EXECUTIVE SUMMARY

Kinovo plc

Public - Data Diligence — Methodology Demonstration

Retrospective methodology demonstration

Source cutoff: **8 May 2025 (inclusive)** · Run date: 6 September 2026 · Public data only

Target: Kinovo plc (AIM: KINO), Companies House 09095860 · No conclusion or recommendation is offered

Prepared by Moneta Intelligence

Public sources only, frozen at the cutoff – a demonstration of method, not an investment, credit, or onboarding recommendation.

September 06, 2026

FOR METHODOLOGY DEMONSTRATION ONLY · NOT INVESTMENT ADVICE

Methodology Demonstration Diligence Assessment

Contents:

HOW THIS WAS PRODUCED

This document is the executive summary of an automated public-data diligence run, produced to demonstrate method. The run was frozen at a source cutoff of **8 May 2025 inclusive**. Every page, filing and announcement admitted to the evidence base had to prove a date on or before that day; anything it could not prove was excluded and logged.

- **Sources admitted:** 92 regulatory announcements (RNS) dated 2019–2024 with their release dates; the company's audited accounts for FY2021–FY2024 from the Companies House register (filing dates on the register), read by local optical character recognition; 160 pages and 54 documents from the company's own website as captured by the Internet Archive on or before the cutoff (38 readable; the Archive's copies of the large annual reports were truncated, so the audited accounts were taken from the register instead); 103 register filings and 19 officer records as at the cutoff; a small number of dated third-party pages.
- **Sources refused:** the company's live website (it now redirects to a successor), LinkedIn, Instagram, Crunchbase and PitchBook (present-day feeds), and 140 search-engine snippets that leaked later material despite a date filter. 297 exclusions and 46 manual review decisions are in the run ledgers.
- **Method:** fact extraction from 528 evidence chunks (3,815 facts); five pillar analyses; a public-path valuation using dated sector reference multiples (January 2025) and no live market data; an executive synthesis. Models were instructed that the date was 8 May 2025 and not to use later knowledge. Outputs were screened after every stage for the acquirer's name, the offer price and offer-period language; none appears.
- **Human role:** choosing the target and cutoff, approving search terms, dating undated documents by hand, excluding leaked material, and writing this box and the appendix. No analytical sentence was edited.

WHAT THE ENGINE COULD NOT HAVE SEEN

Kinovo's financial year ends 31 March. At the cutoff the latest published accounts were the **FY2024 audited accounts (year ended 31 March 2024)** and the **H1 FY2025 interim results** (six months to 30 September 2024, published 26 November 2024: revenue £29.6m, down 3% year on year). FY2025 full-year results had not been published. The analysis therefore rests on an audited balance sheet roughly **13 months old** and half-year figures roughly seven months old, which is the position any outside analyst would have been in on 8 May 2025. Where the text says a date "has now passed without evidenced confirmation", that is this constraint speaking, not a finding that the event did not occur.

This synthesis rests on public sources only – Companies House filings, RNS announcements, vendor case studies and press – with no data room; it can establish trajectory and disclosed positions but not current contract status, facility renewals or internal KPIs. The public record shows a genuine operational turnaround: continuing-operations gross margin expanded from 26.3% (FY23) to 30.7% (H1 FY25) with FY24 adjusted EBITDA of £6.7m, underpinned by a full retrofit/compliance accreditation stack, first-position NHMF framework rankings and £175.2m of three-year visible revenue (99% recurring). Against that sit a legacy DCB (Kent) liability that escalated five times from ~£4.0m to £12.9m before being capped by a £2.2m instalment settlement still in payment, a thin balance sheet (£0.9m net debt at 30 September 2024) reliant on on-demand HSBC facilities whose stated end-April 2025 renewal date has now passed without evidenced confirmation, and unusual governance friction – shareholders voted down the auditor's reappointment, the LTIP and pre-emption authorities at the 2024 AGM against a ~29% concentrated holding with ambiguously attributed ultimate ownership. The core intelligence question is whether the disclosed clean-up (DCB releases, facility renewal, Spokemead contract renewals beyond March 2025, key contract rebids) has actually completed – none of which the public record dated before today can confirm.

