

AN EXCEPTIONAL 2021 WITH FURTHER OPPORTUNITY FOR *GROWTH*

**INVESTOR & ANALYST
PRESENTATION**

June 2022

Exceptional progress against our objective to become a leading international fully integrated wealth and investment management business

Group Financial

- ✓ Record levels of Group revenues of £150m and £6.3m Operating Profit
- ✓ Material improvements in financial performance across Investment Management, Wealth Planning and Kingswood US
- ✓ Organic and Inorganic AUM/A growth
- ✓ Balance Sheet strength through operating cashflows and additional Pollen Street Capital investment

UK

- ✓ Completed 4 acquisitions in the UK during 2021 and a further 5 in H1'22, increasing UK AUM/A to c.£7.0bn
- ✓ The strategic acquisition of IBOSS transforms our Central Investment Proposition and gives us a long-term track record of high performance and award-winning service proposition
- ✓ Launch of 'Kingswood Go', providing clients with easier online access to their investment portfolio

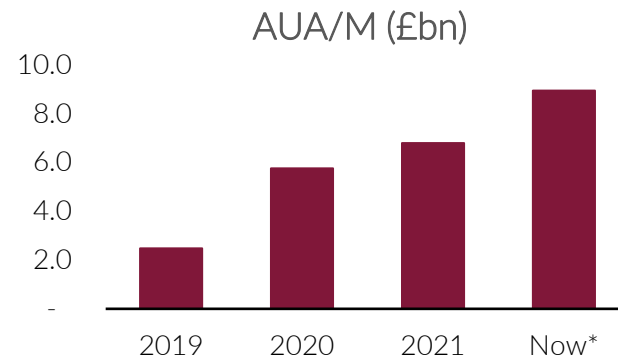
US

- ✓ US registered representatives increased 21% to 212 in the 2021, driving an increase in US AUM to c.\$2.5bn
- ✓ The Kingswood US Investment Banking business completed over 100 transactions with over \$9.0bn capital raised for clients

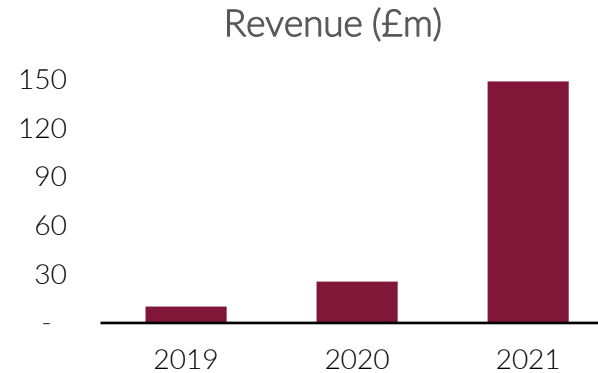
A Growing Business



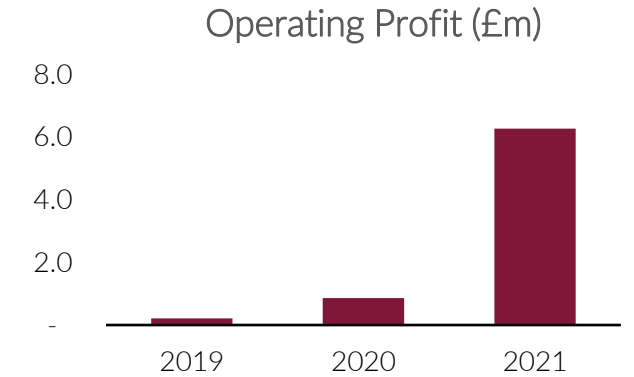
Transformative growth across our key business metrics during the year and into 2022



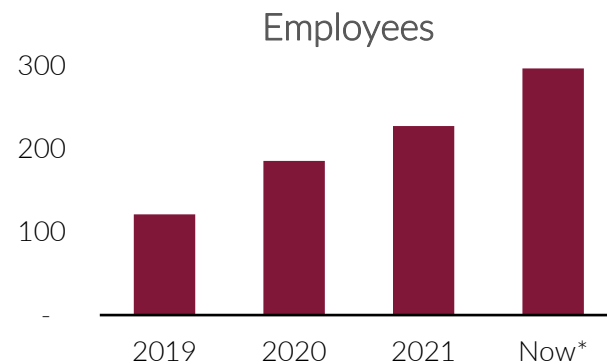
£6.8bn AUM/A at Dec'21, and now c.£9.0bn following a 5 further UK acquisitions in H1'22



