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FOR IMMEDIATE RELEASE

15 February 2022

Honeycomb Investment Trust plc

Combination with Pollen Street to accelerate growth and unlock value for Honeycomb shareholders

- **Combination delivers recurring income and attractive growth opportunities**
- **Accelerates seeding of new strategies and continued growth of existing strategies**
- **Expected to create significant value for Honeycomb shareholders**
- **Shareholders representing c.56.4% of Honeycomb's issued share capital have given their support for the transaction**

The Board of Honeycomb Investment Trust plc (the "**Board**") ("**Honeycomb**"), and the shareholders of Pollen Street Capital Holdings Limited ("**Pollen Street**"), are pleased to announce that they have reached agreement on the terms of a recommended all-share combination. Honeycomb's external investment manager is a member of the Pollen Street group.

Under the terms of the agreement, Honeycomb will acquire the entire issued share capital of Pollen Street in exchange for shares in the Company (defined below), such that the Honeycomb and Pollen Street businesses will be combined into a premium listed commercial company (the "**Combined Group**") owned by the shareholders of Honeycomb and Pollen Street (the "**Combination**"). Pollen Street shareholders will be entitled to receive new Company shares equivalent to 45.53 per cent of the enlarged share capital of the Company. The Combination will be conditional on certain shareholder approvals, including approval of a waiver of Rule 9 of the City Code on Takeovers and Mergers (the "**Code**").

- The Combined Group will benefit from a complementary set of investment management and balance sheet activities, with strong earnings growth. The Combination is expected to deliver:
 - a compelling revenue profile, with an attractive balance of interest income from Honeycomb and recurring fees and fast growth from Pollen Street;
 - a multiplier effect on third party Assets Under Management, through funding commitment in new vintages of existing strategies, as well as providing funding to accelerate the launching and seeding of new strategies;
 - EPS accretion in the second full year post closing for Honeycomb's shareholders¹;
 - the potential for significant re-rating and valuation upside;
 - possibility for increased liquidity on account of broader expected interest, larger market cap and potential future FTSE 250 inclusion; and
 - a differentiated purpose-led asset manager.

¹ The statement that the Combination is expected to be EPS accretive should not be construed as a profit forecast and is therefore not subject to Rule 28 of the Code. It should not be interpreted to mean that the EPS in any future financial period will necessarily match or be greater than those for any preceding financial period.

- The Combined Group’s investment portfolio will continue to invest predominantly in high quality, diversified and low risk asset based direct lending investments, generating stable returns. The investment portfolio profile of the Combined Group is expected to remain in line with the investment profile of Honeycomb on a stand-alone basis.
- It is proposed that the Combined Group will move from being an investment trust to become a commercial company, which the Board believes to be a more appropriate category to support the Combined Group’s growth strategy. Accordingly, it is proposed that Honeycomb will transfer its listing category, such that the holding company of the Combined Group will be a premium listed commercial company owned by the shareholders of Honeycomb and Pollen Street, which may be a new holding company or the existing Honeycomb company (the “**Company**”). Further details regarding the proposed structure of the Combined Group will be set out in the prospectus and circular to be published by the Company in due course.
- The Combined Group will be entitled to 25 per cent of the total carried interest entitlement in the most recent flagship private equity and credit funds of Pollen Street, as well as 25 per cent of the total carried interest entitlement in all future funds established by Pollen Street.
- Under the terms of the Combination, holders of Pollen Street shares will be entitled to receive 29,472,663 new Company shares for Pollen Street’s entire issued share capital, equivalent to 45.53 per cent² of the enlarged share capital of the Company. Based on the closing price of 967.5 pence per Honeycomb share on 14 February 2022 (being the last business day prior to the date of this announcement), the Combination values Pollen Street’s entire share capital at approximately £285m.
- Honeycomb has obtained irrevocable undertakings from Quilter Investors Limited (“**Quilter**”), CC Beekeeper Ltd (an investment entity affiliated with Capital Constellation LP and managed by Wafra Inc. (“**CC Beekeeper**”)), Phoenix Insurance Limited and a related party (together, “**Phoenix**”) and Caledonian Consumer Finance Limited (“**Caledonian**”) to vote in favour of the resolutions required to approve and implement the Combination. These irrevocable undertakings represent approximately 47.4 per cent of Honeycomb’s issued share capital as at 14 February 2022. Irrevocable undertakings have also been obtained from various Pollen Street Partners (defined below), and certain persons closely associated with the Pollen Street Partners, in respect of the Honeycomb shares that each of them currently own, and each director of Honeycomb who holds Honeycomb shares, to vote in favour of the resolutions required to approve and implement the Combination. Together with the irrevocable undertakings given by Quilter, CC Beekeeper, Phoenix and Caledonian, these irrevocable undertakings represent approximately 50.4 per cent of Honeycomb’s issued share capital as at 14 February 2022 (being the last business day prior to this announcement).
- M&G Investment Management Ltd (“**M&G**”) has provided a letter of intent to vote in favour of the resolutions required to approve and implement the Combination in respect of its 2,121,577 Honeycomb shares, for which it is able to exercise all rights, representing, in aggregate, approximately 6.0 per cent of Honeycomb’s issued share capital on 14 February

² The relative ownership in the Company was calculated based on a Honeycomb valuation in line with its Net Asset Value (ex income) of £358.9m as of 31 November 2021.