VALUATION RANGES PRODUCED BY THE ENGINE (ENTERPRISE VALUE, £)

METHOD	BASIS	RANGE
Comparable multiples, EV/EBITDA	FY2024 adjusted EBITDA £6.7m × 5.5–8.0x (sector reference dated January 2025, small-cap discounted)	**£36.9m – £53.7m**
Comparable multiples, EV/Revenue (cross-check)	FY2024 revenue £64.1m × 0.4–0.8x; then a −15% haircut applied by the engine for decelerating growth	**£25.7m – £51.3m raw; £21.8m – £43.6m adjusted**
Engine's stated anchor	The narrative module selected the adjusted revenue range as its anchor ("Comparable Company Analysis"); the EBITDA range is reported alongside it. The choice is the engine's and is not endorsed or overridden here.	**£21.8m – £43.6m**

Net debt at 30 September 2024 was £0.9m (interims). Equity value is enterprise value less net debt; the engine did not compute a per-share figure. No market price was used. A venture-method leg not applicable to a listed contractor is retained in the full report.

WHAT A PROOF OF CASH WOULD REQUIRE, AND WHY IT CANNOT BE PERFORMED HERE

On a private-company engagement this engine's most credible section is a Proof of Cash: reported revenue is tied, month by month, to actual bank deposits, using the seller's general ledger, trial balance and bank statements. It is only possible because the seller opens the books. Kinovo was a listed company and this run used public data only. There is no ledger, no bank statement and no trial balance, so no Proof of Cash was attempted and none is implied. The engine's quality-of-earnings module, which requires that bridge, correctly refused to run and was not forced.

What a listed company offers instead is third-party assurance a private seller never provides: an audit opinion on each year's accounts, key audit matters, a going-concern statement and continuous regulatory disclosure. The public-company analogue of a quality-of-earnings review therefore reads statutory operating profit against management's adjusted EBITDA, the history of exceptional items, capitalised costs, cash conversion, working-capital movements, the auditor's opinions (a qualified FY2022 opinion; going-concern material uncertainties in FY2022 and FY2023; an FY2024 emphasis of matter) and the provisioning of the legacy construction guarantees. Those are the items the financial pillar above works through. **Different assurance, not less.**

LIMITS OF PUBLIC DATA, AND SCREENING NOT PERFORMED

- **Sanctions and politically-exposed-person screening was not performed.** The engine's earlier commercial sanctions connector has been removed; a public-list name check (OFAC, UK OFSI, EU) ran on the company name only and returned no match. No adverse-media or PEP screening of individuals was carried out, and no individual is assessed here.
- **Public data cannot establish:** current bank-facility terms or renewal, the secured-versus-assumed split inside "visible revenue", contract-level margins, the ledger behind the reported numbers, the identities behind the disclosed top-customer percentages, remaining legacy-settlement payments after November 2024, or management's internal forecasts. Statements about these are framed as questions, not findings.
- **Multiples are reference ranges, not point-in-time peer prices.** The valuation uses sector averages dated January 2025 with a stated small-cap discount; it does not use the company's own share price or any market data after the cutoff.
- This is a methodology demonstration. It is not investment research, not advice, and offers no view on whether any transaction should be done at any price.

Pillar Assessments

PILLAR	RATING	ASSESSMENT
Service Delivery Capability & Operations	ADEQUATE	Kinovo has assembled a credible, accreditation-backed delivery platform across its Regulation, Regeneration and Renewables pillars, with verifiable operational technology gains (a 41% reduction in no-access rates via MRI's Find My Engineer) and the PAS 2030/2035, MCS and TrustMark certifications required to access SHDF/decarbonisation-funded work. However, the direct-labour vs subcontractor mix at current scale is not evidenced, contract mobilisation delays have been disclosed, skilled-labour retention is flagged by the company itself as a principal risk, and the group's own history (P&R gas safety failures, DCB legacy workmanship costs of £12.9m) shows what happens when delivery control slips – making the operational picture solid on capability but unproven on scalable, subcontractor-light execution.