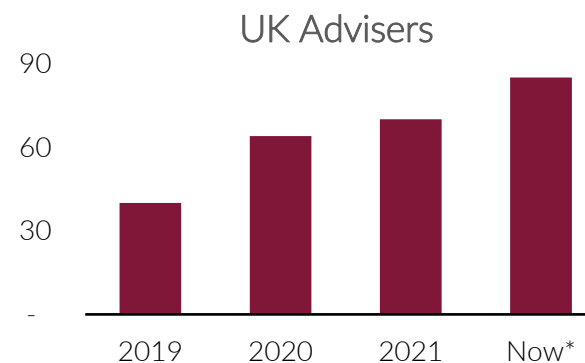
6x Revenue increase in 2021 achieved via both Organic and Inorganic growth



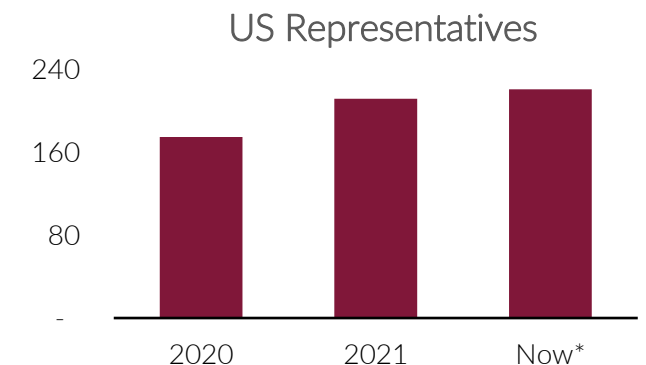
7x YoY growth in Operating Profit demonstrates the success of our buy and build strategy



We now employ circa 290 people across the business globally



85 UK advisers operate across 18 regional offices to provide value to our client base



Growth in US registered representatives has driven an increase in AUM of \$0.5bn in 2021

* As at April 2022



Business Overview

The Kingswood Business Model



A diversified portfolio of services across the UK and US solidifying our position as a fully integrated wealth and investment management business

UK Kingswood

US Kingswood



WEALTH PLANNING



INVESTMENT MANAGEMENT



INSTITUTIONAL



INDEPENDENT BROKER-DEALERS



REGISTERED INVESTMENT ADVISORS



INVESTMENT BANKING

Holistic financial advice covering:

- Investments, pensions & protection
- Estate & mortgages
- Tax planning

AUA £4.0bn as at Apr22
2021 Revenue £17.2m
88% recurring revenue

Tailored risk focused investment management offering, including:

- Managed portfolio service
- Discretionary service
- Personal / bespoke portfolio Service

AUM £2.0bn as at Apr22
2021 Revenue £3.0m
81% recurring revenue

Institutional offering leverages our investment management capability to provide liquidity management, treasury and investment services to local councils and universities

AUM £1.0bn as at Apr22
2021 Revenue £1.7m
70% recurring revenue

Offers clients a wide range of investment opportunities, including:

- Alternatives
- Mutual Funds
- Equities
- Insurance

AUM \$1.9bn as at Apr22
2021 Revenue \$27m
5% recurring revenue

Holistic financial advice covering:

- Independent Advisory
- Investment Management
- Tax mitigation strategies
- ESG/SRI

AUM \$0.7bn as at Apr22
2021 Revenue \$6m
100% recurring revenue

Suite of customised solutions within public and private investment banking, middle and emerging growth markets:

- Equity Capital Markets
- Debt Capital Markets
- M&A & Advisory

\$9bn raised for clients
2021 Revenue \$143m

Strong performance in 2021 across the 6 businesses

Business overview



Vertically integrated wealth and investment management across the UK and US, with deep operational capability and capacity