2022 (being the last business day prior to this announcement). Honeycomb has therefore received irrevocable undertakings and a letter of intent in respect of a total of 19,894,575 Honeycomb shares, representing approximately 56.4 per cent of Honeycomb's issued share capital on 14 February 2022 (being the last business day prior to this announcement).

- Subject to the receipt of regulatory clearances and approval by Honeycomb shareholders, the Combination is expected to close in Q2 2022.

Commenting on the Combination, Robert Sharpe, the Chairman of Honeycomb, said:

"I am delighted that we have reached an agreement to combine Honeycomb and Pollen Street. The combination has a compelling strategic rationale, which will deliver strong operational and financial benefits, and generate future growth opportunities. This, alongside an attractive entry valuation, create potential for significant re-rating and valuation upside. The shares will also become more appealing and accessible for a wider range of investors. The clear strategic and financial logic of the transaction is evidenced by the significant shareholder support we have already received."

Commenting on the Combination, Lindsey McMurray, the Managing Partner of Pollen Street, said:

"Since inception in 2013, Pollen Street has built deep capability across the financial and business services sector aligned with the mega-trends that are shaping the future of the industry as well as building a high-quality institutional infrastructure and an eco-system of expertise and knowledge through its Hub. The transaction represents an exciting opportunity to build upon our strong foundations and further develop the institutional platform of Pollen Street as well as provide capital to support the development of our strategy to build a purpose-led asset management firm. The Combined Group is well placed to capitalise on the structural changes in the financial services industry and projected growth in alternative asset management to deliver value for all stakeholders."

Compelling strategic rationale

The Board of Honeycomb believes that the Combination offers Honeycomb shareholders the opportunity to benefit from a compelling combination with a fast growing and high performing private capital investment manager. The Pollen Street group has acted as Honeycomb's investment manager for over six years, and has delivered consistently strong total returns for Honeycomb's shareholders during this period. The Combination will further align the interests of Honeycomb and the Pollen Street group, with Pollen Street's current management team and investors becoming supportive shareholders in the combined business.

Pollen Street is well positioned to benefit from structural growth and industry tailwinds

Global alternative asset management AUM have grown at approximately 11 per cent CAGR from 2011 to 2021³, and are expected to grow at approximately 12 per cent CAGR from 2021 to 2026 (according to Preqin Ltd). Private equity and private debt are expected to outperform the average market growth, with 16 per cent and 17 per cent AUM CAGRs anticipated from 2021 to 2026 respectively (according to Preqin Ltd).

Pollen Street is a multi-asset and multi-strategy asset manager with flagship private equity and credit strategies (and approximately £3.0bn AUM as of 31 December 2021). The founding partners have been working together for over 16 years, and the team consists of more than 70 employees (including

³ 2021 figure is annualised by Preqin Ltd. based on data to March 2021.

over 30 investment professionals). The business has been growing rapidly, with AUM increasing by approximately 50 per cent in 2021.

Pollen Street is dedicated to making investments aligned with financial and business services mega trends globally, with a focus on investing in sectors that are enjoying strong growth and structural change. Pollen Street's industry expertise and extensive network drive proprietary deal sourcing and bespoke structuring, which have resulted in attractive returns.

Against this backdrop, Pollen Street established a strong and growing investor base of leading institutional investors across its funds. Pollen Street's fundraising for both its private equity strategies and credit strategies has been driven by both attracting new investors and high investor retention from previous fund vintages.

Pollen Street has a proven track record of strong returns at low risk

Pollen Street's private equity strategy focuses on buy-outs of middle-market companies headquartered in Europe, driving revenue-led growth through a combination of structural market growth drivers and active management. Pollen Street has delivered strong returns with an average 28 per cent gross internal rate of return ("IRR") and 2.8x gross multiple on invested capital ("MOIC") in Fund I/II and 26 per cent gross IRR and 2.2x gross MOIC in Fund III. The IRR and MOIC figures are based on financial and business services only, up to Q3 2021.

Pollen Street's credit strategy focuses on providing asset based direct lending to middle market businesses in Europe and the US secured on diverse portfolios of financial and real assets. The strategy is supported by the large and fragmented market which is currently underserved by the banking industry, capital markets and more generalist credit funds creating a favourable investing environment. Pollen Street has invested approximately £2.8bn across 90 deals since 2016, and delivered in excess of 10 per cent gross IRRs from typically senior secured exposures.

Values-based organization with a strong sense of purpose

Pollen Street is a values-based organization, with a strong sense of purpose, aiming to deliver sustainably strong returns for investors in a fast changing environment. It is focused on attracting and retaining top talent, fully aware that the financial services industry has a critical role to play in accelerating the Environmental, Social and Governance ("ESG") agenda. Pollen Street was awarded the "Best Responsible Alternative Investment Team UK 2021" by Capital Finance International magazine, in recognition of its strong track record in ESG activities.

High growth and operating leverage

Pollen Street has delivered strong AUM growth historically, reaching approximately £3.0bn AUM as of 31 December 2021. Pollen Street's core strategies provide a clear route for increasing its AUM, and it expects to reach approximately £4bn-£5bn AUM over the next 2-3 years based on existing products, new vintages of existing funds and new funds for which it is already fundraising or in discussion with investors. This growth is expected to be further accelerated by the strategic use of Honeycomb's balance sheet.

Pollen Street is also well positioned for expansion into other adjacent strategies that would further accelerate its growth, having already established a strong team, track record and sourcing capability through its flagship funds.

