

# STRAND HANSON

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*Unless otherwise stated, capitalised terms used throughout this letter have the same meanings given to them in the scheme document, of which this letter forms part, dated 20 October 2025.*

20 October 2025

The Directors  
Irwell Financial Services Bidco Limited  
6 Stratton Street  
Mayfair  
London W1J 8LD

**Recommended acquisition of Frenkel Topping Group plc by Irwell Financial Services Bidco Limited (a newly formed company indirectly owned by a limited partnership managed by Harwood Private Equity LLP)**

**Estimated Value of an Irwell Holdco Unit**

Dear Sirs

Pursuant to the requirements of Rule 24.11 of the Takeover Code, the Irwell Bidco Directors have requested our opinion as to the estimated value of the Irwell Holdco Units being offered by Irwell Bidco to eligible Scheme Shareholders under the Alternative Offer (**Estimated Value**).

Under the terms of the Acquisition, if it becomes Effective, Scheme Shareholders will be entitled to the Cash Offer, comprising 50 pence in cash and one CVR for each Scheme Share held. As an alternative to the Cash Offer, eligible Scheme Shareholders may elect (subject to the terms and conditions set out in the Scheme Document) to participate in the Alternative Offer by exchanging some or all of their existing Scheme Shares for 10 pence in cash and an Irwell Holdco Unit per share. Eligible Scheme Shareholders who validly elect to participate in the Alternative Offer will therefore receive:

**for each Scheme Share held:                    10 pence in cash; and**

**One Irwell Holdco Unit, comprising:**

- **a 1 penny Irwell Holdco Ordinary Share;**
- **6 pence in Irwell Midco 1 Loan Notes; and**
- **33 Irwell Holdco Preference Shares of 1 penny each.**

The Alternative Offer is not subject to any minimum floor but is subject to the Alternative Offer Maximum Cap, being a maximum cap on the aggregate number of elections from Voting Scheme Shareholders for such Alternative Offer being equal to 25 per cent. of the existing issued ordinary share capital of Frenkel Topping. Should valid elections be received from Voting Scheme Shareholders holding, in aggregate, in excess of the Alternative Offer Maximum Cap then such excess elections for the Alternative Offer will be subject to "scale-back" on a *pro rata* basis with the remaining consideration payable on the same

terms as the Cash Offer (with any fractions of a Irwell Holdco Unit resulting from such scaling back being rounded down to the nearest whole number). Voting Scheme Shareholders will receive their entitlements under the Cash Offer in respect of any scaled back elections.

The Irwell Holdco Units to be issued pursuant to the Alternative Offer will rank *pari passu* in all respects with the Irwell Holdco Units which are to be subscribed for by the Irwell Holdco Investors on or prior to implementation of the Proposals.

Pursuant to the Subscription Agreement, the Irwell Holdco Investors have agreed that they will subscribe for, in aggregate, up to 91,260,549 Irwell Holdco Units at a price of 40 pence per unit so as to provide Irwell Bidco (via certain intragroup loan agreements) with the amount required, alongside the Santander Debt Facility Agreement and the subscription by NASCIT for Irwell Bidco Rollover Loan Notes, to satisfy the maximum aggregate Cash Consideration payable in accordance with the Scheme (having regard to the irrevocable undertakings obtained from certain Scheme Shareholders to elect to receive the Alternative Offer pursuant to the terms of the Scheme) and to satisfy certain fees and expenses in connection with implementation of the Offer as well as providing additional general working capital for the enlarged group following the Effective Date.

Each component of an Irwell Holdco Unit shall comprise a security in a private, unlisted company, however, it is intended that following successful completion of the Offer, Irwell Bidco will seek for the Irwell Holdco Shares to be admitted to trading on a suitable UK matched bargain facility platform and for the Irwell Midco 1 Loan Notes to be separately traded on TISE to enable holders of Irwell Holdco Units to potentially buy and sell such equity and debt securities thereafter. Accordingly, whilst there will be the potential to trade certain components of an Irwell Holdco Unit, there will be no public market valuation available for an Irwell Holdco Unit as a whole and only the Irwell Midco 1 Loan Notes will potentially be traded on a recognised stock exchange.

