

PART X

RULE 24.11 ESTIMATE OF VALUE LETTER

The Directors
Amalfi Bidco Limited
25a Soho Square
London
W1D 3QR
United Kingdom

25 July 2022

RECOMMENDED OFFER

for

CareTech Holdings PLC (“CareTech”)

by

Amalfi Bidco Limited (“Bidco”)

(a newly formed company indirectly owned by joint offerors Sheikh Holdings Group (Investments) Limited, Belgravia Investments Limited and Kensington Capital Limited, and funds managed by THCS IV GP S.à r.l. and TH Management IV S.à r.l. and as advised by THCP Advisory Limited)

Estimated Value of Rollover Securities

Dear Sirs,

Pursuant to the requirements of Rule 24.11 of the Takeover Code, you have requested our opinion as to the estimated value of the Rollover Securities offered by Bidco to eligible CareTech Shareholders under the Partial Alternative Offer (the “**Estimated Value**”). Capitalised terms used in this letter will, unless otherwise stated, have the meaning given to them in the Scheme Document published by CareTech on 25 July 2022 of which this letter forms part.

Under the terms of the Offer, for each CareTech Share held, eligible CareTech Shareholders will be entitled to receive 750 pence in cash, or elect to receive D Ordinary Shares in the capital of Amalfi Topco Limited (“**Topco**”), the indirect parent of Bidco having the rights of “Rollover Securities” set out in the articles of association of Topco in exchange for their holding of CareTech Share(s) at the following ratio: 7.5 Rollover Securities for each CareTech share, subject to the terms and conditions of the Partial Alternative Offer.

The maximum aggregate number of Rollover Securities available to eligible CareTech Shareholders under the Partial Alternative Offer will be limited to 26.4 per cent. of the issued ordinary share capital of Topco, which represents approximately 5.74 per cent. of the fully diluted share capital of CareTech (the “**Partial Alternative Offer Maximum**”).

If elections are validly received from eligible CareTech Shareholders in respect of a number of CareTech Shares that would require the issue of Rollover Securities in excess of the Partial Alternative Offer Maximum, such elections will be unable to be satisfied in full. In these circumstances the number of CareTech Shares eligible CareTech Shareholders are entitled to exchange for Rollover Securities will be reduced on a pro-rata basis, and the balance of the consideration for each CareTech Share will be paid in cash in accordance with the terms of the Cash Consideration. For avoidance of doubt, in such a scenario, the ratio at which each CareTech Share is exchanged for Rollover Securities will remain unchanged.

Unless otherwise determined by Bidco and permitted by applicable law and regulation, the Partial Alternative Offer will not be offered, sold or delivered, directly or indirectly, in or into any Restricted Jurisdiction and individual elections for the Partial Alternative Offer will only be valid if all regulatory

approvals (if any) required by an eligible CareTech Shareholder to acquire the Rollover Securities have been obtained.

The Rollover Securities are unlisted securities and therefore do not have a public valuation. There is no current intention for the Rollover Securities to be subject to any application for listing on any stock exchange or regulated market. The Rollover Securities are described in paragraphs 9 to 11 of Part II (*Explanatory Statement*) and Part VIII (*Summary of the Partial Alternative Offer, The Rollover Securities and the Topco Group*) of the Scheme Document.

Purpose

This Estimated Value has been provided to the directors of Bidco (the “**Bidco Directors**”) solely for the purposes of complying with the requirements of Rule 24.11 of the Takeover Code in connection with the Offer and shall not be used or relied upon for any other purpose whatsoever. It is not addressed to, and may not be relied upon by, any third party for any purpose whatsoever and Citi and Dean Street expressly disclaim any duty, liability or responsibility (whether direct or indirect, whether in contract, tort, under statute or otherwise) to any third party with respect to the contents of this letter.

The Estimated Value is limited to an estimate of the value of the Rollover Securities being offered to eligible CareTech Shareholders in connection with the Offer as at 25 July 2022 and is given and valid as at the date hereof 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 knowledge of all relevant information. We have assumed for this purpose that, at the date of the Estimated Value, the Scheme has become Effective in accordance with its terms. The Estimated Value does not represent the value that a holder of Rollover Securities may realise on any future sale of such Rollover Securities, it being noted that such value realised on any future sale of Rollover Securities may be higher or lower than the figure in this letter. The Estimated Value may also differ substantially from estimates available from other sources. Citi and Dean Street assume 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 in accordance with the Takeover Code.

Eligible CareTech Shareholders who may be considering a continuing investment in the future of Bidco through the Rollover Securities should read carefully all the information relating to the Partial Share Alternative and the Rollover Securities contained in the Scheme Document, including, without limitation, the section headed “Risk factors and other investment considerations to the Partial Alternative Offer” contained in Part II (*Explanatory Statement*) of the Scheme Document. CareTech Shareholders may also note that the CareTech Independent Directors are only making a recommendation in respect of the Cash Consideration and are not making any recommendation in respect of the Partial Alternative Offer.

