

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about the contents of this document or as to what action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are a resident of the United Kingdom or, if not, another appropriately authorised independent professional adviser.

If you have sold or otherwise transferred all of your Ordinary Shares in Frenkel Topping Group plc you should deliver this document together with the accompanying Form of Proxy as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. If you sell or otherwise transfer, or have sold or otherwise transferred, only part of your holding of Existing Shares, please retain these documents and consult the stockbroker, banker or other agent through whom the sale or transfer was made.

The issue of the Placing Shares will not constitute an offer to the public requiring an approved prospectus under section 85 of the Financial Services and Markets Act 2000 (as amended) and accordingly this document does not constitute a prospectus, nor does it constitute an admission document drawn up in accordance with the AIM Rules. This document does not constitute or form part of any offer or invitation to sell or issue, or a solicitation of any offer to acquire, purchase or subscribe for, Ordinary Shares.

Application will be made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. It is expected that Admission in respect of the Placing Shares will become effective and dealings in such shares will commence on 18 August 2020 (subject to the passing of the Resolutions and FCA Approval). The Placing Shares will, when issued, rank *pari passu* in all respects with the Existing Shares, including the right to receive all dividends or other distributions declared, made or paid on or after the date that they are issued.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the London Stock Exchange. Neither the Financial Conduct Authority ('FCA') nor the London Stock Exchange has examined or approved the contents of this document. Neither the Existing Shares nor the Placing Shares are or will be traded on any other investment exchange and no application has been or will be made for the Existing Shares or the Placing Shares to be admitted to trading on any such exchange.

A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

Frenkel Topping Group plc

(Incorporated in England and Wales with registered no. 4726826)

Proposed Placing of 32,500,000 new Ordinary Shares at 40 pence per Ordinary Share and Notice of General Meeting

This document should be read in its entirety and in conjunction with the accompanying Form of Proxy and Notice of General Meeting. Your attention is drawn to the letter from the Executive Chairman of the Company, set out on pages 10 to 15 of this document, and which recommends that you vote in favour of the Resolutions to be proposed at the General Meeting.

Notice of a General Meeting of Frenkel Topping Group plc to be held at Frenkel House 15 Carolina Way, Salford, Manchester, M50 2ZY at 11.00 a.m. on 17 August 2020 is set out at the end of this document. For the reasons given below in relation to the conduct of the General Meeting in light of the COVID-19 pandemic, you are urged to complete and return the enclosed Form of Proxy in accordance with the instructions printed thereon so as to arrive as soon as possible and in any event not later than 11.00 a.m. on 15 August 2020.

Shareholders who hold their Existing Shares in uncertificated form in CREST may alternatively use the CREST Proxy Voting Service in accordance with the procedures set out in the CREST Manual as explained in the notes accompanying the Notice of General Meeting at the end of this document. Proxies submitted via CREST must be received by Neville Registrars Ltd by no later than 11.00 a.m. on 15 August 2020 (or, if the General Meeting is adjourned, 48 hours before the time fixed for the adjourned meeting).

IMPORTANT NOTICE RE COVID-19

In light of the Government's response to the COVID-19 outbreak, which includes banning all non-essential travel and large public gatherings, the Company and the Non-Executive Chairman have determined that the Resolutions to be proposed at the General Meeting shall be voted on through a poll rather than on a show of hands. The Company believes that this is the best and fairest way to ensure that the votes of all Shareholders can be taken into account, whilst also preventing the Company and Shareholders breaching applicable regulations. Accordingly, the Company encourages all Shareholders to either submit their Form of Proxy or use the CREST Proxy Voting Service, rather than attend the meeting in person. In accordance with the Company's articles of association, whilst completion and return of the Form of Proxy or using the CREST Proxy Voting Service would not preclude Shareholders from attending, speaking and voting in person at the General Meeting should they so wish, Shareholders are reminded that to do so would potentially be in breach of Government regulations in relation to the containment and control of COVID-19 and accordingly Shareholders are strongly encouraged to either submit their Form of Proxy or use the CREST Proxy Voting Service, rather than attend the meeting in person.

finnCap Limited (“finnCap”), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting for the Company and for no one else in connection with the matters described in this document, and accordingly will not be responsible to any person other than the Company for providing the protections afforded to customers of finnCap, or for providing advice to any other person in relation to the arrangements described in this document.