Richard Bernstein
UK CRO
20+ years

Jon Millam
Group CFO
25+ years

David Lawrence
Group CEO
30+ years

David Hudd
Chairman
30+ years

Mike Nessim
US CEO
25+ years

Val Peters
US COO
10+ years

Harriet Griffin
UK COO
15+ years

David Martin
US CCO
10+ years

Regional hubs
Kingswood Satellite offices

Sheffield: c.18 advisers
Hull: c.26 advisers
London: c.19 advisers

OSJ
Kingswood Operational hubs

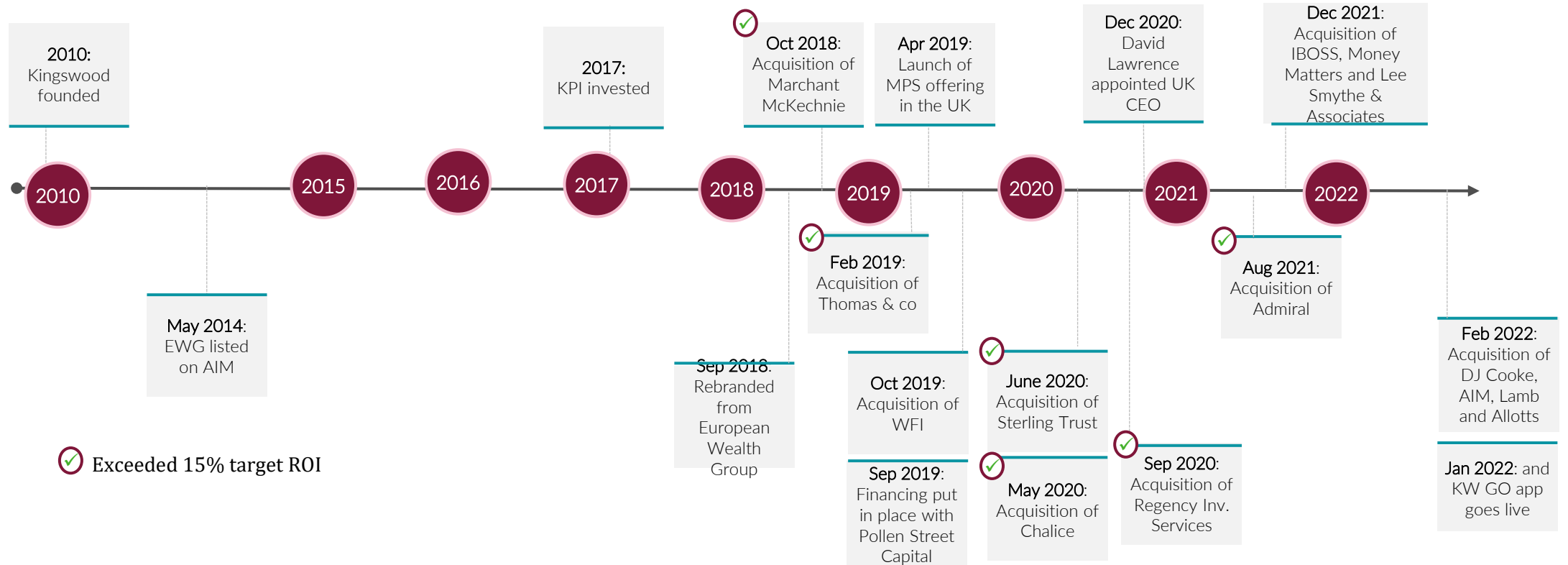
New York, NY: c.96 Registered Reps
San Diego, CA: c.100 Registered Reps
Atlanta, GA: Operational Hub

Note: Kingswood is currently represented in 50 states across the US

Our History



A history of growth and innovation, bolstered by successful acquisitions



AUM development (£bn)



The business has made continuous progress over the last 10 years fuelled by M&A and organic growth



