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THIS IS AN ANNOUNCEMENT FALLING UNDER RULE 2.4 OF THE CITY CODE ON TAKEOVERS AND MERGERS ('THE CODE') AND DOES NOT CONSTITUTE AN ANNOUNCEMENT OF A FIRM INTENTION TO MAKE AN OFFER UNDER RULE 2.7 OF THE CODE. THERE CAN BE NO CERTAINTY THAT AN OFFER WILL BE MADE.

THIS ANNOUNCEMENT CONSTITUTES INSIDE INFORMATION AS STIPULATED UNDER THE MARKET ABUSE REGULATION (EU) NO. 596/2014, AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018.

For immediate release

12 March 2025

Kingswood Holdings Limited

("Kingswood", the "Company" or the "Group")

Update on financial position and announcement of possible offer

Kingswood announces an update on its financial position and that it is in advanced discussions with HSQ Investments Limited ("HSQ") regarding a possible cash offer by HSQ for the entire issued and to be issued share capital of Kingswood not already owned by HSQ at a price of 7 pence per Kingswood share (the "Possible Offer").

Company's current financial position and HSQ's financial support

HSQ initially invested in Kingswood in September 2019, providing up to £80m of growth equity capital to the business. HSQ currently holds 68.4 per cent of Kingswood's voting rights and have reiterated their support for the Company.

Notwithstanding the Company's growth in revenues and AUA&M since HSQ initially invested in the Company in 2019, 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. Since the start of 2024, in order to satisfy the working capital obligations of the Company (including to meet deferred payment obligations and debt interest payments on its senior debt facility) HSQ, or affiliates of HSQ, have provided the Company with additional loans, amounting to in aggregate £21 million.

As at 31 December 2024, the unaudited gross debt in the Company from its senior debt facility and the loans provided by HSQ and/or affiliates of HSQ since February 2024 amounted to, in aggregate, £90.7m. Set against this, the Company has imminent obligations which significantly exceed the cash balance available at the end of March 2025. In the absence of new external financial support, the Company would not be able to satisfy these obligations.

HSQ has confirmed that they continue to be supportive of the business but believe that this is 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. The Kingswood Independent Directors are strongly of the view that there is no other near term credible alternative to the Company other than the continued financial support from HSQ.

The Possible Offer

The making of the Possible Offer by HSQ is subject to formalising an in-principle agreement between HSQ and KPI regarding a sale by KPI and purchase by HSQ of KPI's entire shareholding in the Company at a price of 7 pence per share.

The Company also understands that HSQ and KPI have agreed to amend the terms of certain existing arrangements between them for the benefit of KPI (the "Amendment"). The Amendment (to be more fully described in due course) relates to a change for the benefit of KPI in the arrangements between KPI and HSQ described in the Company's announcement of 31 May 2024 (including KPI's indirect interest in the Make Whole Instrument as defined in that announcement).

The Independent Kingswood Directors have informed HSQ that they would be minded to recommend the Possible Offer, if made, to Kingswood Shareholders at this price of 7 pence per share.

There can be no certainty that an offer will be made. Further announcements will be made as and when appropriate.

In accordance with Rule 2.4(c) of the Takeover Code ("Code"), HSQ will be required, pursuant to Rule 2.6(a) of the Code, by no later than 5.00 p.m. on 9 April 2025, to either announce a firm intention to make an offer for the Group, under Rule 2.7 of the Code, or announce that it does not intend to make an offer for the Group, in which case the announcement will be treated as a statement to which Rule 2.8 of the Code applies. The deadline can only be extended with the consent of the Panel on Takeovers and Mergers (the 'Panel') in accordance with Rule 2.6(c) of the Code.

As a consequence of this announcement, an offer period has now commenced in respect of the Company in accordance with the Code and the attention of Kingswood shareholders is drawn to the disclosure requirements of Rule 8 of the Code, which are summarised below.

HSQ have provided their consent to this announcement.

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Important information

This announcement is not intended to, and does not, constitute or form part of any offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities whether pursuant to this announcement or otherwise.

The distribution of this announcement in jurisdictions outside the United Kingdom may be restricted by law and therefore persons into whose possession this announcement comes should inform themselves about, and observe such restrictions. Any failure to comply with the restrictions may constitute a violation of the securities law of any such jurisdiction.

The Company's ordinary shares have not been and will not be registered under the US Securities Act or under the securities laws of any state or other jurisdiction of the United States. Accordingly, the Ordinary Shares may not be offered, sold, resold, delivered, distributed or otherwise transferred, directly or indirectly, in or into the United States absent registration under the US Securities Act of 1933 or an

exemption therefrom. There will be no public offer of the Company's ordinary shares in the United States.

Cavendish Capital Markets Limited ("Cavendish"), which, in the United Kingdom, is authorised and regulated by the Financial Conduct Authority, is acting exclusively for Kingswood and no one else in connection with the Possible Offer and will not be responsible to anyone other than Kingswood for providing the protections afforded to clients of Cavendish nor for providing advice in relation to the Possible Offer or any other matter or arrangement referred to in this Announcement.

Rule 2.9 information

In accordance with Rule 2.9 of the Takeover Code, as at the date of this announcement, Kingswood Holdings Limited has 686,184,011 ordinary shares of 5 pence each in issue and admitted to trading on the London Stock Exchange AIM market. The International Securities Identification Number for the ordinary shares is GG00BKY4K072.

Website publication

In accordance with Rule 26.1 of the Takeover Code, a copy of this announcement will be available on Kingswood's website at www.kingswood-group.com by no later than 12 noon (London time) on 13 March 2025. The content of the website referred to in this announcement is not incorporated into and does not form part of this announcement.

"Disclosure requirements of the Takeover Code (the 'Code')"

Under Rule 8.3(a) of the Code, any person who is interested in 1% 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 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th 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 Code, any person who is, or becomes, interested in 1% 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 offerors, 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 3.30 pm (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."

Market Abuse Regulations

The information contained within this announcement is considered to constitute inside information as stipulated under Article 7 of the Market Abuse Regulations (EU) No.596/2014 as incorporated into UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("UK MAR"). Upon the publication of this announcement via a regulatory information service, this inside information will be considered to be in the public domain. For the purposes of UK MAR, the person responsible for arranging for the release of this information on behalf of Kingswood is Peter Coleman.

Note

References to "Rules" are to the rules of the City Code on Takeovers and Mergers. The terms "offeror", "offeree company", "offer period", "interested" (and related variations), "relevant securities", "deals" (and related variations) and "acting in concert" all bear the same meanings given to them in the City Code on Takeovers and Mergers.