The release, publication or distribution of this document into certain jurisdictions may be restricted by law, and any persons into whose possession this document comes should therefore inform themselves about and observe any applicable restrictions or requirements. No action has been taken by the Company or finnCap that would permit possession or distribution of this document in any jurisdiction where action for that purpose is required. Any failure to comply with any such restrictions or requirements may constitute a violation of the securities laws of any such jurisdiction.

This document does not constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell, otherwise dispose of, issue or purchase, any security (including, without limitation, the Placing Shares). Copies of this document can be downloaded from the Company’s website, www.frenkeltoppinggroup.co.uk. However, the contents of the Company’s website or any hyperlinks accessible from the Company’s website do not form part of this document and Shareholders should not rely on them.

The Placing Shares have not been, nor will they be, registered under the Securities Act and may not be offered, sold or delivered in, into or from the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. Subject to certain exemptions, this document does not constitute an offer of Ordinary Shares to any person with a registered address, or who is resident in, the United States. There will be no public offer in the United States. The Placing Shares will not qualify for distribution under the relevant securities laws of Australia, New Zealand, Canada, the Republic of South Africa or Japan, nor has any prospectus in relation to the Placing Shares been lodged with, or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance. Accordingly, subject to certain exemptions, the Placing Shares will not be offered, sold, taken up, delivered or transferred in, into or from a Restricted Jurisdiction or to or for the account or benefit of any national, resident or citizen of a Restricted Jurisdiction. This document does not constitute an offer to issue or sell, or the solicitation of an offer to subscribe for or purchase, any Ordinary Shares to any person in a Restricted Jurisdiction and is not for distribution in, into or from a Restricted Jurisdiction. The Placing Shares have not been approved or disapproved by the US Securities and Exchange Commission, or any other securities commission or regulatory authority of the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the placing of the Placing Shares nor have they approved this document or confirmed the accuracy or adequacy of any information contained in it. Any representation to the contrary is a criminal offence in the US.

This document includes statements that are, or may be deemed to be, forward-looking statements that are based on current expectations or beliefs, as well as assumptions about future events. These forward-looking statements can be identified by the use of forward- looking terminology, including the terms “believes”, “estimates”, “plans”, “anticipates”, “targets”, “aims”, “continues”, “expects”, “intends”, “hopes”, “may”, “will”, “would”, “could” or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not facts. They appear in a number of places through this document and include statements regarding the Directors’ intentions, beliefs or current expectations concerning, amongst other things, the Company’s results of operations, financial condition, liquidity, prospects, growth and strategies. By their nature, forward-looking statements contained in this document based on past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Subject to any requirement under the AIM Rules or other applicable legislation or regulation, neither the Company nor finnCap undertakes any obligation to update or revise any forward- looking statements, whether as a result of new information, future events or otherwise. Undue reliance should not be placed on forward-looking statements, which speak only as of the date of this document. There are several factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are changes in expectations and assumptions used and changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or dispositions.

Where third party information has been used in this document, the source of such information has been identified. The Company takes responsibility for compiling and extracting, but has not independently verified, market data provided by third parties or industry or general publications and takes no further responsibility for such data.

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DIRECTORS AND ADVISERS

Directors	Tim Linacre (Non-Executive Chairman) Richard Fraser (Chief Executive Officer) Elaine Cullen-Grant (Chief Financial Officer) Mark Holt (Managing Director) Christopher Mills (Non-Executive Director)
Company Secretary	Richard Fraser
Nominated Adviser & Company	finnCap Limited One Bartholomew Close London EC1A 7BL
Legal Advisers to the Company	BDB Pitmans LLP One Bartholomew Close London EC1A 7BL
Legal Advisers to the Nominated Adviser & Broker	Fieldfisher LLP Riverbank House 2 Swan Lane London EC4R 3TT
PR Adviser to the Company	TB Cardew 5 Chancery Lane London EC4A 1BL
Registrars	Neville Registrars Limited Neville House Steelpark Road Halesowen B62 8HD

PLACING STATISTICS

Number of Existing Shares as at the date of this document	75,551,641
Number of Placing Shares to be issued pursuant to the Placing	32,500,000
Placing Price	40 pence
Aggregate gross proceeds of the Placing	£13 million
Ordinary Shares held in treasury	3,105,708
Enlarged issued Share Capital	108,051,641
Number of Placing Shares as a percentage of Enlarged Issued Share Capital	30%
Market capitalisation of the Company immediately following the completion of the Placing at the Issue Price	£43,220,656
ISIN	GB00B01YXQ71
SEDOL	B01YXQ7

