

4 November 2019

Knights Group Holdings plc

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

Acquisition of Emms Gilmore Liberson ("EGL")

Knights enters Birmingham with acquisition of a full-service independent law firm

Knights Group Holdings plc, one of the UK's fastest growing legal and professional services businesses, today announces that it has acquired the entire issued share capital of Emms Gilmore Liberson ("EGL"), a full-service independent law firm in Birmingham.

Acquisition rationale and background

This acquisition takes Knights into a new key market outside London, in line with the Group's strategy to accelerate its organic growth through carefully targeted acquisitions which enhance the core business strengths and are considered a strong cultural fit.

Founded in 2011, EGL is an independent full-service law firm with a commercial focus which will further extend Knights' existing corporate, dispute resolution, real estate and private client service offering. The acquisition will bring an additional 28 fee earners to the Group. The move into Birmingham also sees Knights expanding to nine offices outside London, realising one of its key targets set at the time of IPO.

In its unaudited accounts for the year ending 31 March 2019, EGL reported revenue of circa £4m with a corporatised PBT* margin of circa 15%. Following integration, including the delivery of cost synergies, the Board expects EGL to deliver a PBT margin of approximately 20%. The acquisition will be immediately earnings enhancing.

Terms of the acquisition

Under the terms of the acquisition, Knights will acquire EGL from its four existing shareholders ("the Sellers") on a debt free, cash free basis for a total consideration of £4.7m. This comprises an initial consideration of £3.034m, made up of £1.367m in cash and £1.667m in 515,057 new ordinary shares in Knights (the "Consideration Shares"), along with deferred cash consideration of £1.667m to be paid over two years, subject to conditions being met. Excess cash balances in the business will also be distributed to the Sellers. The cash consideration will be satisfied from Knights' existing facilities. In addition, restricted stock awards in respect of 30,904 new shares will be issued to EGL's four salaried partners upon completion and will vest subject to those salaried partners remaining in employment with Knights one year after completion.

Application has been made to the London Stock Exchange for the admission of 548,914 new ordinary shares to trading on AIM. Of these shares, 545,961 represent the Consideration Shares and 2,953 reflects the issue of new ordinary shares issued to two former Knights employees following the exercise of their SAYE scheme options. Admission of the new shares is expected to take place at 8.00am on 5 November 2019. The Company's total issued share capital following admission will consist of 73,875,075 ordinary shares of 0.2 pence each with one voting right per share. This figure may be used by shareholders as the denominator for the calculations by which they will determine if they are

required to notify their interest in, or a change to their interest in, the share capital of the Company under the FCA's Disclosure and Transparency Rules.

Commenting on the acquisition, David Beech, CEO at Knights, said:

"We are delighted to have entered the Birmingham market today with the acquisition of EGL, which is one of the few well-established, full-service independent firms in the city.

"As our fifth acquisition since listing in June 2018, we are delighted to build on our strong momentum with the new team providing us with an exciting platform from which to grow our share in this new market, through both lateral hires and bolt on acquisitions."

Stephen Gilmore, partner of EGL, added:

"Since formation in 2011, we have grown EGL's client base and team rapidly. Our high calibre team's focus on providing a commercial but personal service to clients is closely aligned to the Knights culture and model. We look forward to continuing to deliver on our ambitious growth plans in Birmingham as part of a larger Group."

**PBT has been referenced as it provides a truer reflection of profitability than other profit metrics post introduction of IFRS16.*

Ends

Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 until the release of this announcement.

Enquiries

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Notes to Editors

Knights is a fast-growing, legal and professional services business, ranked within the UK top 100 largest law firms by revenue. Knights was one of the first law firms in the UK to move from the traditional partnership model to a corporate structure in 2012 and has since grown rapidly. Knights has specialists in all of the key areas of corporate and commercial law so that it can offer end-to-end support to businesses of all sizes and in all sectors. It is focussed on key UK markets outside London and currently operates from nine offices located in Birmingham, Cheltenham, Chester, Derby, Leicester, Manchester, Oxford, Stoke and Wilmslow.