PILLAR	RATING	ASSESSMENT
Market Position & Order Book	ADEQUATE	Kinovo holds a genuinely defensible niche in compliance-driven social housing services in London and the South East, evidenced by first-position rankings on the NHMF framework, a dense portfolio of local authority and housing association direct awards, and three-year visible revenues that grew to £175.2 million (99% recurring) at the November 2024 interims. However, the 'visible revenue' metric is a management construct rather than a contracted order book, client concentration remains high (four customers at 12%, 12%, 11% and 11% of FY24 revenue), several key contracts and framework windows (Haringey gas to September 2025, Sanctuary FY25, SHDF Wave 2023–2025, GFP 2023–2025 investment window) are at or past their stated horizons with no post-dated evidence of renewal, and there is no post-November-2024 trading evidence in the available data as of today.
Financial Performance & Legacy Liabilities	ADEQUATE	The continuing business has delivered a genuine underlying improvement – FY24 revenue of £64.1m with gross margin up 310bps to 29.4% and adjusted EBITDA up 23% to £6.7m, extended in H1 FY25 to a 30.7% gross margin – but statutory results have been dominated by the DCB (Kent) legacy, whose fully-provided cost-to-complete more than tripled from ~£4.0m (2022) to £12.9m (FY24) before being capped via a £2.2m final settlement payable to end-2025. The balance sheet remains thin (net debt £0.9m at 30 September 2024, cash £0.5m at FY24 year-end, reliance on an on-demand £2.5m overdraft and a shrinking £6.0m purchasing card facility), and the HSBC facilities' stated renewal date of end-April 2025 has now passed with no evidence in the available data confirming renewal – a critical verification point given the going-concern history in FY22 and FY23 accounts.
Board, Governance & Management	ADEQUATE	The executive team of David Bullen (CEO since April 2019) and Clive Lovett (Group Finance Director since November 2018) has demonstrably stabilised a business it inherited in crisis, but its credibility carries a significant scar: the DCB (Kent) legacy cost estimate escalated from £4.0 million in 2022 to a cumulative £12.9 million by FY24 through repeated upward revisions. Board-level governance shows material weaknesses – a Chair whose announced departure (September 2022) remained unresolved through the 2024 AGM despite tenure exceeding the QCA nine-year guideline, no Nominations Committee, an ESG Committee that held no meetings in FY24, and unusually severe shareholder dissent at the 2024 AGM, where the auditor's reappointment, the LTIP, and share-allotment/pre-emption resolutions were all voted down.

PILLAR	RATING	ASSESSMENT
Regulatory, Compliance & Risk	WEAK	The dominant legacy risk – parent company guarantee exposure on nine DCB (Kent) construction projects that ultimately cost £12.9 million pre-tax – appears to have been contractually closed out via a £2.2 million settlement on the final project, with RNS disclosure stating financial liabilities under the PCGs have ended; however, the settlement is still being paid in instalments and the scope of latent-defect releases is not fully evidenced. The group carries a poor historical safety-compliance record (P&R's failure to complete hundreds of legally required gas safety checks for East Kent Housing, and overcharging concerns raised by the client, as reported by Inside Housing in August 2019; no prosecution followed), which sits uncomfortably against its current compliance-led positioning, and several current-status items – bank facility renewal past the April 2025 expiry, the MCG Global litigation outcome, and insurance adequacy – cannot be verified from the available record.

Key Strengths

- Three consecutive periods of continuing-operations margin expansion (gross margin 26.3% FY23 → 29.4% FY24 → 30.7% H1 FY25) with FY24 adjusted EBITDA up 23% to £6.7m, ahead of guidance.
- First-position NHMF framework rankings in Greater London and the South East enabling direct awards without competitive tender, converted into real wins including a Hackney direct award of up to £12m over 18 months replacing a £6m p.a. predecessor.
- A full accreditation stack for regulated safety and retrofit work (Gas Safe, NICEIC, TrustMark PAS 2030, MCS incl. Solar PV, ISO 9001/14001/45001), aligned to mandatory-regulation demand drivers and record UK spend on existing housing stock (£7.9bn to March 2024).
- The DCB tail has been contractually capped via the £2.2m settlement with PCG and performance-bond releases on the terminated projects, and up to £2.6m of potential recoveries sit outside the accounts as unrecognised upside.
- Insider conviction is evidenced: directors subscribed ~£0.315m in the 2020 rescue fundraise, PDMRs have repeatedly bought SIP shares at market prices, and 34% of eligible staff joined the 2023/24 SIP.

Key Risks

- The on-demand HSBC facilities that underpin going concern expired on the evidenced terms at end-April 2025 and no renewal is confirmed anywhere in the public record – against £0.9m net debt and a history of going-concern material uncertainties tied to exactly this renewal cycle.
- The DCB cost-to-complete was revised upward five times (~£4.0m to £12.9m), a serial under-provisioning pattern that undermines confidence in management forecasting, and the settlement instalments, release scope and MCG Global counter-claims (up to £3.7m) remain unverified.
- Top-four client concentration of ~46% of FY24 revenue coincides with unresolved near-term contract horizons: Haringey (~£3m p.a.) expires September 2025, the Sanctuary FY25 option is unevidenced, and the FY24 audit carried an emphasis of matter on the Spokemead investment carrying value resting on contract renewals beyond March 2025 – a date now passed without evidenced confirmation.