The combination of significant AUM expansion, high visibility on income streams, and a strong operating platform, is expected to result in attractive operating leverage and significant growth in profitability for Pollen Street’s investment management business.

Acceleration in growth

The Combined Group will benefit from a complementary set of investment management and balance sheet activities, with strong earnings growth. A combination of Honeycomb and Pollen Street is expected to have a multiplier effect on Pollen Street’s third party AUM, through funding Pollen Street’s commitment in larger vintages of existing strategies, as well as providing funding to accelerate the launching and seeding of new strategies.

The Combined Group’s investment portfolio will continue to invest predominantly in high quality, diversified and low risk asset based direct lending investments, generating stable returns. It is expected that non-credit investments will be a maximum of 10 per cent of the investment portfolio AUM and will increase steadily towards this percentage over the next 3 to 5 years. The investment profile of the Combined Group is expected to remain in line with the investment profile of Honeycomb on a stand-alone basis.

Financial Impact of the Combination

Pollen Street FY21 Financials and Carry Arrangements

The Board conducted extensive due diligence, and believes that the Combination will generate substantial value for Honeycomb shareholders, both because of the attractive valuation of the Pollen Street business, and because of the profile of the Combined Group going forward. In particular the Combined Group will have:

- A balance of recurring fee income and interest income that delivers an attractive and growing revenue profile; and
- Exciting potential to accelerate high quality growth as Honeycomb’s capital can be deployed to unlock a multiplier effect on capital raising and, in doing so, accelerate the growth of new strategies, while continuing to invest the balance sheet predominantly in high quality, diversified and low risk asset-based direct lending investments with a similar returns profile to what Honeycomb currently invests in today

Pursuant to the Combination, the Combined Group will receive 25 per cent of the total carried interest from the most recent flagship PE and credit fund vintage, as well as 25 per cent of the total carried interest entitlement in all future funds established by members of the Pollen Street group.

During the year ended 31 December 2021, carried interest from funds established by the Pollen Street group primarily arose in a prior vintage private equity fund, PSC Private Equity III (“PSC III”). Although carried interest from the PSC III fund is not included in the transaction perimeter, it is considered illustrative of the financial impact of the carried interest entitlement being acquired as part of the transaction, and 25 per cent of this carried interest in FY21 was approximately £6.5m⁴.

If the Pollen Street group had been entitled to this share of carried interest in FY21 in respect of PSC III, and if it had been added to Pollen Street’s total revenue and Adjusted EBITDA in FY21, Pollen

⁴ Carried interest would be recognised according to International Financial Reporting Standard 15 (revenue from Contracts with Customers, or “IFRS 15”) and only to the extent it is highly probable that there would not be a significant reversal of accumulated revenue recognised on the completion of the fund. This estimate is unaudited and based on the unrealised investment valuations for the fund being treated with a substantial valuation discount of between 30 and 50 per cent, depending on the expected remaining holding period and other factors that might influence the valuation.

Street's illustrative total revenue and illustrative Adjusted EBITDA in FY21 would have increased by £6.5m, such they would have been approximately £40.4m and £13.5m respectively.⁵

Guidance for the Combined Group

The Combined Group is expected to deliver:

- £4-5bn medium term AUM (c.2-3 years)⁶
- Between c.1.25 per cent and c.1.50 per cent stable average management fee on average AUM over the long term
- Carry and performance fees representing c.15 per cent to c.25 per cent of total fund management revenue⁷ on average over the long term
- Long term fund management Adjusted EBITDA margin in excess of 50 per cent
- Investment returns of c.8 per cent long term target return on net investment assets⁸
- Dividend for Combined Group expected to be £30m for 2022 (assuming transaction completing in Q2 2022) and £32m for 2023, with the aim of growing the dividend progressively over time (no lower than £33m in 2024); 50% of Consideration Shares payable to Pollen Street shareholders not eligible for dividends until 2024⁹
- The Combined Group may borrow (either directly or indirectly), up to a maximum of 100% of tangible net asset value in aggregate and targets net borrowings in the range of 50 per cent to 75 per cent of tangible net asset value

Key terms of the Combination

The Company will issue 29,472,663 new shares (the “**Consideration Shares**”) for the entire issued share capital of Pollen Street. The Consideration Shares value the entire issued share capital of Pollen Street at c. £285m based on the closing price of 967.5 pence per Honeycomb share on 14 February 2022 (being the last business day prior to the date of this announcement) and are expected to result in Pollen Street shareholders receiving new shares that are equivalent to approximately 45.53 per cent of enlarged share capital in the Combined Group.

The Combination with Pollen Street is a Class 1 transaction and a related party transaction for Honeycomb under the Listing Rules of the Financial Conduct Authority (“**FCA**”), and requires the approval of Honeycomb’s shareholders.

Honeycomb may decide to insert a new holding company incorporated in Guernsey on top of the existing Honeycomb company by means of a court-sanctioned scheme of arrangement under Part 26 of the Companies Act prior to the implementation of the Combination, in which case the Consideration Shares will comprise shares of the new holding company (as the Company). Further details regarding the proposed structure of the Combined Group will be set out in the prospectus and circular to be published by the Company in due course.

The Combination is conditional on customary closing conditions. Although the Combination is not a Code transaction, it will (as described below) require approval of a Rule 9 Waiver for Code purposes by the independent shareholders of Honeycomb. The Panel on Takeovers and Mergers (the “**Panel**”)

⁵ Illustrative Total Revenue and Illustrative Adjusted EBITDA have been adjusted to include carried interest that would have been recognised from PSC III in line with footnote 6. Adjusted EBITDA is the profit according to IFRS reporting stands before interest, tax, depreciation and amortisation, adjusted to exclude exceptional items and start-up costs of the US business. Adjusted EBITDA includes the full costs of the office leases despite these costs being reported as depreciation of a right-of-use asset and financing costs under IFRS 16.