Information

In arriving at our Estimated Value, we have considered, among other things:

- a) certain publicly available financial statements as well as certain other publicly available business and financial information relating to CareTech;
- b) the financial projections of the Topco Group, including certain forecasts, prepared at the direction of the Bidco Directors relating to the business, operations, financial condition and prospects of the Topco Group, including CareTech;
- c) the commercial assessments of the Bidco Directors with respect to the business, operations and financial conditions and prospects of the Topco Group, including CareTech;
- d) the rights and restrictions attached to the Rollover Securities as summarised and contained in the Scheme Document, reflecting the Topco Shareholders’ Agreement, and the Topco Articles (as applicable);
- e) the capital structure of the Topco Group including the fact that the Rollover Securities (i) will rank behind the Offer Debt and Midco Debt in relation to rights to returns and liquidation order of preference and (ii) may deliver a smaller percentage return when compared to the A Ordinary and the C Ordinary Shares as a result of the ratchet structure;

- f) the terms of the Offer; and
- g) such other financial analyses and such other information as we considered appropriate for the purpose of this letter.

We have relied on, and assumed, without independent verification (nor have we assumed responsibility or liability for independently verifying), the accuracy and completeness of the information considered by us for the purposes of this Estimated Value. With respect to the financial projections reviewed by us, we have assumed that they have been reasonably and properly prepared by Bidco on the basis of its current estimates and judgements of the future financial performance of Bidco. We express no view as to such analyses, projections or forecasts or the assumptions on which they were based.

We have not made any independent valuation or appraisal of the assets and liabilities of the Topco Group (including CareTech), nor have we sought or been provided with any such valuation or appraisal, nor have we evaluated the solvency of the Topco Group (including CareTech) under any applicable laws relating to bankruptcy, insolvency or similar matters.

We have assumed for the purposes of this letter that the Rollover Securities are already in issue, that the Offer has become effective in accordance with its terms, that the conditions to the issue and allotment of Rollover Securities under the Partial Share Alternative have been satisfied and that Bidco has acquired the entire issued and (if applicable) to be issued ordinary share capital of CareTech.

If any of the information or assumptions relied upon prove to be incorrect, the actual value of Rollover Securities may be different from, including potentially considerably less than 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 the Topco Group 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 of the date of this letter. It should be understood that subsequent developments 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.

Methodology

In arriving at the Estimated Value, we have, among other things:

- a) undertaken dividend discount model and discounted cash flow analyses based on the financial projections of the Topco Group, including certain forecasts, prepared at the direction of the Bidco Directors relating to the business, operations, financial condition and prospects of the Topco Group, including CareTech;
- b) taken into account the valuation at which new equity capital is being injected into the Topco Group;
- c) referenced the historical trading prices and the implied trading valuations of CareTech Shares on the London Stock Exchange;
- d) considered a range of other widely accepted valuation methods including, *inter alia*, precedent transaction multiples;
- e) taken into account the proposed financing structure for the Topco Group, including the Offer Debt, the Midco Debt and that the Rollover Securities may deliver a smaller percentage return when compared to the A Ordinary and the C Ordinary Shares as a result of the ratchet structure;
- f) taken into account certain estimated transaction expenses expected to be incurred in relation to the Offer; and
- g) considered the lack of a liquid market for the Rollover Securities, the fact that the Rollover Securities will be subject to a lock-up period of five years and the lack of voting rights attached to the Rollover Securities as summarised and contained in the Scheme Document, reflecting the Topco Shareholders' Agreement, and the Topco Articles (as applicable).

The Estimated Value is based on theoretical valuation techniques and is highly sensitive to changes in assumptions about the future financial performance of Topco. This is particularly the case given the high

leverage relative to overall enterprise value, as evidenced by Topco having £760.0 million of Offer Debt (excluding the revolving credit facility) and £258.0 million of Midco debt. As a result, there can be no assurance that the actual value of the Rollover Securities will not be higher or lower than the Estimated Value.

No account has been taken of any potential transaction costs that a holder of Rollover Securities may incur, including any associated dealing costs, or any potential costs that may be associated with a sale of Topco to a third party or a liquidation of Topco and which might be expected to reduce any return to a holder of Rollover Securities upon the occurrence of such an event.

The valuation of non-publicly traded securities is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. We have attempted to apply a discount to reflect the inherent uncertainty relating to the following factors:

- a) the Rollover Securities will not carry any rights to attend or vote at general meetings of Topco;
- b) the Rollover Securities will not be listed on any stock exchange or regulated market and there is no current intention for the Rollover Securities to be subject to any application for listing on any stock exchange or regulated market; and
- c) there is no right of transfer of the Rollover Securities except: (i) between other holders of Rollover Securities (or their beneficial owners); (ii) with the consent of THCP, Kensington and Belgravia; (iii) in accordance with customary permitted transfer provisions or by operation of the drag and tag rights described below; (iv) in a reorganisation transaction in accordance with the Topco Articles; or (v) to certain specified permitted transferees which may reduce the likelihood of a third party offering to purchase Rollover Securities and therefore holders of Rollover Securities may not be able to recover the value of their original investment or readily crystallise any increase in the value of their investment.

