

[The information contained within this announcement was deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 as amended. With the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.]

Frenkel Topping Group plc

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

Trading Update to 30th June 2024

Frenkel Topping (AIM: FEN), a specialist financial and professional services firm operating within the personal injury (PI) and clinical negligence (CN) marketplace provides the following trading update for the six-month period ended 30th June 2024 (“HY2024”) and an outlook for the remainder of the financial year (“FY2024”).

	H1 2024*	H1 2023*	% change	FY2023 Full year (£m)
	(£m)	(£m)		
Revenue	17.9	16.0	12%	32.8
Recurring revenue	6.5	5.9	10%	12.0
Gross profit	6.9	6.6	5%	13.9
Adjusted EBITDA	3.6	3.5	3%	8.0
FUM	1,455	1,261	15%	1,335
DFM	935	761	23%	820

**Unaudited - Financial expectations noted above are preliminary and subject to final review processes.*

***EBITDA before share based compensation, acquisition strategy, integration and reorganisation costs*

The first six months saw strategic progress and a solid performance from the majority of the Group’s subsidiaries. One of the Group’s subsidiaries performed less strongly and remedial action has been taken.

A highlight of the performance was the record levels of new Funds Under Management (FUM) added in the first six months of the year, and that momentum is expected to continue during the second half. However, due to continued market conditions a large proportion of these mandates have been into our Money Market Solution (MMS) at lower

fee rates. MMS was launched in June 2023 and stands at £113.5m at 30th June 2024. We remain poised to redeploy these mandates into our other investment solutions as market conditions change.

We were delighted that Ascencia Investment Management's Safety First 2 & 3 portfolios have been Highly Commended in the Defaqto Defensive Comparator Sector. Based on 5 years discrete risk-adjusted performance measures, the Defaqto MPS Comparator awards recognises the most consistent MPS solutions within the Defensive comparator sector.

Additionally, Ascencia has been awarded with the ARC 3D Research Award this year. This annual award has 3 founding principles: Data, Due Diligence and Demonstration.

Ascencia has continued to outperform benchmarks, with our Income and Growth 4 fund achieving returns of 4.92% on the three years to 30th June 2024 compared to ARC Sterling Balanced Asset's return of 3.29%.

Fair value assessment and associated amendments to charging structures in light of the regulatory changes around Consumer Duty have been largely completed and the Board is confident that there are no material regulatory implications that have not been sufficiently addressed.

The amended charging structures will have a modest impact on revenues, with limited impact this financial year.

Partners in Costs Limited ("PIC"), one of the UK's leading costs law specialists, has had a particularly challenging period primarily in recruitment and technology implementation impacting their ability to handle increased work loads. The Board has taken swift action and have changed a number of key processes as a result. It is making a number of new hires and is continuing to invest in technology which is expected to improve medium-term performance. The Board is confident that the medium-term prospects for PIC remain positive and that this is a short-term issue, but the underperformance will have an impact on the outturn and management's expectations for the year of the Group.

Somek & Associates has continued to increase the number of expert witnesses, increasing our ability to handle higher number of instructions. During FY2023 we grew this number by 19% and have already achieved a further 17% growth during H1 2024. This remains a key objective for the second half of the year and beyond.

May saw Cardinal increase its presence in NHS Major Trauma Centres (MTC) through the addition of Sheffield Children's Hospital to its portfolio. We continue to work with the NHS to demonstrate the benefits of these services to them and remain committed

to increasing our presence within further MTC in order to better support the interests of claimants and the work of their professional representatives.

Bidwell Henderson continue to expand the Graduate training programme and have taken on two intakes to date in H1 with the next due to start in the Autumn. We continue to develop this programme and are looking at ways we can expand its reach within our wider Costs businesses in order to produce a pipeline of future Costs experts.

Within Care and Case Management we are continuing to increase our geographical reach, with key hires being made in Doncaster and Birmingham with a view to offering our services nationwide.

Following the acquisition of North West Law Services (NWL) in April, key relationships have been retained and NWL is trading in line with our expectations.

Outlook

The business takes confidence from FUM growth and performance across many of the business units but the impact of the underperformance of PIC and the amendments to charging structures due to Consumer Duty means that the Company is currently trading in line with revenue expectations but marginally behind management's expectations of EBITDA. It does however take encouragement from having taken immediate action to address matters at PIC and overall the opportunity remains to consolidate its position as the leader in financial and professional services in the PI and CN space and that the vast majority of businesses acquired have integrated well and are performing to management's expectations.

Notice of Results

Final, unaudited results for the six months ended 30 June 2024 are expected to be announced on 30th September 2024 at which point management will provide a further and more comprehensive update on progress and strategy.