⁶ AUM calculated as investor commitments for active PE funds, invested cost for other PE funds, total assets for Honeycomb and deployed/committed capital on investments for private credit funds.

⁷ Fund Management Revenue calculated as the sum of management fees and carry and performance fees.

⁸ Investment assets on balance sheet, net of debt.

⁹ Dividends may be paid from increased leverage and/or distributable reserves, and not necessarily out of profits.

has agreed that certain commitments can be given by Honeycomb under the share purchase agreement (the “SPA”) that would constitute offer-related undertakings under the Code, provided that those undertakings will be suspended during an offer period triggered by a third party making a takeover offer for Honeycomb.

Recommendation

The Board intends to recommend unanimously that Honeycomb shareholders vote in favour of all shareholder resolutions required to implement the Combination as the Honeycomb directors intend to do in respect of their own beneficial holdings of Honeycomb shares.

The Board has received financial advice from BofA Securities and advice from Cenkos in its capacity as Sponsor in relation to the Combination. In providing their advice to the Board, each of BofA Securities and Cenkos have relied upon the commercial assessment of the Board. Slaughter and May is acting as legal adviser to the Company in connection with the Combination.

Governance

Following completion, it is expected that the Combined Group will be chaired by Robert Sharpe and will be led by Lindsey McMurray as Chief Executive Officer. It is expected that the Combined Group’s board will be comprised of the four current Honeycomb board members, Lindsey McMurray, Julian Dale and one further independent non-executive director. The final composition of the Combined Group board (and the Combined Group board committee structure) will be determined in line with the UK Corporate Governance Code.

Waiver of mandatory offer requirement

As a result of the Combination, it is expected that Lindsey McMurray, James Scott, Michael England, Matthew Potter, Howard Garland and Ian Gascoigne (the “**Pollen Street Partners**”) and certain senior managers of Pollen Street (together with persons presumed to be acting in concert with them) will acquire, in aggregate, more than 30 per cent of the shares and voting rights in the Company. Under Rule 9 of the Code, a person who (together with persons acting in concert with that person) acquires an interest in shares that, taken together with shares in which they are already interested, carry 30 per cent or more of the voting rights of a company, must normally make an offer under Rule 9 of the Code for all the remaining shares in the company. Accordingly, the Combination will be conditional on the Panel waiving the requirement for Pollen Street and certain senior managers of Pollen Street (together with persons acting in concert with them) to make an offer for the Company under Rule 9 of the Code. It is expected that the Panel would waive the requirement only if, among other things, independent Honeycomb shareholders pass a customary resolution to that effect (the “**Rule 9 Waiver**” and the “**Rule 9 Waiver Resolution**”).

Related party transaction

Under LR 11.1.5(3)R, a related party transaction is a transaction or arrangement (other than a transaction in the ordinary course of business) between a listed company and any other person that may benefit a related party. Under LR 15.5.4 the investment manager and any member of the investment manager’s group are considered related parties. The Combination is expected to constitute a related party transaction under the Listing Rules.

As a consequence of the Combination constituting a related party transaction, Honeycomb is required to send a circular to shareholders and obtain the approval of its shareholders for the transaction

before it is completed. Further details regarding the related party transactions will be included in the circular.

Irrevocable undertakings and letter of intent

Honeycomb has obtained irrevocable undertakings from Quilter, CC Beekeeper, Phoenix and Caledonian to vote in favour of the resolutions required to approve and implement the Combination. These irrevocable undertakings represent approximately 47.4 per cent of Honeycomb's issued share capital as at 14 February 2022 (being the last business day prior to the date of this announcement). The Honeycomb shares represented by these irrevocable undertakings are as follows:

Shareholder	Shares
Quilter	9,988,000
CC Beekeeper	4,012,006
Phoenix	2,498,722
Caledonian	215,000
Total	16,713,728

The Quilter, CC Beekeeper, Phoenix and Caledonian irrevocable undertakings will remain binding if a competing proposal is made to Honeycomb, but will cease to be binding if Honeycomb announces that it does not intend to proceed with the Combination and on completion of the Combination. The Quilter, CC Beekeeper and Caledonian irrevocable undertakings will also cease to be binding if the Combination has not been completed by close of business on 31 July 2022. CC Beekeeper will not vote on: (i) any resolution relating to its status as a related party of Honeycomb by virtue of its being a substantial shareholder of Honeycomb and the fact that it is affiliated with CC Hive LP (an investment entity affiliated with Constellation Generation III LP and Capital Constellation LP and managed by Wafra Inc. ("**CC Hive**")) which will receive Consideration Shares on completion; or (ii) resolutions relating to the Rule 9 Waiver Resolution at the general meeting. The irrevocable undertakings include flexibility for Honeycomb to pursue an equity raise of up to £100m as part of, or in connection with, the Combination. As at the date of this announcement, Honeycomb has no intention of pursuing such an equity raise. Honeycomb will, however, continue to monitor market conditions and its funding requirements to determine whether the pursuit of such an equity raise may, in future, be desirable (whether in the context of the Combination or in the pursuit of its investment policy more generally).

