

Frenkel Topping Group plc

("Frenkel Topping" or the "Company" or the "Group")

Acquisition of Bidwell Henderson Costs Consultants Limited & Notice of Results

Frenkel Topping Group (AIM: FEN), a specialist professional and financial services firm focused on asset protection for clients, is delighted to announce that it has acquired the entire issued share capital of Bidwell Henderson Costs Consultants Ltd ("**Bidwell Henderson**"), a leading legal costs consultancy, based in Derbyshire and Newcastle upon Tyne (the "**Acquisition**").

The total maximum consideration for Bidwell Henderson is £1.48 million of which £0.74 million is payable on completion and the balance of which will fall due in two equal tranches of £0.37 million on the first and second anniversary post completion with an additional earn-out being payable in 2024 if certain targets are met. Further details on the financial terms of the Acquisition are set out below.

Transaction Rationale

The Acquisition is firmly in line with the Company's strategy to pursue quality opportunities in, and to drive consolidation of, the pre-settlement professional services marketplace in Personal Injury (PI) and Clinical Negligence. Bidwell Henderson has, over the last 7 years, built a leading legal aid costs agency in England and Wales. It holds a market leading position in drafting high-cost case plans which are required when significant costs are involved in large scale and complex legal cases. Bidwell Henderson covers specific areas of law such as complex public and private family, housing, judicial review, Court of Protection, abuse and clinical negligence cases. In addition, Bidwell Henderson challenges the traditional legal aid costs firm model and has built its success on developing ancillary services in legal aid processing, legal cashing and costs training.

As a result, Bidwell Henderson is highly integrated into law firms' back-office systems. So, while litigation is transactional, the business model deployed by Bidwell Henderson means the nature of the revenues are of a repeat/recurring nature. Given the close links Bidwell Henderson has to law firms this represents a clear opportunity for Frenkel Topping to offer its other services such as expert reports in addition to the court of protection work and traditional legal costing that both the Group and Bidwell Henderson undertake. Finally, a number of legal aid funded cases result in large awards to claimants, so Bidwell Henderson offers the prospect of access to additional meaningful opportunities to secure assets under management (AUM) for Frenkel Topping. The Acquisition is cash generative and is expected to be immediately earnings enhancing following completion.

As set out in the Company's strategy, the focus is to ensure the Company has as many touch points as possible in the PI & Clinical Negligence space in order to capture as many revenue opportunities as possible, which the Acquisition provides.

Further detail on Bidwell Henderson

Bidwell Henderson was first established in 2014, currently employs or retains 55 individuals across two offices and specialises in high-cost case plans and claims, and legal aided matter where an inter partes costs order is successfully ordered. For the year ended 31 March 2021, Bidwell Henderson

generated revenues of £1.56m, reported a £0.4m profit before tax and with £0.4m net assets on the balance sheet as at 31 March 2021.

The Sellers will remain within the group, to further enable us to develop and maximise the cross-selling and up-selling opportunities the Acquisition offers in addition to driving forward Bidwell Henderson's core cost consultancy practice within the Group.

Consideration for the Acquisition

The Company has agreed to acquire Bidwell Henderson from Mark Bidwell, Rebecca Bidwell and Ann Delaney (née Henderson (the "Sellers") for a total consideration of £1.48 million representing 5x normalised EBITDA for the last financial year.

Consideration split of £1.48 million:

- £0.74 million paid in cash at the time of the Acquisition (subject to a post-completion adjustment following a completion accounts process)
- £0.37 million paid in cash at the time of the first anniversary
- £0.37 million paid in cash at the time of the second anniversary

In addition, the Sellers will receive an earn-out of 2.5x the EBITDA generated in the year to 31 December 2023 over £296,000 capped at £2 million.

Notice of Results

Frenkel Topping announces that it will publish its interim results for the six months ended 30 June 2021 on 20 September 2021.

Richard Fraser, Chief Executive Officer of Frenkel Topping, said:

"I am delighted to welcome Bidwell Henderson to the Group. Over the past seven years Mark, Ann and Rebecca have built a leading legal costs consultancy and were well known to the Group prior to discussions around the Acquisition. This acquisition is in line with our strategy of maximising touch points in the PI and Clin Neg space with the added benefit of being able to sell Frenkel Topping services into existing Bidwell Henderson clients and look to further the AUM growth of the Group."

Rebecca Bidwell, Director of Bidwell Henderson, said:

"We could not be more delighted to become part of the Frenkel Topping Group. Bidwell Henderson is a growing business providing an array of legal services to lawyers. We have strategic and ambitious plans for the future. Becoming part of the Frenkel Topping Group will help us achieve those goals quicker and provide additional opportunities for our team. With the help of our bespoke and comprehensive in-house training programme and our exceptional team members, we are looking forward to bringing new opportunities to the market and being able to support more lawyers."

For further information:

Frenkel Topping Group plc

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About Frenkel Topping Group:

The financial services firm consists of Frenkel Topping Limited, Ascencia Investment Management, Obiter Wealth Management, Equatas Accountants, Forth Associates, A & M Bacon Limited and Partners in Costs Limited.

The group of companies specialises in providing financial advice and asset protection services to clients at times of financial vulnerability, with particular expertise in the field of personal injury and clinical negligence.

With more than 30 years' experience in the industry, Frenkel Topping has earned a reputation for commercial astuteness underpinned by a strong moral obligation to its clients, employees and wider society, with a continued focus on its Environmental, Social and Governance (ESG) impact.

Through its core business, Frenkel Topping Limited, the firm supports litigators pre-settlement in achieving maximum damages, by providing expert witness services, and post-settlement to achieve the best long-term financial outcomes for clients after injury. It boasts a client retention rate of 99%.

The Group's discretionary fund manager, Ascencia, provides financial portfolios for clients in unique circumstances. In recent years Ascencia has diversified its portfolios to include a Sharia-law-compliant portfolio and a number of ESG portfolios in response to increased interest in socially responsible investing (SRI).

Obiter provides a generalist wealth management service - including advice on Savings and Investments; Tax planning; Life Insurance; Critical Illness and Income protection; Endowment advice and Keyman Insurance, with a particular specialism in financial advice on pensions and pension sharing orders for the clients of divorce and family lawyers. Obiter applies the same core principles of honesty, transparency, responsibility and reliability to individuals, regardless of background or situation.

In 2019, Frenkel Topping launched its accountancy arm, Equatas, to assist clients with tax planning and move closer to providing a full end-to-end service under the Group brand, improving the experience for clients and maintaining the Group's standards throughout the client journey.

In 2020 Frenkel Topping acquired Forth Associates, a specialist forensic accounting services business which assists in financial and legal disputes. The acquisition makes Frenkel Topping the largest independent provider of financial expert witness reports to the claimant marketplace.

Earlier in 2021 Frenkel Topping acquired A & M Bacon Limited a leading costs specialist in local government and Court of Protection, and Partners in Costs Limited who specialise in civil litigation claims, including personal injury (ranging from catastrophic injury to clinical negligence), professional negligence, commercial claims and court of protection costs.

For more information visit: www.frenkeltoppinggroup.co.uk

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