The statistics above assume the passing of the Resolutions at the General Meeting and therefore the Admission of all new Ordinary Shares pursuant to the Placing.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Announcement of the Acquisition and the Bookbuild	22 July 2020
Placing Results Announcement	23 July 2020
Publication of this document	24 July 2020
Latest time and date for receipt of Forms of Proxy for the General Meeting	11 a.m. on 15 August 2020
General Meeting	11 a.m. on 17 August 2020
Admission and commencement of dealings in the Placing Shares*	8.00 a.m. on 18 August 2020
Expected date for CREST accounts to be credited in respect of the Placing Shares	18 August 2020
Where applicable, expected date for dispatch of share certificates in respect of the Placing Shares*	1 September 2020

Notes

1. Some of the times and dates above are indicative only and if any of the details contained in the timetable above should change, the revised times and dates will be notified to Shareholders by means of an announcement through a Regulatory Information Service.
2. All of the above times refer to London time unless otherwise stated
3. Events listed in the above timetable following the General Meeting are conditional on the passing of the Resolutions at the General Meeting and receipt of FCA Approval.

* This assumes FCA Approval has been obtained on or before 17 August 2020. If not the latest date upon which Admission, and commencement of dealings in the Placing Shares can take place is 9 September 2020.

DEFINITIONS

The following definitions apply throughout this document and the Form of Proxy unless the context requires otherwise:

“Acquisition”	the acquisition by the Company of 99.99% of the shares in Forths from the Sellers
“Admission”	the admission of the Placing Shares to trading on AIM in accordance with Rule 6 of the AIM Rules
“AIM”	the AIM Market of the London Stock Exchange
“AIM Rules”	the rules applicable to companies governing their admission to AIM, and following admission their continuing obligations to AIM, as set out in the AIM Rules for Companies published by the London Stock Exchange from time to time
“AUM”	means assets under management
“Bookbuild”	means the accelerated bookbuild process in relation to the Placing which will establish the demand for and total number of Placing Shares to be issued in the Placing at the Issue Price
“business day”	a day (excluding Saturdays, Sundays and public holidays) on which banks are generally open for business in the City of London
“certificated” or in “certificated form”	where a share or other security is not in uncertificated form (that is, not in CREST)
“Circular”	this circular of the Company to be posted to Shareholders on 24 July 2020 giving (amongst other things) details of the Placing and incorporating the Notice of General Meeting
“Clin Neg”	Clinical Negligence
“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations)
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755)
“EBITDA”	earnings before interest, taxes, depreciation and amortization
“EEA”	the European Economic Area
“Enlarged Issued Share Capital”	the Placing Shares and the Existing Shares
“Executive Directors”	Richard Fraser, Ellaine Cullen-Grant and Mark Holt
“Existing Shares”	the 75,551,641 Ordinary Shares with voting rights in issue at the date of this document, all of which are admitted to trading on AIM
“Euroclear”	Euroclear UK & Ireland Limited, a company incorporated under the laws of England and Wales
“FCA”	the UK Financial Conduct Authority

“FCA Approval”	means the approval by the FCA of the acquisition of Ordinary Shares in accordance with the notification of North Atlantic Smaller Companies Investment Trust Plc (“North Atlantic”) to the FCA pursuant to section 178 of FSMA for North Atlantic to be a controller of Frenkel Topping Limited, submitted on 9 July 2020
“finnCap”	means finnCap Ltd, nominated adviser, sole broker and bookrunner to the Company
“Forths”	Forths Associates Limited (registered number 04308770)
“Frenkel Topping” or the “ Company”	Frenkel Topping Group plc
“Frenkel Directors” or “Directors”	any member of the Company’s board of directors
“Frenkel Group” or “Group”	Frenkel and its subsidiaries and subsidiary undertakings (each as defined in the Companies Act 2006)
“Form of Proxy”	the form of proxy for use by Shareholders in connection with the General Meeting, which is enclosed with this Circular
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“General Meeting”	the general meeting of the Company convened for 11 a.m. on 17 August 2020 (or any adjournment thereof) at which the Resolutions will be proposed, notice of which is set out at the end of this Circular
“Issue Price”	40 pence per Placing Share
“Launch Announcement”	means the press announcement in the agreed form giving details of the Placing and the Acquisition
“London Stock Exchange”	London Stock Exchange plc
“Market Abuse Regulation”	the Market Abuse Regulation (2014/596/EU) (incorporating the technical standards, delegated regulations and guidance notes, published by the European Commission, London Stock Exchange, the FCA and the European Securities and Markets Authority)
“Notice of General Meeting”	the notice of General Meeting to be sent to Shareholders as set out at the end of this Circular
“Ordinary Shares”	the ordinary shares of 0.5 pence each in the capital of the Company
“Overseas Shareholders”	Shareholders of Frenkel Topping who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom
“PI”	Personal Injury
“Placing”	the conditional placing by finnCap (on behalf of the Company) by way of a Bookbuild of the Placing Shares at the Issue Price subject to, inter alia, the passing of the Resolutions