Irrevocable undertakings have also been obtained from various Pollen Street Partners, and certain persons closely associated with the Pollen Street Partners, in respect of their Honeycomb shares and each director of Honeycomb who holds Honeycomb shares, to vote in favour of each resolution required to approve and implement the Combination. Together with the irrevocable undertakings given by Quilter, CC Beekeeper, Phoenix and Caledonian, these irrevocable undertakings represent approximately 50.4 per cent of Honeycomb's issued share capital as at 14 February 2022 (being the last business day prior to this announcement).

Shareholder	Shares
Lindsey McMurray	612,294
Matthew Potter	139,558
James Scott	113,235
Michael England	72,941
Ian Gascoigne	68,529
Howard Garland	50,000
Joanne Lake	2,713
Total	1,059,270

These irrevocable undertakings will also remain binding if a competing proposal is made to Honeycomb, but will cease to be binding if Honeycomb announces that it does not intend to proceed with the Combination, on completion of the Combination, or if the Combination has not completed by close of business on 31 October 2022.

M&G has provided a letter of intent to vote in favour of the resolutions required to approve and implement the Combination in respect of its 2,121,577 Honeycomb shares, for which it is able to exercise all rights, representing, in aggregate, approximately 6.0 per cent of Honeycomb's issued share capital on 14 February 2022 (being the last business day prior to this announcement).

Honeycomb has therefore received irrevocable undertakings and a letter of intent in respect of a total of 19,894,575 Honeycomb shares, representing approximately 56.4 per cent of Honeycomb's issued share capital on 14 February 2022 (being the last business day prior to this announcement).

Change of listing category

Honeycomb is currently listed as a premium listed closed-ended investment fund under Chapter 15 of the Listing Rules. If a new holding company is not inserted above Honeycomb as part of the Combination, Honeycomb proposes to transfer its listing category to a premium listed commercial company under Chapter 6 of the Listing Rules (the "**Transfer**"). If a new holding company is inserted above Honeycomb as part of the Combination, the Board proposes that this new holding company will be admitted as a premium listed commercial company under Chapter 6 of the Listing Rules (the "**New Listing**") (the "Transfer" and the "New Listing" together being the "**Change of Listing Category**"). In either case, it is anticipated that the Company will cease to qualify as an investment trust for tax purposes, as a result of which the Company will lose its ability to designate dividend distributions as interest distributions which are deductible for the Company for tax purposes and taxed as interest in the hands of recipients.

The Board expects the classification of Honeycomb as a general commercial company to be more appropriate than classification as a closed-ended investment fund following the Combination. In addition, the Board believes that the Change of Listing Category will further enhance the Combined Group's profile, extend the Combined Group's shareholder base to a wider group of institutional investors, assist in the recruitment, retention and incentivisation of all employees and support the Combined Group's growth strategy.

Relationship agreement

The Company will enter into customary relationship agreements to the extent necessary to ensure that it will operate as an independent business in accordance with the Listing Rules.

Lock-up agreements

The Pollen Street Partners, certain senior managers of Pollen Street, and CC Hive LP will enter into lock-up agreements at completion of the Combination in respect of the shares that they will receive in the Company at the completion of the Combination (the "**Pollen Street Partners Lock-Up Agreement**", the "**Management Lock-up Agreement**" and the "**CC Hive Lock-Up Agreement**", together the "**Lock-Up Agreements**").

The Pollen Street Partners Lock-Up Agreement and the Management Lock-Up Agreement will be conditional upon completion of the Combination, and will restrict the Pollen Street Partners and certain senior managers of Pollen Street from disposing of any Consideration Shares for a period of 60

months following completion, subject to the following exceptions (in addition to other customary exceptions, as outlined below): (i) with effect from completion, 25% of the Consideration Shares (excluding those Consideration Shares to which the dividend waiver will apply) will be available to be sold; (ii) with effect from 24 months following completion, a cumulative 43.75% of the Consideration Shares will be available to be sold; (iii) with effect from 36 months following completion, a cumulative 62.5% of the Consideration Shares will be available to be sold; and (iv) with effect from 48 months following completion, a cumulative 81.25% of the Consideration Shares will be available to be sold.

Pursuant to the Pollen Street Partners Lock-Up Agreement and the Management Lock-Up Agreement, the Pollen Street Partners and certain senior managers of Pollen Street will undertake (for a period of 12 months following the end of the lock-up period) to consult with, and take into account the reasonable views of, the board of the Combined Group (excluding Lindsey McMurray and Julian Dale) before disposing of any Consideration Shares in order to maintain an orderly market for the shares in the Combined Group. Furthermore, the Pollen Street Partners and certain senior managers of Pollen Street will undertake (for a period of 12 months following the end of the lock-up period) not to dispose of any Consideration Shares carrying more than 5 per cent of the voting rights conferred by the shares in any consecutive period of six months on the day following the end of the lock-up period, without the consent of the board of the Combined Group (excluding Lindsey McMurray and Julian Dale).

The CC Hive Lock-Up Agreement will be conditional upon completion of the Combination, and it will restrict CC Hive from disposing of Consideration Shares for a period of 6 months following completion.

Pursuant to the Lock-Up Agreements, the Pollen Street Partners, certain senior managers of Pollen Street, and CC Hive, will be permitted to dispose of their shares in the Company with the consent of the board of the Combined Group (excluding, in the case of the Pollen Street Partners and senior managers of Pollen Street, Lindsey McMurray and Julian Dale), or in accordance with certain customary exceptions, including, but not limited to, disposals required by law, court order or regulation. Disposals by the Pollen Street Partners and senior managers of Pollen Street are also permitted to fund amounts payable to the Company under the SPA or in respect of tax arising from the Combination, which amounts are not expected to be material in the context of their respective Consideration Shares.

