange or LSE	London Stock Exchange plc or its successor from time to time;
Offer	the offer to be made by HSQ to acquire the Kingswood Shares subject to the terms and conditions described in this announcement and the further terms to be set out in the Offer Document and, in the case of certificated Kingswood Shares,

	the Form of Acceptance and, where the context so requires, any revision, variation, extension or renewal of such offer;
Offer Document	the formal document setting out the full terms and conditions of the Offer, to be posted to Kingswood Shareholders (other than certain Overseas Shareholders);
Offer Period	the offer period (as defined in the Takeover Code) relating to the Company that commenced on 12 March 2025 and ending no earlier than 15 April 2025;
Opening Position Disclosure	has the meaning given to it by Rule 8 of the Takeover Code;
Overseas Shareholders	any Kingswood Shareholders who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom or Guernsey;
Panel	the Panel on Takeovers and Mergers;
Pollen Street	Pollen Street Capital Limited, a private company incorporated in England and Wales with registered number 08741640;
Regulatory Information Service	the regulatory information service as defined in the handbook of rules and guidance made by the FCA;
Restricted Jurisdiction	any jurisdiction where the making of the Offer would: (a) constitute a violation of the relevant laws and regulations of such jurisdiction; or (b) result in a requirement to comply with any governmental or other consent or any registration, filing or other formality which HSQ or Kingswood regards as unduly onerous;
subsidiary	has the meaning ascribed to it in the Companies Law;
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland; and
US or United States	the United States of America, its territories and possessions, any state of the United States, the District of Columbia and all other areas subject to its jurisdiction.

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