- Exceptional shareholder dissent – auditor reappointment, LTIP and pre-emption authorities all voted down at the 2024 AGM, with pre-emption failures in 2022 and 2023 – constrains equity flexibility and sits atop an ambiguously attributed ~29% blocking stake.
- Audit and compliance history is troubled: a qualified FY22 opinion, going-concern material uncertainties in FY22/FY23, an FY24 Spokemead emphasis of matter, the P&R statutory gas-safety failure legacy, uncapped contractual indemnities with no evidenced PI/latent-defect insurance detail, and housekeeping lapses (lapsed LEI, PSC filings received over a year late).

Priority Follow-Up Questions

1. Have the HSBC £2.5m overdraft and purchasing card facilities been renewed beyond end-April 2025 – on what limits, pricing, tenor and covenants? Please provide the facility letters.
2. Do the DCB settlement and termination agreements provide full and final releases covering latent defects, collateral warranties and third-party claims on all nine projects; are all £2.2m instalments current; and has the £0.9m performance bond been formally cancelled? What is the status of the MCG Global claim and your up-to-£3.7m counter-claims?
3. Were the Spokemead contract renewals beyond March 2025 – on which the FY24 emphasis of matter and the £8.7m carrying value depended – secured, and what were FY25 revenue, gross margin by pillar and adjusted EBITDA, including whether H2 recovered the Hackney mobilisation delays?
4. Please provide the build-up of the £175.2m three-year visible revenue (contracted versus assumed), the rebid calendar for each client above 5% of revenue, and the current status of the Haringey contract expiring September 2025 and the Sanctuary FY25 extension option.
5. Of the £143m of SHDF funding awarded to your direct clients for the now-closed 2023–2025 window, how much converted into contracted Kinovo revenue and at what margin, and what is the committed pipeline under successor funding (Warm Homes)?

OUTCOME, OUTSIDE THE CUTOFF (ADDED BY THE OPERATOR AFTER THE RUN)

Nothing in this section was available to the engine. It is added so a reader can check the engine's ranges against what the market and an acquirer later paid. It is a comparison, not a verdict, and it says nothing about whether either number was right.

- On 12 May 2025 the company responded to press speculation and an offer period began; on 14 May 2025 a recommended final all-cash offer of **87.5 pence per share** was announced, valuing the fully diluted equity at approximately **£56.4m**. The scheme became effective on 1 July 2025 and the shares were cancelled from AIM on 2 July 2025.
- The closing price on 9 May 2025, the last business day before the offer period, was **62.0 pence**; the one-month volume-weighted average was 58.0 pence. With 63,361,315 shares in issue that is an equity value of roughly **£39m** before the announcement.
- Read against the engine's enterprise-value ranges, adding the £0.9m net debt from the interims: the price paid equates to an enterprise value of roughly **£57m**. **The engine's chosen anchor (£21.8m–£43.6m) came in below what was paid**: its top end is about a quarter short of the deal value. The EBITDA method was closer, topping out at £53.7m, about 7% below the price paid. The pre-announcement market value (about £40m enterprise value) sat inside the EBITDA range and near the top of the adjusted revenue range. The offer document described the premium as

41.1% to the undisturbed price. The difference between the market value and the price paid is the premium a strategic acquirer paid for control and expected synergies, which a standalone valuation is not designed to capture.

- Stated plainly: on this target the engine's own anchor undershot the outcome, and the method it ranked second was the better guide. That is reported as it happened; the ranges were not adjusted after the fact.
- The acquisition announcement is a post-cutoff document. It is quarantined outside the engine's evidence base and cited here only for these figures.

Sources

Every source cited in this summary is dated on or before 8 May 2025: 10 regulatory announcements (Investegate, dated by release date), the audited accounts for the years ended 31 March 2022, 2023 and 2024 (Companies House filed copies, dated by filing date), and 3 archived web pages (dated by Internet Archive capture). The only present-day query was a legal-entity-identifier lookup used to confirm identity. The full ledgers of admitted, excluded and manually reviewed sources, with dates and dating method for each, accompany the run and are available on request.

This executive summary accompanies a detailed due diligence report with full evidence citations across five analytical pillars.