Dividend and dividend policy¹⁰

The Combined Group is expected to enjoy a complementary set of investment management and balance sheet activities that will generate a strong earnings profile and the ability to support an attractive and growing dividend. The dividend payable to shareholders of the Combined Group is expected to be £30m in respect of 2022 (assuming transaction completing in Q2 2022) and £32m in respect of 2023. The Combined Group aims to grow its dividend progressively after 2023, reflecting the strong earnings trajectory of the combined business, with a dividend no lower than £33m in 2024.

Pursuant to the SPA, the Pollen Street Partners, certain senior managers of Pollen Street and CC Hive have agreed to waive ordinary dividends payable to them in both 2022 and 2023 on 50.0% of the shares that will be issued to them in the Combined Group as a result of the Combination. As a result of this dividend waiver by the Pollen Street Partners, certain senior managers of Pollen Street and CC Hive, it is anticipated that the dividend per share paid on all shares in the Combined Group that are not subject to this dividend waiver be 63 pence and 64 pence in 2022 and 2023 respectively, with a 6.5% and 6.6% dividend yield on such shares in 2022 and 2023 respectively, based on the Honeycomb

¹⁰ Dividends may be paid from increased leverage and/or distributable reserves, and not necessarily out of profits.

share price of 967.5 pence on 14 February 2022 (being the last business day prior to the date of this announcement).

Expected timetable

Honeycomb intends to publish its full year results and host a capital markets day on 1 March 2022.

It is expected that the circular, containing details of the Combination and notices of the shareholder meetings convened to consider the resolutions required to implement the Combination, will be posted to Honeycomb shareholders (together with forms of proxy) at or around the same time as the prospectus for the Company.

The circular and the prospectus for the Company will each be made available by Honeycomb on its website at www.honeycombplc.com.

Subject to the satisfaction of the conditions to the Combination, completion is expected to occur in Q2 2022.

Conference call

A conference call for investors and analysts will begin at 8:30 am UK time today, please join 10-15 minutes prior to the scheduled start time:

Registration link: https://finsbury.zoom.us/webinar/register/WN_WX-gcDHsSE-BsFACWfPXPw

The person responsible for arranging for the release of this announcement on behalf of Honeycomb is Robert Sharpe, Chairman.

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About Honeycomb

Honeycomb is a UK-listed closed ended investment trust dedicated to providing investors with access to asset backed lending opportunities, with potential to generate high income returns, together with strong capital preservation.

Honeycomb's investment objective is to provide shareholders with an attractive level of dividend income and capital growth through the acquisition of credit assets, together with selected equity investments that are aligned with Honeycomb's strategy.

About Pollen Street

Pollen Street was founded in 2013 and is an independent, alternative investment management company dedicated to investing in the financial and business services sectors. Pollen Street has extensive experience investing in both credit and private equity strategies and has a strong and consistent track record of delivering top tier returns. A wholly owned subsidiary of Pollen Street serves as Honeycomb's investment manager.

For the year ended 31 December 2021, Pollen Street generated total revenue of approximately £33.9m and Adjusted EBITDA of approximately £7.0m. As of 31 December 2021, Pollen Street had gross assets of approximately £30.0m. These preliminary results are unaudited. It is anticipated that audited financials for the year ended 31 December 2021 will be included in the circular.

As set out above, as part of the Combination, the Combined Group will receive 25 per cent of the carried interest from the most recent flagship PE and credit fund vintage, as well as 25 per cent of the total carried interest entitlement in all future funds established by the Pollen Street group. During the year ended 31 December 2021, carried interest from funds established by the Pollen Street group primarily arose in a prior vintage private equity fund, PSC III. Although carried interest from the PSC III fund is not included in the transaction perimeter, it is considered illustrative of the financial impact of the carried interest entitlement being acquired as part of the transaction, and 25 per cent of this carried interest in FY21 was approximately £6.5m¹¹.

By way of illustrative example, if the Pollen Street group had been entitled to this share of carried interest in FY21 in respect of PSC III, and if it had been added to Pollen Street's total revenue and Adjusted EBITDA in FY21, Pollen Street's illustrative total revenue and illustrative Adjusted EBITDA in

¹¹ Carried interest would be recognised according to International Financial Reporting Standard 15 (revenue from Contracts with Customers, or "IFRS 15") and only to the extent it is highly probable that there would not be a significant reversal of accumulated revenue recognised on the completion of the fund. This estimate is unaudited and based on the unrealised investment valuations for the fund being treated with a substantial valuation discount of between 30 and 50 per cent, depending on the expected remaining holding period and other factors that might influence the valuation.

FY21 would have increased by £6.5m, such that they would have been approximately £40.4m and 13.5m respectively.¹²

About Wafra Inc.

Wafra Inc. is a global alternative investment manager. Wafra Inc. manages assets and commitments of approximately \$28 billion (estimated as of September 30, 2021). Funds advised by Wafra Inc. have made 23 minority partnerships with both growth stage and mature alternative investment management firms. By providing flexible and accretive capital solutions and focusing on long-term partnerships, Wafra Inc. aligns and partners with high quality management teams. Headquartered in New York, Wafra Inc. and its affiliated and associated firms have additional offices in London, Kuwait and Bermuda. For more information, please visit www.wafra.com. Wilkie Farr & Gallagher LLP is acting as legal adviser to Wafra Inc. in connection with the Combination.