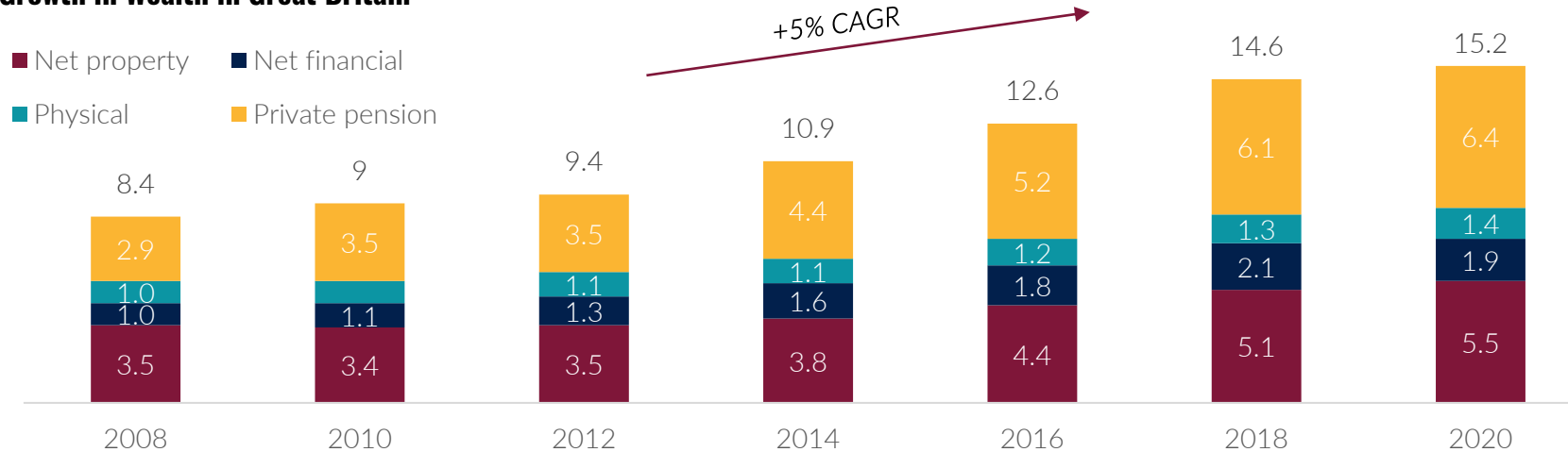
UK overview

UK Market - Overview



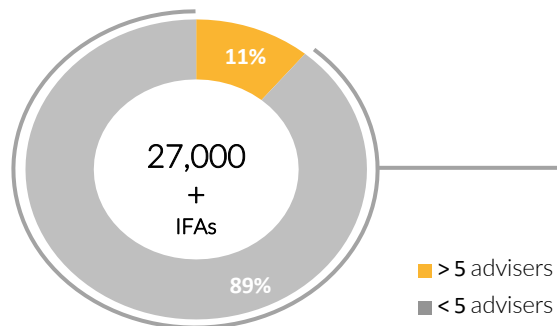
The UK wealth and investment management sector is large and offers long-term growth characteristics

Growth in Wealth in Great Britain



UK advice market remains ripe for ongoing consolidation.

Kingswood will win by having a flexible model as coupled with a deep functional expertise.



- 89% of UK IFA firms have less than 5 advisers
- "Three in five financial planners looking to sell"⁽¹⁾
- Advisers looking to retire or lower burden of admin/costs seeking an exit

1. One of the world's **largest wealth markets**, estimated at **£15 trillion**
2. Net Financial Wealth and Private Pension Wealth, Kingswood's core focus areas, have been the **fastest growing segments**, growing at **6.5% CAGR since 2008** versus the wider wealth market growing at 5%.
3. Favourable tailwinds are benefitting the industry including an **ageing population**, **house price appreciation** and favourable economic conditions
4. Pension reform, including **pension auto-enrolment** and pension freedoms to access and manage assets have been additional key drivers of asset growth
5. Typical investment portfolios are diversified across asset classes and have proved to be **resilient in recently volatile markets**, increasing confidence in wealth investment products and services

Kingswood will capture market trends in growth and the significant acquisition opportunity