“Placing Agreement”	the placing agreement entered into on 22 July 2020 between the Company and finnCap
“Placing Shares”	the 32,500,000 new Ordinary Shares, to be allotted and issued pursuant to the Placing
“pounds”, “£”, “penny”, “pence”, “p” or “Sterling”	the lawful currency of the United Kingdom
“Registrars”	Neville Registrars Limited
“Resolutions”	the resolutions to be proposed at the General Meeting as set out in the Notice of General Meeting
“Restricted Jurisdiction”	US
“Securities Act”	the United States Securities Act of 1933, as amended
“Sellers”	Richard Forth and Anthony Flint
“Shareholders”	holders of Ordinary Shares
“Substantial Shareholder”	a person who holds any legal or beneficial interest directly or indirectly in 10 per cent. or more of the ordinary shares of a company admitted to trading on AIM as more fully defined in the AIM Rules
“Treasury Shares”	the 3,105,708 Ordinary Shares held in treasury
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland
“uncertificated” or in “uncertificated form”	in respect of a share or other security, where that share or other security is recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which may be transferred by means of CREST
“US” or “United States”	United States of America

LETTER FROM THE CHAIRMAN

Frenkel Topping Group plc

(Incorporated in England and Wales under the Companies Act 1985 with registered no. 04726826)

Directors:

Tim Linacre (Non- Executive Chairman)
Richard Fraser (Chief Executive Director)
Elaine Cullen-Grant (Chief Financial Officer)
Mark Holt (Managing Director)
Christopher Mills (Non-Executive Director)

Registered Address:

Frenkel House
15 Carolina Way
Manchester
M50 2ZY

24 July 2020

To Shareholders and, for information only, to holders of options over Ordinary Shares

Dear Shareholder,

Proposed Placing of 32,500,000 new Ordinary Shares at 40 pence per Ordinary Share and Notice of General Meeting

Introduction

The Company announced on 23 July 2020 that it has conditionally raised approximately £13 million gross (approximately £12.5 million net of expenses) pursuant to the Placing. The Company's existing share allotment authorities, which allow it to allot and issue shares on a non pre-emptive basis, are currently insufficient to allow the Placing, to proceed. Therefore, the Placing is conditional on the passing of the Resolutions.

The Company therefore requires further share authorities to allot the Placing Shares. Accordingly, the Placing is conditional, *inter alia*, on the passing of the Resolutions by the Shareholders at the General Meeting, which has been convened for 17 August 2020, notice of which is set out at the end of this document. The Resolutions will be held on a poll. If the Resolutions are passed, Admission of the Placing Shares is expected to occur at 8.00 a.m. on 18 August 2020.

The Company announced on 22 July 2020 the completion of the acquisition of 99.99% of the shares in Forths from the Sellers, an owner managed forensic accountancy firm, further details of which (including the consideration payable under the Acquisition) are set out below. The holder of the remaining 0.01% of the shares in the Company is untraceable and has not sold their shares to the Company. The Acquisition represents the first step in the Company's consolidation strategy.

The purpose of this document is to explain the background to and reasons for the Placing and why the Directors believe it to be in the best interests of the Company and its Shareholders as a whole that you vote in favour of the Resolutions at the General Meeting, which has been convened for 11.00 a.m. on 17 August 2020 at Frenkel House, 15 Carolina Way, Salford, Manchester, M50 2ZY. The Notice of General Meeting is set out at the end of this document.

