

*Prior to publication, the information contained within this announcement was deemed by the Company to constitute inside information for the purposes of Regulation 11 of the Market Abuse (Amendment) (EU Exit) Regulations 2019/310. With the publication of this announcement, which has been authorised for release by Oliver Cooke, Chairman, this information is now considered to be in the public domain.*

1 October 2024

**Tavistock Investments Plc**  
**("Tavistock", the "Group" or the "Company")**

**Proposed disposal of two of the Group's subsidiary businesses for up to £37.75 million**

The Board of Tavistock is pleased to announce that it has entered into an agreement for the sale of two of its subsidiary businesses: i) Tavistock Partners Limited ("**TPL**") (after completion of the Re-organisation defined below); and ii) Tavistock Estate Planning Services Limited ("**TEPS**") (together, the "**Disposed Entities**") to The Saltus Partnership Holdings LLP ("**Saltus**") for a cash consideration of up to £37.75 million (the "**Disposal**").

*Transaction highlights*

- Sale of 100% of the issued share capital of the Disposed Entities to Saltus for a cash consideration of up to £37.75 million (the "**Consideration**") comprising:
  - o c.£10.97 million, subject to certain adjustments described below, payable to the Company on completion of the Disposal ("**Completion**");
  - o a performance related deferred consideration of up to £15.75 million, as described further below; and
  - o C.£11.03 million payable immediately following Completion by way of discharge by TPL (which will then be part of the Saltus group) of the intragroup debt owing from TPL to TPUK arising as a result of the Re-organisation (defined below).
- The Consideration represents a premium of 211% on Tavistock's market capitalisation when the market closed yesterday.
- The Disposal constitutes a fundamental change of business under Rule 15 of the AIM Rules for Companies (the "**AIM Rules**") and accordingly requires shareholder approval. However, on Completion the Company will continue to be classified as an operating company under the AIM Rules.
- The Disposal is subject to several conditions precedent, including change of control approval from the Financial Conduct Authority (the "**FCA**") in respect of one of the Disposed Entities.

*Use of proceeds*

There are no plans for a return of surplus cash to shareholders. Instead, the Board intends that the net proceeds of the Disposal (the "**Net Proceeds**") will be applied primarily for working capital purposes, to undertake potential future acquisitions and, if it is considered appropriate, to make market purchases of the Company's ordinary shares, as further described below.

*Irrevocable undertakings*

The Company has received irrevocable undertakings from certain shareholders to vote in favour of the Disposal and the Buyback Authority (as defined below) in respect of 30.04% of the Company's issued ordinary share capital.

*Buyback Authority*

The Board is also seeking additional authority from shareholders to give the Company the ability, over the next five years, to make market purchases of ordinary shares in the Company if it deems it appropriate to do so (the "**Buyback Authority**"), as further described below.

**Brian Raven, Tavistock's Chief Executive, commented** "The Disposal enables us to realise a substantial profit on our investment in the businesses involved, providing us with significant working and development capital. This will enable the continued reshaping of the Group to optimise the balance between regulatory risk and commercial reward. I would like to thank Malcolm Harper and his team for their contribution to Tavistock and wish them every success."

**Jon Macintosh, Saltus Managing Partner, said** "We are delighted to welcome Mal and his team on board. We are impressed by both the growth record of the business and the quality of care it provides to clients."

Further information regarding the Disposal and the Buyback Authority can be found below and in a circular which is expected to be posted to shareholders and made available on the Company's website at <https://tavistockinvestments.com/> in the next few days (the "**Circular**"). A further announcement will be made upon posting of the Circular.

To seek shareholder approval for the Disposal and the Buyback Authority the Board is convening a general meeting of the Company (the "**General Meeting**"). Notice of the General Meeting and further information regarding voting and attendance will be set out in the Circular.

**For further information:**

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### ***Key terms of the Disposal***

The Company has entered into a conditional share purchase agreement to sell to Saltus all the ordinary shares which it owns in: i) TPL (after completion of the Re-organisation); and ii) TEPS for a cash consideration of up to £37.75 million (the "**Share Purchase Agreement**"), subject and pursuant to its terms.

The consideration is comprised of:

- (i) c.£10.97 million, payable to the Company on Completion and subject to a potential adjustment following Completion by reference to, among others: cash; regulatory capital; indebtedness; and working capital of the Disposed Entities at Completion;
- (ii) up to £15.75 million payable in two further instalments (of up to £10.5 million on the date falling 12 months after Completion and up to £5.25 million on the date falling 24 months after Completion), contingent on, and calculated by reference to, the additional revenues generated within the Saltus group as a consequence of the acquisition of TPL (after completion of the Re-organisation, as defined below); and
- (iii) C.£11.03 million payable immediately following Completion by way of discharge by TPL (which will then be part of the Saltus group) of the intragroup debt which will arise and be owing from TPL to TPUK on completion of the Re-organisation (defined below).

In anticipation of the Disposal, prior to Completion, Tavistock has agreed to take certain steps to re-organise the Group to transfer all of the current operating assets and intellectual property of Tavistock Partners (UK) Limited, including the benefit of client relationships, adviser contracts and other contractual relationships to TPL (one of the Disposed Entities) (the "**Re-organisation**").

The Board's objective following Completion will be the continued development of the Group in a manner that optimises the balance between regulatory risk and potential commercial reward.

The Consideration of up to £37.75 million is substantially higher than the current market capitalisation of the Company on AIM and the Disposal affords the Company an opportunity to realise a substantial profit on the investment that it has made over past years in acquiring and developing the businesses of the Disposed Entities.