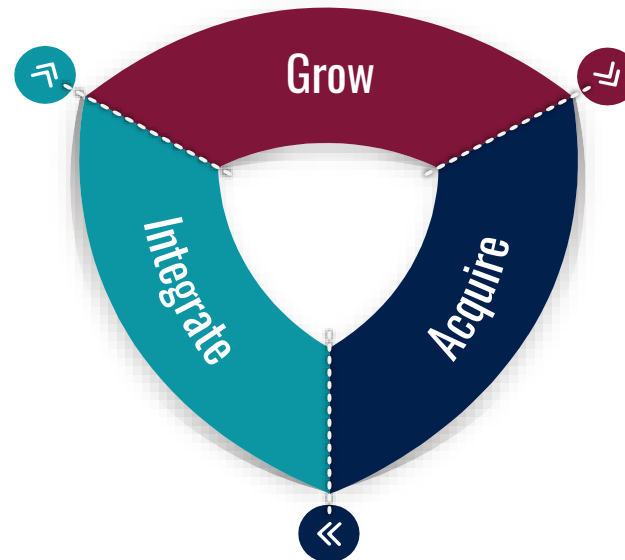
Continue to build a leading, integrated wealth and investment manager in the UK organically and inorganically

Growth Enablers

- Creating adviser capacity for organic growth through more efficient processes
- Increasing adviser productivity, re-balancing a focus on retention with that on new business
- Optimising client journeys driving efficiency in support ratios
- Creating complementary Mass Affluent / Affluent and HNW client propositions that are clear and value for money
- Maintaining a strong investment performance vs ARC and risk benchmarks
- Delivering optimal flows from wealth planning activity into the investment management proposition via new client activity and existing suitable client migration

Integration Approach

- Focused due diligence and establishment of steps during pre-completion phase
- 3 clear transition states to conclude an integration for a mid-sized acquisition within 3 months of completion



Acquisition Enablers

- Businesses that have a strong fit with our culture, proposition and can offer synergistic benefits, opportunity to drive client flows to our investment proposition and organic growth opportunities .
- Deliver a return on capital in excess of 20%

Kingswood has a clearly defined strategy to develop the business creating goal congruence across the group

Continue to build a leading, integrated wealth and investment manager in the UK organically and inorganically



- Leading NPS and CSAT scores.
- Strong recommendation ratings with sites such as Vouched For.
- High social media and digital engagement rates.

- Single sign-on, Single client view app - Kingswood Go.
- End to end client journey technology transformation.
- Enterprise IT transformation



- Clear replicable processes with ability to integrate over three months post purchase.
- Capability across both share and asset purchase arrangements including purchases from networks.



- Adviser academy, job families and career paths
- Progressive working practices
- Active promotion of L&D



Citywire Adviser Choice awards 2022 winner for:

- Best Reporting
- Best communication in a crisis

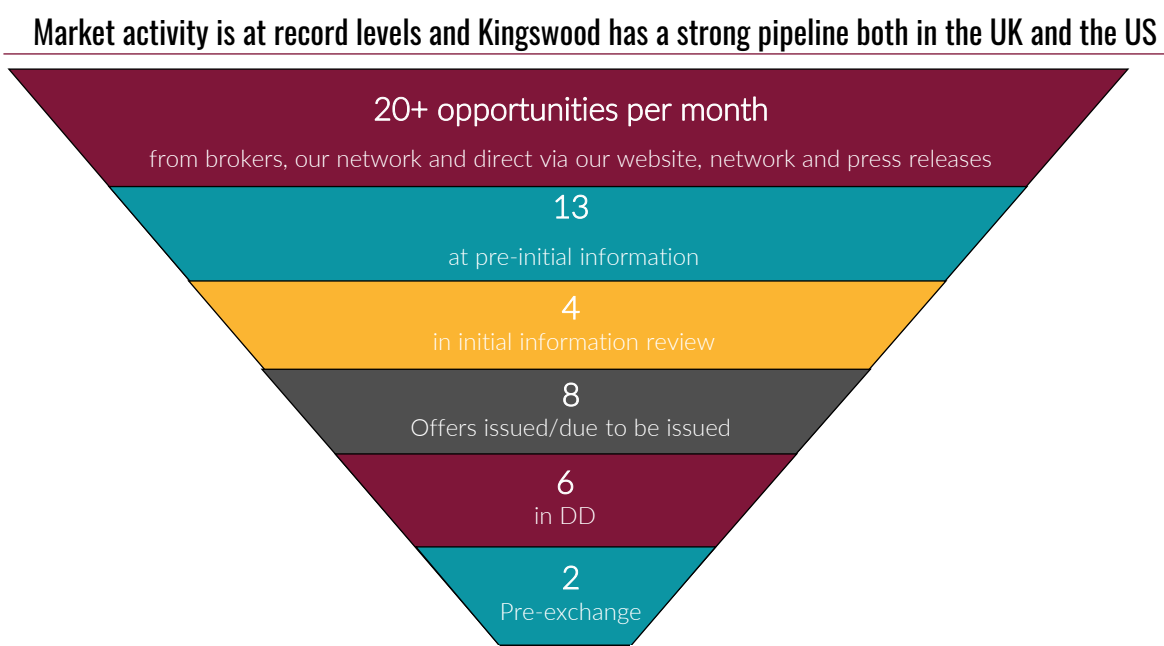
Shortlisted for 8 out of 12 categories.