Further reasons for inherent uncertainty that we believe the eligible CareTech Shareholders should consider in the context of whether to elect for the Rollover Securities include, but are not limited to:

- a) as more particularly set out in the Scheme Document, the Sheikh Group will have customary “drag along” rights (i.e. can force the sale to a *bona fide* third party) over all Rollover Securities held by Topco Shareholders in Topco during the Lock-up Period. THCP will also have drag along rights over all Rollover Securities held by Topco Shareholders after the Lock-up Period;
- b) as more particularly set out in the Scheme Document, the holders of Rollover Securities will have customary “tag-along” rights in respect of their Rollover Securities where there is a sale of shares in Topco to a third party purchaser;
- c) as more particularly set out in the Scheme Document, the Sheikh Group will have a call option over all other Topco Shareholders’ securities, which may be served at any time during the Lock-up Period at an agreed fair market value or higher;
- d) holders of Rollover Securities may be diluted over time should they elect not to participate in further issues of additional shares, loan notes or other securities of Topco;
- e) holders of Rollover Securities will not enjoy any minority protections or other rights save for those rights prescribed by applicable law;
- f) payments in respect of Rollover Securities will not be guaranteed or secured and, for so long as Topco has any secured debt outstanding, it is not anticipated that Topco will declare or pay any dividends on any of the Rollover Securities;
- g) Topco Shareholders will not be afforded the same level of protections or disclosure of information that they currently benefit from as shareholders in CareTech as a traded company and will only have limited information rights;
- h) no dividends or other distributions are currently contemplated in respect of the Rollover Securities;

- i) Topco is not a company to which the Takeover Code applies and therefore the protections of the Takeover Code may not be available to Scheme Shareholders electing for the Partial Share Alternative; and
- j) the holders of Rollover Securities will not enjoy minority protection rights (save for those rights prescribed by applicable law).

The amount that may be realised will be dependent on numerous factors that are beyond the control of Bidco and CareTech. Consequently, the view expressed in this letter is not necessarily indicative of the amount which might be realised upon a sale of Rollover Securities.

The taxation position of individual shareholders will vary and so we have not taken account of the effects of any taxation exemptions, allowances or reliefs available for the purposes of income, capital gains, inheritance or any other applicable tax, duty or levy, notwithstanding that these may be significant in the case of some shareholders.

Estimated Value

On the basis of and subject to the foregoing, using the aforementioned valuation methodologies, and there being no additional issuances by Topco of ordinary shares except for issuances related to the Offer, it is our view that, as at the date of this letter, the Estimated Value of 7.5 Rollover Securities (equating to one CareTech Share) is within a range of 400 pence to 725 pence and the Estimated Value of each Rollover Security is therefore within a range of 53.3 pence to 96.7 pence. Based on the information we received, this Estimated Value implies an equity value of £101.1 million to £183.3 million at the bottom and top of the range respectively. The implied enterprise value is in the range of £1.146 billion and £1.229 billion on pre-IFRS basis (including £760.0 million of Offer Debt (excluding the revolving credit facility), £258.0 million of Midco debt and £27.3 million non-controlling interests) and £1.273 billion to £1.355 billion on a post-IFRS basis (including £760.0 million of Offer Debt (excluding the revolving credit facility), £258.0 million of Midco debt, £126.2 million of lease liabilities and £27.3 million non-controlling interests). As referenced above, eligible CareTech Shareholders should note that due to high leverage of the Topco Group relative to overall enterprise value, the Estimated Value is highly sensitive to changes in assumptions about the future financial performance of the Topco Group.

Any assessment of the value of the Partial Share Alternative and the Rollover Securities needs to take into account an individual eligible CareTech Shareholder's assessment of an appropriate discount given the factors outlined above. As noted above, the Estimated Value does not incorporate a discount for other structural features and risk factors pertaining to the Rollover Securities; each eligible CareTech Shareholder should individually take these factors into account.

General

Citi and Dean Street are acting as financial advisers to Bidco 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 Offer and Citi and Dean Street will not be responsible to anyone other than Bidco for providing the protections afforded to clients of Citi and Dean Street, nor for providing advice in connection with the Offer or any matter referred to in the Scheme Document or this letter.

Citi and Dean Street have 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, Citi and Dean Street express no opinion (whether as to the fairness or otherwise) of the financial terms of the Offer, the Cash Consideration or the Partial Alternative Offer. Any decision to elect for the Partial 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 Offer.

This letter is provided solely for the benefit and use of the Bidco Directors for the purpose of Rule 24.11 of the Takeover Code in connection with the Offer 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 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 to be proposed at the General Meeting in order to

give effect to the Offer or whether any such Scheme Shareholder should accept the Cash Consideration or make any election pursuant to the Partial Alternative Offer. Save for its publication in the Scheme Document (as described below) and 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 on the basis that it is addressed to the Bidco Directors and no duties, liabilities or responsibilities are accepted by Citi or Dean Street to any person, individually or collectively, but this letter may not otherwise be published or reproduced publicly in any manner without our prior written approval.

Yours faithfully,

Citigroup Global Markets Limited

Dean Street Advisers Limited