The Disposal is subject to fulfilment of certain conditions precedent including, among others: (i) the approval of the Disposal by shareholders at the General Meeting (the "**Disposal Resolution**"); (ii) advisers accounting for at least 90% of the net recurring revenue of the Disposed Entities agreeing to vary their contracts or arrangements and remain with TPL or transfer to Saltus; and (iii) the approval of the FCA to the change of control of one of the Disposed Entities (being TPL). The date on which Completion will occur will depend on when the other conditions precedent are satisfied but it is currently anticipated to occur before the end of December 2024.

If any of the Conditions Precedent have not been satisfied or waived before 6.00 p.m. on the date falling six months after the date of the Share Purchase Agreement and if the parties have not agreed in writing to extend this date, the Share Purchase Agreement will terminate.

### ***Further details of the Disposed Entities***

For the year to 31 March 2023, based on audited accounts, the Disposed Entities accounted for a combined turnover of £5.8 million and combined profit before tax of £1.5 million. As at 30 September 2023, based on unaudited management accounts, the Disposed Entities accounted for combined gross assets of £3.8 million (inclusive of intercompany balances).

The main activity of:

- TPL is the provision of support services to its independent financial advisers; and
- TEPS is the provision of will and lasting power of attorney documents.

### ***Use of Proceeds***

There are no plans for a return of surplus cash to Shareholders. Instead, the Board intends that the Net Proceeds will be applied primarily for working capital purposes and to finance the business plan for the retained business of the Group. This may include future acquisitions undertaken to expand the Group's retained business and several such potential acquisitions are already under active consideration by the Board.

The Board recognises that the Company could, if considered appropriate, apply part of the Net Proceeds to fund the Company making market purchases of its own shares (subject to the Buyback Authority Resolution (as defined below) being passed by shareholders to give the Company additional authority to do so).

### ***The Buyback Authority Resolution***

In addition to approval of the Disposal the Board will be seeking additional authority from shareholders to

make market purchases of ordinary shares of the Company (the "**Ordinary Shares**"). This approval will be proposed as a special resolution at the General Meeting (the "**Buyback Authority Resolution**" and together with the Disposal Resolution, the "**Resolutions**") which, if approved by the shareholders, would grant the Company authority to make one or more market purchases over the next five years of up to 180,000,000 Ordinary Shares, representing approximately 32% of the Ordinary Shares in issue as at the date of this announcement.

The Board acknowledges the lack of liquidity in the Company's shares, where even small trades are seen to have a disproportionate impact on the share price. The Board would like to have the ability, when appropriate, to arrange for shareholders to be able to dispose of their holdings without having to suffer the undue pricing penalty that results from such a lack of liquidity. The Board may also decide to buy back shares, where appropriate, in circumstances where the Directors believe that the effect of such purchases will be to increase earnings per share and therefore be likely to promote the success of the Company for the benefit of shareholders as a whole.

The Buyback Authority Resolution will specify the minimum and maximum prices which may be paid for any Ordinary Shares purchased under the Buyback Authority. The minimum price payable by the Company shall be £0.01, being the nominal value of each Ordinary Share. The maximum price payable by the Company shall be 15% above the average of the middle market quotations for the Company's ordinary shares (as derived from the London Stock Exchange's Daily Official List) for the five business days immediately preceding the date on which the contract for the purchase is made.

The Buyback Authority will be proposed to expire on the date falling five years from the date of the approval of the Buyback Authority Resolution, as permitted by section 701 of the Companies Act 2006.

#### ***Rule 15 of the AIM Rules for Companies***

In accordance with Rule 15 of the AIM Rules, the Disposal is deemed to be a disposal that will result in a fundamental change of business of the Company and is accordingly subject to the approval of shareholders. However, as the Disposal will not result in the Company divesting of all, or substantially all, of its existing trading business, activities or assets, the Company will not, following the completion of the Disposal, be deemed to become an AIM Rule 15 Cash Shell.

Tavistock is retaining ownership of its employed adviser business, Tavistock Private Client Limited, its protection business, Tavistock Protect Limited, Tavistock Partners (UK) Limited and Tavistock Asset Management Limited. In addition, the Board has appointed Saltus Partners LLP to act as sub-manager of Tavistock Asset Management's model portfolio service with effect from 1 October 2024 following the termination of Tavistock's relationship with Titan Investment Management Limited.

#### ***General Meeting***

Implementation of the Disposal and the granting of the Buyback Authority requires the approval of shareholders at a general meeting of the Company. Accordingly, a notice convening such a meeting will be set out in the Circular to be sent to shareholders in the next few days.

Two resolutions will be proposed at the General Meeting. The Disposal Resolution shall be an ordinary resolution, the passing of which requires more than 50 per cent. of the votes cast (whether in person or by proxy) to be in favour. The Buyback Authority Resolution shall be a special resolution, the passing of which requires at least 75 per cent. of the votes cast (whether in person or by proxy) to be in favour.

#### ***Undertakings***

The Company has received irrevocable undertakings to vote in favour of the Resolutions from each of the Directors of the Company who holds Ordinary Shares, in respect of 105,012,932 Ordinary Shares in aggregate (representing, approximately, 18.74 per cent. of the Ordinary Shares in issue as at the date of this announcement).

The Company has also received irrevocable undertakings to vote in favour of the Resolutions from certain other shareholders of the Company, in respect of 63,352,600 Ordinary Shares in aggregate (representing, approximately, 11.3 per cent. of the Ordinary Shares in issue as at the date of this announcement).

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