- Strong organic growth credentials with lead flow from traditional and digital sources .
- Open market distribution to IFA's through IBOSS.
- Businesses acquired are all on a growth trajectory.





The fragmented UK market presents a significant opportunity for consolidation to drive growth, with over £7bn of AUM identified



| EBITDA (£m) | AUA (£m) |
|-------------|----------|
| - | - |
| - | 1,442 |
| - | 2,433 |
| 7.0 | 1,823 |
| 6.8 | 1,552 |
| 0.9 | 220 |
| 14.7 | 7,470 |

- Kingswood has established itself as a leading consolidator in the market as is recognised for its flexible, reliable and trustworthy approach.
- The business has deep relationships with key introducers across the market and hence, has visibility over the majority of market transaction activity
- Given the investment in its infrastructure, in particular its internal M&A function, Kingswood can react quickly to information and leads, managing several deals concurrently.
- This is evidenced through the growing pipeline of high quality deals which continues to grow
- Alongside its ability to offer a discretionary service and high quality products which other consolidators are not able to provide

Kingswood is one of the leading consolidators in the wealth management market



US Overview

US Market - Overview



Large and growing addressable market with favorable tailwinds

Market Landscape

Independent Broker-Dealer Industry Stats

58,419

Advisors

\$2.8tn

AUM

20.0%

Share of total advisors

12.3%

% of total AUM (2019A)

12.8%

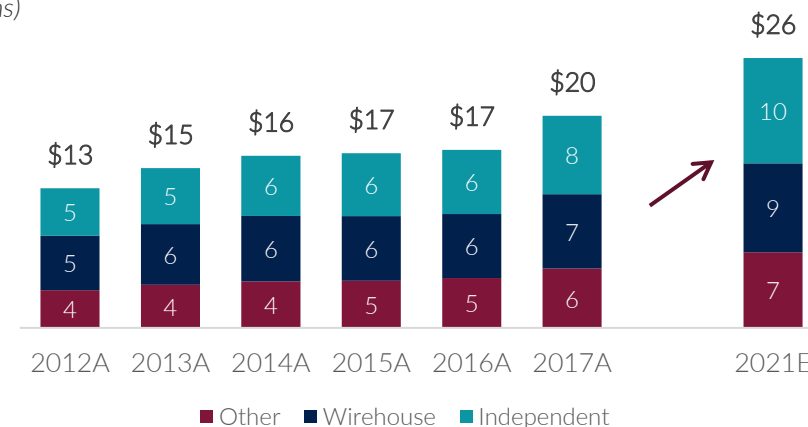
% of total projected AUM (2022E)

7.5%

10-Year AUM CAGR

Independent Channel Increasing Market Share

(\$ in trillions)



Market Landscape

The US is the largest wealth management market in the world with assets exceeding \$25tn

Kingswood benefits from having access to a large addressable market that continues to grow as clients accumulate wealth

General shift towards independence as advisors seek greater control over their books and increased compensation

Kingswood's comprehensive financial planning value proposition continues to attract advisors seeking independence

Increasing importance of planning and fee-for-service business model

Kingswood has and continues to meaningfully grow its RIA practice over the last few years and continues to focus on its advisory capabilities

Increasing adoption of fee-based service models and proliferation of wealth management technology

Kingswood's robust technology capabilities provide increasingly sophisticated advisors and clients with the tools they require to accomplish their goals.