Additional information

Merrill Lynch International ("**BofA Securities**"), which is authorised by the Prudential Regulation Authority ("**PRA**") and regulated by the FCA and the PRA in the United Kingdom, is acting as financial adviser exclusively for Honeycomb and for no one else and will not be responsible to anyone other than Honeycomb for providing the protections afforded to its clients or for providing advice in relation to the matters referred to in this announcement. Neither BofA Securities, nor any of its affiliates, owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of BofA Securities in connection with this announcement, any statement contained herein or otherwise.

Cenkos Securities plc, which is authorised and regulated by the FCA in the United Kingdom, is acting exclusively as sponsor for Honeycomb and for no one else and will not be responsible to anyone other than Honeycomb for providing the protections afforded to its clients or for providing advice in relation to the matters referred to in this announcement. Neither Cenkos, nor any of its affiliates, owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Cenkos in connection with this announcement, any statement contained herein or otherwise.

Liberum Capital Limited ("**Liberum**") is authorised and regulated in the United Kingdom by the FCA and is acting exclusively for Honeycomb and no-one else in connection with the proposed Combination and will not be responsible to anyone other than the Honeycomb for providing the protections afforded to the clients of Liberum, as applicable, or for affording advice in relation to the contents of the announcement or any matters referred to therein. Nothing in this paragraph shall serve to exclude or limit any responsibilities Liberum may have under the Financial Services and Markets Act 2000 or the regulatory regime established thereunder.

A copy of this announcement is and will be available, subject to certain restrictions relating to persons resident in restricted jurisdictions, for inspection on Honeycomb's website www.honeycombplc.com by no later than 12 noon (London time) on the business day following this announcement. For the avoidance of doubt, the contents of the website is not incorporated into and do not form part of this announcement.

¹² Illustrative Total Revenue and Illustrative Adjusted EBITDA include carried interest that would have been recognised from PSC III in line with footnote 6. Adjusted EBITDA is the profit according to IFRS reporting stands before interest, tax, depreciation and amortisation, adjusted to exclude exceptional items and start-up costs of the US business. Adjusted EBITDA includes the full costs of the office leases despite these costs being reported as depreciation of a right-of-use asset and financing costs under IFRS 16.

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. A copy of the circular and the prospectus when published will be available on Honeycomb's website, provided that such circular and prospectus will not, subject to certain exceptions, be available to certain shareholders in certain restricted or excluded territories. The circular and the prospectus will give further details of the Combination and the scheme (if any) and all shareholders are advised to read the circular and the prospectus in full.

Nothing in this announcement should be construed as suggesting that a formal offer (or a "possible offer" or a "firm intention to make an offer", for the purposes of the Code) could be made for Honeycomb.

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.

This announcement contains "forward-looking" statements, beliefs or opinions. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond the control of Honeycomb and all of which are based on its directors' current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as "believes", "expects", "may", "will", "could", "should", "shall", "risk", "intends", "estimates", "aims", "plans", "predicts", "projects", "continues", "assumes", "positioned" or "anticipates" or the negative thereof, other variations thereon or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events, assumptions or intentions. These forward-looking statements include all matters that are not historical facts. Forward-looking statements may and often do differ materially from actual results. They appear in a number of places throughout this announcement and include statements regarding the intentions, beliefs or current expectations of Honeycomb with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to Honeycomb's and Pollen Street's respective businesses concerning, amongst other things, the financial performance, liquidity, prospects, growth and strategies of Honeycomb and Pollen Street. These forward-looking statements and other statements contained in this announcement regarding matters that are not historical facts involve predictions. No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing Honeycomb and Pollen Street. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward-looking statements. The forward-looking statements contained in this announcement speak only as of the date of this announcement. Nothing in this announcement is, or should be relied on as, a promise or representation as to the future. Honeycomb disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this announcement to reflect any change in its expectations or any change in events, conditions or circumstances on which such statements are based unless required to do so by applicable law, the Prospectus Regulation Rules, the Listing Rules or the Disclosure Guidance and Transparency Rules of the FCA.

Nothing in this announcement is intended to be a profit forecast or an estimate for any period, and no statement in this announcement should be interpreted to mean that earnings, profit or earnings or profit per share or dividend per share for the current or future financial years would necessarily match or exceed the historical published earnings, profit or earnings or profit per share or dividend

per share. No statement in this announcement is intended to be an asset valuation for the purposes of Rule 29 of the Code.

Appendix 1: Sources of Information and Bases of Calculation

As at the close of business on 14 February 2022, being the latest practicable date prior to the publication of this announcement, Honeycomb had 35,259,741 shares in issue.

The closing price of Honeycomb shares on 14 February 2022 was 967.5p.

The Consideration Shares that will be issued to the Pollen Street shareholders pursuant to the Combination will amount to 45.53 percent of the enlarged share capital of the Company, calculated by reference to:

- the total number of Consideration Shares to be issued to Pollen Street; and
- the total number of Honeycomb shares in issue on 14 February 2022, being the latest practicable date prior to the publication of this announcement.

Anticipated AUM growth for global alternative asset management, private equity and private debt over 2021-2026, and historical AUM growth for global alternative asset management over 2011-2021, are sourced from Preqin Ltd's "2022 Preqin Global Private Equity Report" that was published in January 2022.