Please see the paragraph heading 'IMPORTANT NOTICE REGARDING THE GENERAL MEETING AND COVID-19' set out toward the end of this letter concerning the implications that COVID-19 will have on attendance at the General Meeting and the measures that the Company is putting in place in respect of the same.

Background to and reasons for the Placing

Over the past 2 years, the Board has actively sought strategic acquisitions which would be of value to the Group. During this period, the Board has reviewed a number of targets and, due to the disciplined nature of the Board's search, none were deemed suitable.

As the Company's M&A strategy has evolved over the course of this recent period the Board has decided to focus its search solely on a consolidation in the pre-settlement professional services market for PI and Clin Neg as a route to further increase AUM instead of acquiring other independent financial advisory firms ("IFAs"). The Directors consider this to be a more effective and a less risky approach to increasing the Group's AUM and will yield higher levels of organic growth than a traditional IFA firm.

The PI and Clin Neg Market

Unfortunately, around 25,500 people are seriously injured in road traffic accidents ("RTAs") per annum with a further 1,784 people being fatally injured. Of these 25,500 RTAs per year, the Directors believe around 75% of RTAs involve a claim. This generates approximately 20,000 claimants that will require expert witness reports and, based on the expert witness work that the Company has undertaken, each case requires around 2 reports. The estimated total pay-out figure for claims pursuant to RTAs is around £2 billion with 1,475 of claims per year settled over £1 million.

In the Clin Neg market, the NHS Resolution (which manages negligence and other claims against the National Health Service) paid out £2.4 billion in negligence claims for the year ending 30 June 2019 of which £1.4 billion was damages and £1 billion was professional services fees (excluding disbursements like expert witness reports).

From 20 March 2017, the Ogden Rate (the net rate of return (discount) that a claimant might expect to receive from a reasonably prudent investment of lump sum compensation) reduced from 2.5% to -0.75% and, as a result, settlement figures grew.

As a result of these larger settlements, claimants are choosing not to receive their settlement in periodical payments but rather would receive the total settlement up front. This has led to significantly larger AUM mandates being available for tender at the end of a successful claim.

Subsequently on 5th August 2019, following lengthy consultation with the marketplace, including contribution from the Frenkel Topping Group, the Lord Chancellor amended the rate to -0.25%. The Frenkel Topping board believes the sentiment above regarding claimants' choice of settlement remains the same.

When combined, the PI and Clin Neg markets represents a total opportunity of c. £3.4 billion of AUM mandates per annum, in addition to the professional services required for such claims.

The Professional Services Market

During the litigation process of any PI or Clin Neg claim, there are in excess of 30 different expert witness reports that may be required. These include (but are not limited to) medical, financial and care and case management. In the course of preparing these expert witness reports, professional service firms develop a working relationship and rapport with claimants. The Directors believe that these relationships are key to securing the financial advisory mandate for any settlement monies paid out in the event of a successful claim and in particular those mandates that go for competitive tender.

The professional services market as a whole is highly fragmented with a considerable number of different verticals and no clear market leader in any of them. The Directors believe that the majority of these professional services firms are struggling to grow due to the longer working capital cycles of expert witness report work (i.e. firms are paid once a verdict has been reached in the claim) and that these firms could benefit from the balance sheet strength and the financial acumen of Frenkel Topping.

M&A Strategy

The Company has refocused its M&A strategy towards consolidating the professional service firms market. The Directors believe this is a more attractive opportunity given the crowded and volatile nature of the IFA market coupled with the increasing FCA scrutiny into the mis-selling of defined benefit pension schemes.

The Board believes that a roll up of professional services firms will significantly increase the touch points that the Company will have with claimants, servicing them throughout the entire timespan of a claim and enhance the Company's chances of winning the AUM mandate in the result of a successful claim all the while generating revenue in the process of doing so (via expert witness report work).

As far as the Board is aware, no professional services firm in this market has a wealth management arm to benefit from the AUM opportunities that arise from these mandates and thus this future recurring revenue potential makes the valuations at which the Company can acquire these firms attractive to the Board.

Through this strategy, the Board hopes to grow the Company into the UK market leader in providing a full service offering to clients and claimants in PI and Clin Neg. The Board believes that through having the benefit of greater touch points to claimants, they can grow the AUM of the Company's discretionary fund management arm significantly on an organic basis.