US Growth plan to be delivered by through 4 key pillars

- Kingswood Capital Markets ("KCM"), an investment banking business, with 30 bankers and 10 support staff, headquartered in New York.
- KCM is a global full-service middle market investment bank dedicated to providing strategic advice and financing solutions.
- In 2021, KCM completed over 100 transactions with a total of \$9bn capital raised for clients

- Investing in a robust technology infrastructure will provide advisors with a superior integrated wealth management platform offering products such as Annuities, Equities, Alternatives, and Mutual Funds
- Kingswood has integrated a new fully automated alternative platform (Altigo), a fully automated CRM (Keap), and a leading back-office processing system (Artisan)

Key strategic initiatives to deliver additional profitability and enhanced valuation potential



- Acquiring high quality small to mid-size registered investment adviser firms and independent broker-dealers
- Creating synergy benefits by leveraging Kingswood US' robust operational capacity
- Current acquisition pipeline of over \$10bn AUM/A and in excess of \$10m EBITDA

- Recruitment of high quality independent advisors and registered representatives will bring additional AuM/A and earnings potential
- Recruitment is facilitated through an experienced 6 person in-house recruitment and acquisitions team
- In 2021, Kingswood recruited 37 registered representatives adding a further \$0.5bn in AUM/A

Kingswood aims to build a top 5 US independent wealth adviser with a national footprint



Financials

2021 Financial Performance



Strong performance across the Group with record levels of Revenue and Operating Profit in 2021

| £'000 (unless otherwise stated) | 2021 | 2020 | Change (%) |
|----------------------------------|----------------|---------------|-------------|
| Wealth Management | 17,214 | 12,915 | 33% |
| Investment Management | 4,652 | 4,240 | 10% |
| Kingswood US | 127,827 | 8,322 | 1436% |
| Other | 23 | - | n/a |
| Total Revenue | 149,716 | 25,477 | 488% |
| Kingswood UK (WP and IM) | 6,144 | 4,273 | 44% |
| Kingswood US | 5,123 | 543 | 843% |
| Division Operating Profit | 11,267 | 4,816 | 134% |
| Central Costs | (4,940) | (3,954) | 25% |
| Group Operating Profit | 6,327 | 862 | 634% |
| Total Equity | 76,898 | 50,152 | 53% |
| Total Cash | 42,933 | 3,899 | 1001% |
| AUM/A (£m) | 6,772 | 5,912 | 15% |
| Key Metrics: | | | |
| UK Recurring revenue % | 87% | 84% | 3% |
| US Recurring revenue % | 7% | 12% | (5)% |
| # UK Advisers | 70 | 64 | 9% |
| # US RIA/BD reps | 211 | 174 | 21% |

- Growth in UK Wealth Planning and Investment Management was underpinned by:
 - ✓ Successfully completed and executed UK business acquisitions 2020/21
 - ✓ Organic growth via vertical integration
- UK recurring revenue increased to 87% in the year due to the growth in MPS AUM
- US Revenue growth reflects strong capital market activity and full 12 months of consolidation into the Group's results
- Central costs increase of 25% reflects strengthening of the Executive Team & Central functions to support a larger business as well as higher Audit Fees
- Cash of £43m and Total Equity of £77m demonstrates the strength of our balance sheet and growth of the business which has been supported by our partnership with Pollen Street Capital
- AUM/A of £6.8bn was 15% higher than 2020, 10% driven from organic growth and 5% through acquisitions. A further £1.5bn was onboarded on 31 Dec'21 following the acquisition of Metnor Holdings Limited