Gross IRR and gross MOIC for Pollen Street private equity Fund I/II and Fund III are as at 30 September 2021. Gross performance results are shown gross of investment management and performance fees, as well as all administrative costs (including audit and depository services).

Any references to Pollen Street's "Illustrative Total Revenue" in FY21 are based on:

- Pollen Street's Total Revenue in FY21: £33.9m
- Revenue in FY21 from 25 per cent of PSC III's carried interest: £6.5m
- Illustrative Total Revenue in FY21 (the sum of "Pollen Street's Total Revenue in FY21" and "Revenue in FY21 from 25 per cent of PSC III's carried interest"): £33.9m + £6.5m = £40.4m

Any references to Pollen Street's "Illustrative Adjusted EBITDA" in FY21 are based on:

- Pollen Street's Adjusted EBITDA in FY21: £7.0m
- EBITDA in FY21 from 25 per cent of PSC III's carried interest: £6.5m
- Illustrative Adjusted EBITDA in FY21 (the sum of "Pollen Street's Adjusted EBITDA in FY21" and "EBITDA in FY21 from 25 per cent of PSC III's carried interest"): £7.0m + £6.5m = £13.5m

Appendix 2: Glossary of Defined Terms

"Adjusted EBITDA"	means the profit according to IFRS reporting standards before interest, tax, depreciation and amortisation, adjusted to exclude exceptional items and start-up costs of the US business, and including the full costs of the office leases despite these costs being reported as depreciation of a right-of-use asset and financing costs under IFRS 16;
"AUM"	means assets under management;
"BofA Securities"	means Merrill Lynch International;

“CAGR”	means compounded annual growth rate;
“Caledonian”	means Caledonian Consumer Finance Limited;
“CC Beekeeper”	means CC Beekeeper Ltd (an investment entity affiliated with Capital Constellation LP and managed by Wafra Inc.);
“CC Hive”	means CC Hive LP (an investment entity affiliated with Constellation Generation III LP and Capital Constellation LP and managed by Wafra Inc.);
“CC Hive Lock-Up Agreement”	means the lock-up agreement to be entered into by CC Hive at completion of the Combination;
“Cenkos”	means Cenkos Securities plc;
“Change of Listing Category”	means the Transfer and the New Listing;
“Code”	means the City Code on Takeovers and Mergers;
“Combination”	means the combination of the Honeycomb and Pollen Street businesses;
“Combined Group”	means the premium listed commercial company comprising the Honeycomb and Pollen Street businesses following completion of the Combination;
“Companies Act”	means the Companies Act 2006;
“Company”	means the holding company of the Combined Group, which will either be a new holding company or the existing Honeycomb company;
“Consideration Shares”	means the new shares in the capital of the Company being issued by the Company for the acquisition of the entire issued share capital of Pollen Street;
“EPS”	means Earnings per Share;
“ESG”	means environmental, social and governance;
“FCA”	means the Financial Conduct Authority;
“Honeycomb”	means Honeycomb Investment Trust plc;
“IRR”	means the gross internal rate of return, based on the net cash flow from the portfolio aggregated on a monthly basis, calculated before fund expenses, management fees, carried interest/performance fees, and before the impact of any leverage or taxation;
“Listing Rules”	means the listing rules made by the FCA under Part 6 of the Financial Services and Markets Act 2000 (and “LR” shall mean any specified rule of the Listing Rules);

“Lock-Up Agreements”	means the Pollen Street Partners Lock-Up Agreement, the Management Lock-Up Agreement and the CC Hive Lock-Up Agreement;
“Management Lock-up Agreement”	means the lock-up agreement to be entered into by certain senior managers of Pollen Street at completion of the Combination;
“MOIC”	means the gross multiple on invested capital, calculated before fund expenses, management fees, carried interest/performance fees, and before the impact of any leverage or taxation;
“M&G”	means M&G Investment Management Ltd;
“New Listing”	means the proposed admission of the Company as a premium listed commercial company under Chapter 6 of the Listing Rules;
“Panel”	means the Panel on Takeovers and Mergers;
“PE”	means private equity;
“Phoenix”	means together, Phoenix Insurance Limited and its related party who have each provided an irrevocable undertaking as described in this announcement;
“Pollen Street”	means Pollen Street Capital Holdings Limited;
“Pollen Street Partners”	means each of Lindsey McMurray, James Scott, Michael England, Matthew Potter, Howard Garland and Ian Gascoigne;
“Pollen Street Partners Lock-Up Agreement”	means the lock-up agreement to be entered into by the Pollen Street Partners at completion of the Combination;
“Rule 9 Waiver”	means a waiver by the Panel of any obligation which might fall on a seller or any person acting in concert (as defined in the Code) with it under Rule 9 of the Code to make a general offer for the Company as a result of the issue of the Consideration Shares;
“Rule 9 Waiver Resolution”	means a resolution passed by the Honeycomb shareholders to approve the Rule 9 Waiver;
“SPA”	means the share purchase agreement in respect of the Pollen Street shares entered into between the Company, Honeycomb and the shareholders of Pollen Street;
“Transfer”	means the proposed transfer of Honeycomb’s listing category to a premium listed commercial company under Chapter 6 of the Listing Rules;
“UK”	means the United Kingdom;
“UK Corporate Governance Code”	means the UK Corporate Governance Code in the form published by the Financial Reporting Council from time to time; and

“US”

means the United States of America.