

The information communicated within this announcement is deemed 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 ("MAR"), and is disclosed in accordance with the Company's obligations under Article 17 of MAR. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

15 April 2025

Jarvis Securities plc

("Jarvis" or the "Company" and with its subsidiaries the "Group")

Conditional Sale of Execution-Only Brokerage Business

Strategic Direction Update

Jarvis Securities plc (AIM: JIM) is pleased to announce that its wholly owned subsidiary, Jarvis Investment Management Limited ("**JIML**"), has today executed a conditional sale agreement disposing of its retail execution-only brokerage business to Interactive Investor Services Limited ("**Interactive Investor**") for a consideration of up to £11,000,000 payable in cash ("**Consideration**") (the "**Transaction**") (the "**Agreement**").

The Transaction will exclude a small number of out-of-scope customers, who JIML will contact shortly to assist with the transfer to a provider of their choice.

It is anticipated that, subject to the conditions set out below, completion of the Transaction will occur by early-July 2025.

Following execution of the Agreement, the Directors of the Company are now considering the strategic direction for the Group. After completion of the Transaction, the Group will only comprise the Model 'B' clearing and settlement service arrangements ("**Model B Arrangements**") within JIML. Accordingly, the Group is beginning the process of terminating the Model B Arrangements and closing down its other operations. This process is anticipated to take approximately 15 months to complete.

As a consequence of the execution of the Agreement, JIML has agreed with the FCA that it will not take on any new clients going forward.

Highlights

- Sale of the majority of JIML's retail execution only brokerage business
- Total consideration of up to £11m
- Model B clearing and settlement services to be wound up.

Andrew Grant, Managing Director of Jarvis commented:

"We believe this transaction represents the best outcome for the Group and its clients given the position of Jarvis Investment Management at this time and its future viability"

Details of the Transaction

As set out above, JIML has conditionally agreed to the sale of its retail business to Interactive Investor for a potential consideration of £11,000,000. Within this part of its business, JIML acts as an execution-only broker for retail clients in the United Kingdom through a range of dealing accounts such as the "X-O" and "Sharedeal Active" brands (the **"Execution Only Business"**). The Assets Under Administration (**"AUA"**) for the Execution Only Business as at 14 April 2025 was approximately £1.265bn (unaudited).

The consideration due under the Agreement is payable in three tranches: (i) £9,000,000 is to be paid to JIML on Completion (as defined below); (ii) £1,000,000 is to be paid to JIML approximately 12 months following Completion; and (iii) £1,000,000 is to be paid to JIML approximately 18 months following Completion. Interactive Investor is entitled to withhold amounts from each tranche of deferred consideration in order to help satisfy any warranty or indemnity claims which are notified under the Agreement. Any amount which has been withheld but is agreed or determined as being due to JIML shall be paid to JIML following such agreement or determination.

Completion of the Transaction will occur, subject to certain conditions, when the last relevant client agreement of the Execution Only Business is transferred from JIML to Interactive Investor (**"Completion"**). It is currently anticipated that Completion will occur by early-July 2025. In addition, it is a condition of the Agreement that the total AUA, and total number of customers, of the Execution Only Business must remain at least 90% of their value at the date of the Agreement throughout this period. In the event that any of the conditions set out in the Agreement are not satisfied Interactive Investor can either extend the period to complete the migration of the relevant clients or immediately terminate the Agreement. If Interactive Investor terminates the Agreement the Transaction will not proceed and no consideration is payable to JIML. Accordingly, there can be no guarantee that the Transaction will complete although the Directors have every expectation that it will.

Further announcements will be made as the Transaction progresses.

Additional Disclosures

For the twelve months ended 31 December 2023, the revenue attributable to the Execution Only Business was a maximum of £8.55m and the Execution Only Business had nil gross assets.

It is intended that the proceeds from the forthcoming sale of the Execution Only Business will be applied to general working capital for the Group and any excess may be returned to shareholders, as set out below.

Strategic Objectives for the future of the Group

Following execution of the Agreement, the Directors of the Company are now considering the strategic direction for the Group. After completion of the Transaction, the Group will only comprise the Model 'B' clearing and settlement service arrangements within JIML. Accordingly,

the Group is beginning the process of terminating the Model B Arrangements and closing down its other operations. This process is anticipated to take approximately 15 months to complete.

If the Transaction completes and if the Model B Arrangements are terminated, Jarvis would then no longer own, control, or conduct any trading business. Accordingly, pursuant to AIM Rule 15 Jarvis would, at that time, become an AIM Rule 15 Cash Shell and would be required to make an acquisition or acquisitions that constitutes a reverse takeover under AIM Rule 14, within 6 months of becoming an AIM Rule 15 Cash Shell. If the Transaction completes and if the Model B Arrangements are terminated, it is anticipated Jarvis will become an AIM Rule 15 Cash Shell on the date that all, or substantially all of JIML's client agreements or assets are transferred to a third party. Further announcements will be made as this process progresses.

At this time, the Directors do not intend to make any acquisitions. Whilst they continue to keep their strategic options under review, the Directors currently intend to seek a cancellation of the Company's admission to trading on AIM pursuant to AIM Rule 41 (the "**Proposed Cancellation**") in due course, with the expectation that any distributable reserves remaining in the Company at the time of the Proposed Cancellation would then be returned to shareholders. The Proposed Cancellation would be subject, *inter alia*, to shareholder approval.

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