*AUM/A excludes the impact of Metnor Holdings Limited, which was acquired on 31 December 2021 with AUM of £1.5bn. Including Metnor 2021 AUM/A increases to £8.3bn

Further Growth projected across the business via. a continued focus on integration, organic growth and delivery against our acquisition strategy

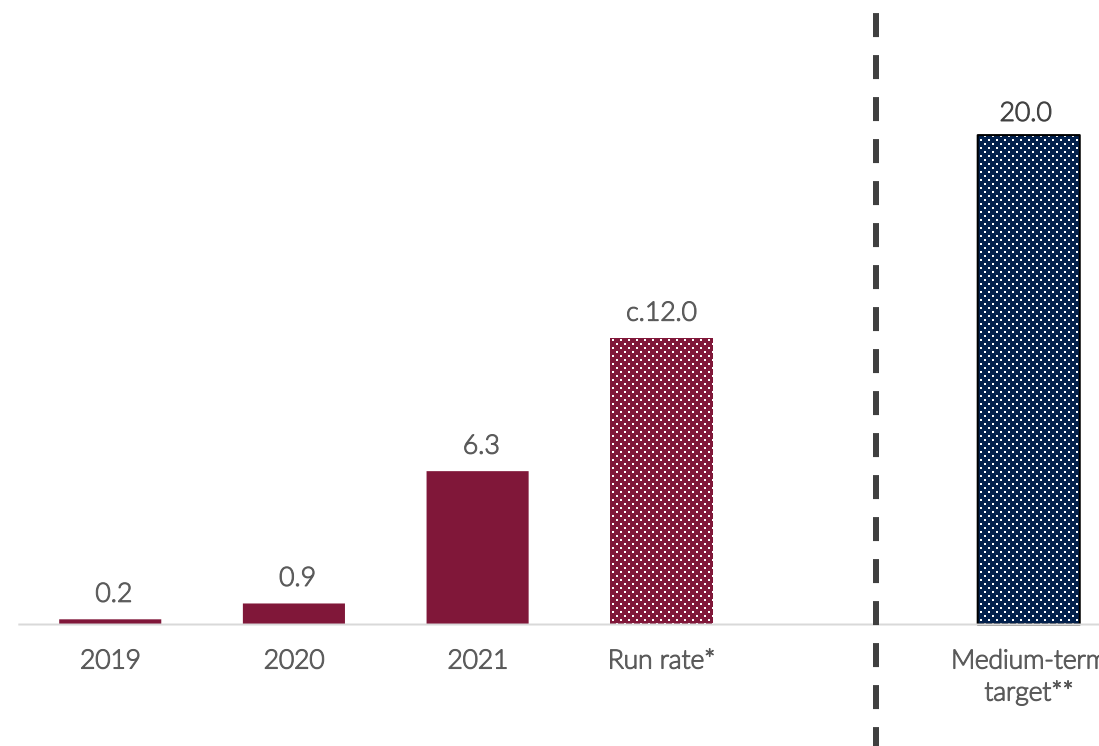
2022

- The business continues to grow organically and inorganically in the first half of 2022
- Kingswood has built another strong pipeline of acquisitions and are in exclusive due diligence with 8 targets. Our near-term target is to build proforma UK AUM/A to over £10bn and £12.5bn globally
- Whilst the business continues to have strong momentum into 2022, revenue and operating profit will be impacted by negative market movement in the UK and lower capital market activity in the US. Given macro-economic inflationary cost pressures we will continue to maintain a disciplined approach to expense management

Medium-Term Forecast

- Our medium-term target remains £20m Operating Profit and we believe that with our current acquisition pipeline and organic growth trajectory this is achievable
- Kingswood's financial strategy is to maintain a robust and disciplined balance sheet to ensure no deferred liability remains uncovered from a funding perspective, and we will continue to have a disciplined approach to cost management

Strong Operating Profit run-rate progression (£m)



*12 month pro-forma operating profit run-rate incorporating existing UK and US acquisitions

** Targeted medium term operating profit run-rate based on current acquisition pipeline