## **1. Purpose**

This Estimated Value has been provided to the Irwell Bidco Directors solely for the purposes of complying with the requirements of Rule 24.11 of the Takeover Code in connection with the Acquisition and shall not be used or relied upon for any other purpose whatsoever. In particular, the Estimated Value is not a valuation that has been prepared as a result of the requirements of or in accordance with, nor has Strand Hanson had any regard to, the terms of any applicable law or regulations in any other jurisdiction. It is not addressed to, and may not be relied upon by, any third party for any purpose whatsoever and Strand Hanson expressly disclaims any duty or liability to any third party with respect to the contents of this letter.

Our view as expressed in this letter is limited to an estimate of the value of the Irwell Holdco Units being offered to eligible Scheme Shareholders in connection with the Acquisition as at 17 October 2025 (being the latest practicable date prior to the posting of the Scheme Document) and is given and valid as at such date only. The Estimated Value assumes both a willing buyer and seller of equal bargaining power, neither being under any compulsion to buy or sell, dealing on an arm's length basis and where each party has equal knowledge of all relevant information. The Estimated Value does not represent the value that a holder of Irwell Holdco Units may realise on any future sale of such Irwell Holdco Units, and any such value realised on any future sale of Irwell Holdco Units may be higher or lower than the Estimated Value range set out in this letter. The Estimated Value may also differ substantially from estimates available from other sources. Strand Hanson assumes no obligation to update or revise the Estimated Value at any date in the future based upon circumstances or events occurring after the date hereof, unless otherwise required to do so in accordance with the Takeover Code.

## **2. Information and Assumptions**

In determining the Estimated Value, we have considered and/or utilised, *inter alia*, the following information:

- a) publicly available and privately obtained financial and other information relating to Frenkel Topping, including, but not limited to, the Company's annual and interim reports, trading updates, and broker research;
- b) financial projections prepared by Harwood relating to the expected performance of the Frenkel Topping Group following the Scheme becoming Effective;

- c) the commercial assessments of Harwood and Frenkel Topping with respect to the business, operations, financial condition of, and prospects for, Frenkel Topping;
- d) the net debt position of Frenkel Topping;
- e) the terms of the Acquisition, the financing structure of Bidco and the effect of the £21 million debt facility expected to be drawn down from Santander, particularly in respect of the enterprise value of the Irwell Holdco Units;
- f) the rights and restrictions attached to the Irwell Holdco Units, as summarised in the Scheme Document;
- g) the number of Frenkel Topping Shares in issue, being 128,013,064 ordinary shares, which is inclusive of the 5,076,712 ordinary shares held by Apex Group Fiduciary Services Limited as trustee of the Frenkel Topping Employee Benefit Trust, which shall be utilised to satisfy the exercise of any options prior to completion of the Offer;
- h) the risk factors set out in Part 13 (*Risk factors in relation to the Frenkel Topping Group, the Irwell Holdco Group, the CVR and the Alternative Offer*) of the Scheme Document;
- i) such other financial analyses and such other information as we deemed appropriate for the purposes of this exercise.

In addition, we have met with certain significant shareholders of Frenkel Topping to discuss the Acquisition, including the Alternative Offer, as well as other matters we believed to be relevant to our enquiries.

In performing our analyses, we have relied upon and assumed the accuracy and completeness of all information that was publicly available or which was furnished to or discussed with us by or on behalf of Harwood or Frenkel Topping or otherwise reviewed by or for us, and we have not independently verified (nor have we assumed responsibility or liability for independently verifying) any such information or its accuracy or completeness. In relying on financial analyses, projections and forecasts provided to us or derived therefrom, we have assumed that they have been reasonably prepared based on assumptions reflecting the best currently available estimates and judgements by Frenkel Topping and Harwood as to the expected future results of operations and financial condition of the Frenkel Topping Group to which such analyses, projections and forecasts relate. We express no view as to the reasonableness of such analyses, projections or forecasts or to the assumptions on which they were based.

If any of the information or assumptions relied upon prove to be incorrect, the actual value of the Irwell Holdco Units may be different from, including potentially considerably less or more than, the Estimated Value. Our view as expressed in this letter is necessarily based on economic, market and other conditions, the prospects of Frenkel Topping and other factors which generally influence the valuation of companies and securities, in each case as they exist at the date hereof and on the information made available to us as at the date of this letter. It should be understood that subsequent developments and/or changes to prevailing financial, economic and market conditions, the financial condition and prospects of the Frenkel Topping Group (and other factors which generally influence the valuation of companies and securities) may affect the views provided in this letter, and that we assume no obligation to update, revise or reaffirm the views expressed in this letter, unless otherwise required to do so in accordance with the Takeover Code.