Use of proceeds

The net proceeds of the Placing will be used primarily to fund and effect the Company's refocused M&A strategy, consolidating the heavily fragmented professional services market. The Placing proceeds will be used in part to invest in the businesses of any acquisitions made by the Company (including Forths), satisfy the deferred consideration elements of the Acquisition, and, at the Company's discretion, remove Forths' debt factoring facilities to allow further cost savings.

The Board will also target acquisitions that are earnings enhancing in the first full year of ownership and have clear synergies in the PI and Clin Neg markets. The proceeds of the Placing will give the Board the flexibility and speed to act decisively and the Board is in early stage discussion with a number of potential targets.

Current Trading and Future Prospects

The Company delivered a robust performance for FY2019 and this positive momentum has continued into 2020, despite the spread of COVID-19 which has presented unprecedented challenges to businesses and the world economy.

During the last six months, Frenkel Topping has enjoyed strong organic growth and delivered £75 million of new investment mandates, a 70% increase than in the comparable period last year. As a consequence, AUM is up 13% as at 30 June to £962 million (as at 30 June 2019: £851million). Total revenues are expected to be up 9% to £4.4 million of which approximately £3.5 million was recurring revenue and more than £950,000 was generated by organic new business generation. EBITDA is expected to increase by c.16% to £1.1 million against the previous year. As at 30 June 2020, the Company had £1.7 million of net cash and marketable securities (2019: £1.4 million), reflecting the cash generative nature of the business and the Company's focus on maintaining a strong balance sheet.

Frenkel Topping is well-positioned to continue to deliver strong organic growth in the second half of the year. The Board is therefore confident that the Company is on track to meet expectations for FY2020.

Acquisition

The Company has also entered into an agreement to acquire Forths for a total consideration as follows:

- £0.5 million up front (paid for from the Company's existing cash resources) which is subject to adjustment by reference to a set of accounts to be drawn up at the Acquisition completion date, based on the actual net asset position of Forths at completion of the Acquisition as against the target net asset position agreed by the Company and the Sellers prior to completion of the Acquisition. The completion accounts adjustment will be downwards only, meaning that the Company will not be required to pay additional consideration to the Sellers, even if the actual completion net assets figure is greater than the target net assets figure.

- £0.5 million in cash on the first anniversary of completion of the Acquisition;
- £0.25 million in cash on the third anniversary of completion of the Acquisition; and
- on the third anniversary of completion of the Acquisition, the Sellers will be allotted, in aggregate, 570,000 Ordinary Shares at a price of 44 pence per share.

The Sellers may be entitled to additional consideration, depending on the performance of Forths following completion of the Acquisition.

The Sellers will be entitled to receive a multiple of 2.5 times the amount by which Forths EBITDA exceeds £350,000 for the financial year ending 31 December 2023. For example, if Forths EBITDA for the year ending 31 December 2023 is £500,000, the Sellers would receive an earn-out payment of £150,000 x 2.5 = £375,000.

50% of any earn-out payment would become due following agreement or determination of the accounts for the year ending 31 December 2023 and the other 50% of the earn out payment would become due after a further 12 months from the date of the payment of the first 50%.

The earn-out payment is capped at a maximum of £1.5 million.

On a twelve month run-rate basis Forths generated £350,000 EBITDA and for the year ended 31 January 2020 Forths had unaudited revenues of £2,159,871 and pretax profits of £173,000. As at 31 January 2020 Forths had unaudited net assets of £980,410.

The Acquisition is expected to be earnings enhancing in the first full year of ownership, and strengthens the Company's recurring revenue opportunity for securing AUM mandates.

The Placing

The Placing will be conditional (amongst other things) on: (i) the passing of resolutions to grant authority to the Directors to allot the Placing Shares for cash and to disapply statutory pre-emption rights at a General Meeting and (ii) FCA Approval having been obtained.

Placing Agreement

Pursuant to the Placing Agreement, finnCap, as agent for the Company, has conditionally agreed to use reasonable endeavours to procure places for the Placing Shares at the Issue Price.

The Placing is conditional upon (amongst other things): (i) the Placing Agreement not having been terminated and Admission occurring on or before 8.00 a.m. on 18 August 2020 (or such later date and/or time as finnCap and the Company may agree, being no later than 5.00 p.m. on 9 September 2020); (ii) the Resolutions being passed at the General Meeting; and (iii) FCA Approval having been obtained. The application for FCA Approval has already been submitted and the Company expects to have confirmation of the approval by the date of the General Meeting. However, no guarantee can be given in respect of timing of the FCA Approval and this could delay completion of the Placing and Admission. The Company will provide an update to the status of the FCA Approval when it announces the results of the General Meeting.

