

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF EU REGULATION 596/2014

27 June 2017

**Frenkel Topping Group plc  
("Frenkel Topping" or the "Group")**

**Conclusion of Strategic Review, Expiration of Offer Period and Trading Update**

**Frenkel Topping (AIM: FEN), a specialist independent financial advisor and asset manager focused on asset protection for vulnerable clients, is providing an update on its strategic review announced on 3 April 2017, as well as a trading update for the first six months of the financial year.**

**Overview**

- The strategic review identified potential acquirers, however the Board believes that none of these proposals appropriately reflected the organic growth potential of the Group, particularly in light of the proposed amendments to the Ogden Discount Rate
- The Board recommits itself to maintaining a progressive dividend policy and accelerating its year-on-year growth in AUM
- Solid H1 trading performance (significant revenue and operating profit progression versus H1 2016), in line with expectations for the full year
- Assets on DFM mandates increased to £290m, and overall AUM to £770m

**Strategic Review**

Frenkel Topping has concluded the strategic review announced on 3 April 2017. The Board has decided that it is in the best interest of shareholders, employees and clients to continue as an independent company, pursuing its existing business plan, the prospects for which it believes have been enhanced by proposed amendments to the Ogden Discount Rate, which will materially alter the landscape of the industry.

As such, the Group is not in active discussions with any third party in relation to a corporate transaction, such as a merger with or sale of the Company and as such the Formal Sale Process has now been terminated. The Company is therefore no longer in an offer period for the purposes of the Takeover Code and, accordingly, the requirement to make disclosures under Rule 8 of the Code has now ceased.

The Board remains enthused by the prospects for the Group and today reaffirms the Group's commitment to deliver attractive on-going value to shareholders, as evidenced by the positive trading for the first six months of this financial year.

**Trading Update**

The Group proposes to announce its half year results in early July in which the Board expects to report profit from operations of £1.2m (H1 2016: £0.3m, FY2016 £1.4m) on revenues of £3.7m (H1 2016: £2.8m), as a result of both an increase in Assets Under Management (AUM) to approximately

£770m (FY 2016: £745m) (of which approximately £290m will be on a discretionary mandate (FY2016: £253m)) and an increase in gross margin to in excess of 60% (H1 2016: 55%, FY 2016: 58%).

In addition, the Group also paid a dividend, increased by 25 per cent. from the previous year, to shareholders in May 2017 and completed the move to a new head office in Manchester.

The Board expects this strong growth to continue over the second half of the year and confirms that the Company is trading in line with market expectations, as well as continuing to deliver a progressive dividend policy.

### **Business Plan**

The Board will continue to execute its existing business plan for the Group. The effects of the Ogden Review are now starting to translate into higher levels of damages available to our clients and this should accelerate the growth of AUM for the Group. In addition to this, the Group expects to increase its market share in the industry, through expanding its London office, increasing the number of authorised individuals employed by the Group and establishing further joint venture relationships with legal firms to drive asset growth.

In addition, the Group intends to expand its investment offerings through Frenkel Topping Investment Management and its Safety First product range.

As a result of the above, the Board remains fully focused on reaching AUM of £1bn on an organic basis and remains open to opportunistic investments, both to maximise its return on its cash position, as well as other investments and acquisitions that might accelerate the growth of the business and strength of the platform in place.

### **Investor enquiries**

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