We have assumed for the purposes of this letter that the Irwell Holdco Units are already in issue, that the Acquisition has become Effective in accordance with its terms (with no modification or delay), that the conditions to the issue and allotment of the Irwell Holdco Units and the Alternative Offer have been satisfied or (if applicable) waived (without adverse effect), that the Irwell Holdco Shares shall be admitted to trading on a UK matched bargain facility and the Irwell Midco 1 Loan Notes shall be admitted to trading on TISE, and that Irwell Bidco has successfully acquired the entire issued and to be issued ordinary share capital of Frenkel Topping.

Given that eligible Scheme Shareholders who elect for the Alternative Offer shall receive one Irwell Holdco Unit for each Frenkel Topping Share held, we illustrate the value of an Irwell Holdco Unit on an equivalent basis as an Frenkel Topping Share. Therefore, references to the value of an Irwell Holdco Unit are primarily presented on a pence per share basis to enable comparative treatment.

### 3. Methodology

In arriving at the estimated value, we have, amongst other things:

- a) considered a range of widely accepted valuation methods including, *inter alia*, quoted comparable companies' trading multiples and historical precedent transactions' valuation multiples;
- b) undertaken a discounted cash flow analysis based on the financial projections as prepared by Harwood. In our modelling under this methodology, we have excluded any potential future payment to CVR Holders due to the uncertainty involved in satisfying the required Hurdle Price;
- c) referenced the historical trading prices and the implied trading valuations of Frenkel Topping's ordinary shares on AIM;
- d) taken into account the proposed financing structure for Irwell Bidco;
- e) considered the anticipated lack of a liquid market for the Irwell Holdco Units, notwithstanding Irwell Bidco's intention to apply for the Irwell Holdco Shares to be admitted to trading on a suitable UK matched bargain facility and the Irwell Midco 1 Loan Notes to be admitted to trading on TISE;
- f) considered the rights and restrictions attached to the underlying securities of the Irwell Holdco Units, including: (i) the restrictions and level of protection provided to minority shareholders pursuant to the articles of association relating to the Irwell Holdco Group, such as the drag and tag along rights; (ii) the structure of the Irwell Holdco Board; and (iii) the public information pertaining to Frenkel Topping's operations that will be available following completion of the Offer; and
- g) accounted for the expected timeframe estimated by Irwell Bidco to effect an Exit Event, being approximately four to seven years from the Effective Date.

Our Estimated Value is based on theoretical valuation techniques and is sensitive to changes in assumptions about the future financial performance of Frenkel Topping. Both are sensitive to macroeconomic conditions impacting, *inter alia*, equity market values and interest rate levels, which in turn will affect the accuracy of the financial projections published by Frenkel Topping's broker and those produced by Harwood.

We have not taken account of an individual Scheme Shareholder's taxation position or the effects of any exemptions, allowances or reliefs available for the purposes of income, capital gains, inheritance or any other applicable tax, duty or levy. Furthermore, no account has been taken of any potential transaction costs that a holder of the Irwell Holdco Units may incur on a future disposal or Exit Event.

Strand Hanson has made an assessment of the relevant discount rates to be utilised in deriving the Estimated Value to account for the effects of paragraphs 3(e)-(g) above. For the avoidance of doubt, Strand Hanson has not attempted to apply any discount to reflect any other areas, as we believe that Scheme Shareholders may each have a different view of the relevant factors to be considered when reaching an estimated value.

### 4. The Estimated Value

On the basis of, and subject to, the above, it is our view that, as at the Last Practicable Date, the Estimated Value of each Irwell Holdco Unit is within a range of 34.0 to 36.0 pence, being equivalent to an equity value of £47.8 million to £50.6 million. This Estimated Value implies an enterprise value of £68.8 million to £71.6 million, based on the Irwell Holdco Group's assumed financial position and net debt as at completion of the Acquisition, noting: (i) the total debt to be provided under the Santander Debt Facility Agreement; and (ii) the estimated net debt position.