The Placing Agreement contains customary warranties from the Company in favour of finnCap in relation to, inter alia, the accuracy of the information in the Launch Announcement and other matters relating to the Group and its business. In addition, the Company has agreed to indemnify finnCap in relation to certain liabilities that they may incur in respect of the Placing.

finnCap (acting in good faith) has the right to terminate the Placing Agreement in certain circumstances prior to Admission, including (but not limited to): in the event that any of the warranties in the Placing Agreement given by the Company by reference to the circumstances prevailing from time to time cease to be true and accurate in any respect which finnCap considers to be material in the context of the Placing or in the event of a material adverse change affecting the business, financial trading position or prospects of the Company. finnCap shall also have a further right to rescind the Placing Agreement without incurring any liability to the Company, following consultation with the Company to the extent practicable, if, at any time before Admission there occurs (amongst other things) the outbreak or escalation of hostilities or acts of terrorism involving the United Kingdom or the declaration by the United Kingdom of a

national emergency or war or any other occurrence of any kind which (by itself or together with any other such occurrence) in finnCap's reasonable opinion is likely to materially and adversely affect the market's position or prospects of the Group taken as a whole, including any material deterioration in, or material escalation in the response to, the Covid-19 pandemic.

The Placing Agreement also provides for the Company to pay all agreed costs, charges and expenses of, or incidental to, the Placing and Admission including all legal and other professional fees and expenses up to the specified amounts stipulated in the Placing Agreement.

Placing Shares

The Placing Shares, when issued, will be fully paid and will rank *pari passu* in all respects with the existing Ordinary Shares in issue, including the right to receive all dividends and other distributions declared, made or paid after the date of issue.

Application will be made to the London Stock Exchange for admission of the Placing Shares to trading on AIM ("**Admission**").

It is expected that Admission of the Placing Shares will take place at 8.00 a.m. on 18 August 2020 and that dealings in the Placing Shares on AIM will commence at the same time.

General Meeting

The General Meeting will be held at 11.00 a.m. on 17 August 2020 is set out at the end of this document. The Resolutions will address the matters set out below:

- **Resolution 1** - an ordinary resolution seeking general authority for the Directors to allot and issue the Placing Shares.
- **Resolution 2** - a special resolution to disapply the statutory pre-emption rights in connection with the issue of the Placing Shares.

Action to be taken

IMPORTANT NOTICE REGARDING THE GENERAL MEETING AND COVID-19

In light of the Government's response to the COVID-19 outbreak, which includes banning all non-essential travel and large public gatherings, the Company and the Chairman have determined that the Resolutions to be proposed at the General Meeting shall be voted on through a poll rather than on a show of hands.

The Company believes that this is the best and fairest way to ensure that the votes of all Shareholders can be taken into account, whilst also preventing the Company and Shareholders breaching applicable regulations.

A Form of Proxy is enclosed for use at the General Meeting.

The Company encourages all Shareholders to either submit their Form of Proxy or use the CREST Proxy Voting Service, rather than attend the meeting in person. In accordance with the Company's articles of association, whilst completion and return of the Form of Proxy or using the CREST Proxy Voting Service would not preclude Shareholders from attending, speaking and voting in person at the General Meeting should they so wish, Shareholders are reminded that to do so would potentially be in breach of Government regulations in relation to the containment and control of COVID-19.

Completed Forms of Proxy should be returned in the reply paid envelope provided to Neville Registrars Ltd as soon as possible and, in any event, by not later than 11.00 a.m. on 15 August 2020.

If you hold your Existing Shares in uncertificated form in CREST, you may vote using the CREST Proxy Voting service in accordance with the procedures set out in the CREST Manual. Further details are also set out in the notes accompanying the Notice of General Meeting at the end of this document. Proxies submitted via CREST must be received by Neville Registrars Ltd by no

later than 11.00 a.m. on 15 August 2020 (or, if the General Meeting is adjourned, 48 hours before the time fixed for the adjourned meeting).

Recommendation

The Directors consider the Resolutions to be proposed at the General Meeting to be in the best interests of the Company and its Shareholders as a whole.

Accordingly, the Directors recommend that you vote in favour of the Resolutions, as they intend to do in respect of their own holdings of Ordinary Shares of the current issued share capital of the Company.

The Directors accept responsibility for the information set out in this document. To the best of their knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

Yours faithfully,

Tim Linacre
Chairman

Frenkel Topping Group plc

(the 'Company')

(Incorporated in England and Wales under the Companies Act 1985 with registered no. 04726826)

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a general meeting of the Company ("Meeting") will be held at 11.00 a.m. on 17 August 2020 at Frenkel House, 15 Carolina Way, Salford, Manchester, M50 2ZY, to consider, and if thought fit, pass the following resolutions, of which resolution number 1 will be proposed as an ordinary resolution and resolution number 2 will be proposed as a special resolution.

In each of the resolutions below, terms defined in the circular to shareholders published by the Company dated 24 July 2020 ("Circular"), of which this notice forms part, shall have the same meanings:

ORDINARY RESOLUTION

1. In accordance with the requirements of section 551 of the Companies Act, and in addition to any existing authority (and without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authority), the directors of the Company be and they are hereby generally and unconditionally authorised to exercise all powers of the Company to allot shares in the Company or to grant rights to subscribe for, or to convert any security into, shares in the Company such authority to be limited to a maximum aggregate nominal amount of £162,500 (32,500,000 new Ordinary Shares) **PROVIDED** that such authority shall expire on the earlier of (i) the conclusion of the annual general meeting of the Company to be held in 2020; and (ii) the date falling 18 months from the date of the passing of this Resolution unless any such authorities are renewed, varied or revoked by the Company prior to or on that date and provided also that the Company may, before such expiry, make an offer or agreement which would or might require shares in the Company or rights to be allotted or granted after such expiry and the directors of the Company may allot shares in the Company or grant rights pursuant to any such offer or agreement as if the authority conferred by this Resolution had not expired.

SPECIAL RESOLUTION

2. Subject to Resolution 1 being passed, in accordance with section 570(1) of the Companies Act, and in addition to any existing authority, the directors of the Company be and they are hereby empowered to allot equity securities (within the meaning of section 560 of the Companies Act) for cash pursuant to the authority conferred by Resolution 1 as if section 561 of the Companies Act did not apply to such allotment, **PROVIDED** that this power shall be limited to the allotment and issue of new Ordinary Shares up to a maximum aggregate nominal amount of £162,500 and **PROVIDED ALSO** that such power may be renewed, revoked or varied by special resolution and that the Company may, before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry, and the directors of the Company may allot equity securities pursuant to any such offer or agreement as if such powers had not expired.

By order of the Board

Richard Fraser
Company Secretary

24 July 2020

Registered office:

Frenkel House
15 Carolina Way
Manchester
M50 2ZY

Notes:

1. Pursuant to Regulation 41 of The Uncertificated Securities Regulations 2001, the Company specifies that only those shareholders registered in the register of members of the Company as at:
 - 6.00 pm on 15 August 2020; or,
 - if the Meeting is adjourned, at 6.00 pm on the day two days prior to the adjourned meeting shall be entitled to attend and vote at the Meeting.

Appointment of proxies

1. A member is entitled to attend, speak and vote at the Meeting and is entitled to appoint one or more proxies to attend, speak and vote in his stead. A proxy need not be a member of the Company. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
2. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, each different proxy appointment form must be received by Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD not less than 48 hours before the time appointed for the Meeting.
3. A vote withheld is not a vote in law which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.
4. A form of proxy is enclosed. To be valid any form of proxy and power of attorney or other authority under which it is signed or a notarially certified or office copy of such power of authority must be lodged with the Company's Registrars Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD so as to be received not less than 48 hours before the time appointed for the Meeting or any adjourned meeting. The return of a form of proxy will not preclude a member from attending and voting at the Meeting in person should he subsequently decide to do so.
5. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) thereof by utilising the procedures described in the CREST manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
6. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's (EUI) specifications and must contain the information required for such instructions, as described in the CREST manual. The message must be transmitted so as to be received by the issuer's agent, Neville Registrars Limited (ID: 7RA11) not less than 48 hours before the time appointed for the Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST applications host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
7. CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST proxy instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings.
8. The Company may treat as invalid a CREST proxy instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
9. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

Changing proxy instructions

10. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