The Estimated Value incorporates an assumed level of discount to reflect the expected relative trading illiquidity of the Irwell Holdco Units, on the assumption that the Irwell Holdco Shares shall only potentially be admitted to trading on a suitable UK matched bargain facility and the Irwell Midco 1 Loan Notes shall be admitted to trading on TISE. The Estimated Value does not incorporate a discount for other structural features and risk factors pertaining to the Irwell Holdco Units. Each eligible Scheme Shareholder should individually take such factors into account.

As noted above, eligible Scheme Shareholders should note that the Estimated Value is highly sensitive to a number of assumptions, including amongst others the future financial performance of the Irwell Holdco Group.

Eligible Scheme Shareholders who may be considering either the Cash Offer of 50 pence in cash and one CVR per Scheme Share held or a continuing indirect investment in the future of Frenkel Topping through the Alternative Offer should carefully read all the information relating to the Alternative Offer and the Irwell Holdco Units contained in the Scheme Document, including, but not limited to, the risk factors set out in Part 13 (*Risk factors in relation to the Frenkel Topping Group, the Irwell Holdco Group, the CVR and the Alternative Offer*) of the Scheme Document.

## **5. General**

Strand Hanson is acting as financial adviser to the Irwell Holdco Group and Harwood and no-one else solely for the purposes of providing this letter in accordance with Rule 24.11 of the Takeover Code in connection with the Acquisition and Strand Hanson will not be responsible to anyone other than the Irwell Holdco Group and Harwood for providing the protections afforded to clients of Strand Hanson, nor for providing advice in connection with the Acquisition or any matter referred to in the Scheme Document or this letter. Strand Hanson will receive fees from Irwell Bidco in respect of its services in connection with the provision of this letter.

Strand Hanson has not provided, nor will it provide, legal, tax, regulatory, accounting or other specialist advice, and nothing herein should be taken to reflect any such advice. For the avoidance of doubt, Strand Hanson expresses no opinion (whether as to the fairness or otherwise) on the financial terms of the Acquisition, the Cash Offer or the Alternative Offer. Any decision to elect for the Alternative Offer should be based on independent financial, tax and legal advice and a full consideration of the Scheme Document and the other documents in relation to the Acquisition, including the Articles of Irwell Holdco. Eligible Scheme Shareholders should ascertain whether acquiring or holding the Irwell Holdco Units is affected by the laws of the relevant jurisdiction in which they reside and consider whether the Irwell Holdco Units are a suitable investment in light of their own personal circumstances and are, therefore, strongly recommended to seek their own independent financial, tax and legal advice before deciding whether to elect for the Alternative Offer. In particular, Scheme Shareholders should note that whilst it is the intention of the Irwell Bidco Directors to apply for the Irwell Holdco Shares to be admitted to trading on a suitable UK matched bargain facility and the Irwell Midco 1 Loan Notes to be admitted to trading on TISE, there can be no guarantee of this taking effect, which may result in the tradability of the Irwell Holdco Units being significantly further reduced.

This letter is provided solely for the benefit and use of the Irwell Bidco Directors for the purpose of Rule 24.11 of the Takeover Code in connection with the Acquisition and for no other purpose. This letter is not addressed to, or provided on behalf of, nor shall it confer any rights or remedies upon, any shareholder, creditor or any other person other than the Irwell Bidco Directors for the aforesaid purpose.

Without prejudice to the generality of the foregoing, this letter does not constitute a recommendation or opinion to, or for the benefit of, any Scheme Shareholder as to whether such Scheme Shareholder should vote in favour of the Scheme at the Court Meeting or the Resolution relating to the Proposals to be proposed at the General Meeting in order to give effect to the Acquisition, or whether any such Scheme Shareholder should receive the Cash Offer or make any election pursuant to the Alternative Offer.

Other than as required pursuant to the Takeover Code, or as the Panel or the Court may otherwise require, this letter may not be disclosed, referred to, or communicated (in whole or in part) to any third party for any purpose whatsoever, except with our prior written approval in each case. This letter may be reproduced in full in the Scheme Document to be sent to Scheme Shareholders and others on the basis that no duties or responsibilities are accepted by Strand Hanson to any person, individually or collectively, but this letter may not otherwise be published or reproduced publicly in any manner without our prior written consent.

Yours faithfully

**Strand Hanson Limited**