

4 April 2023

Aukett Swanke Group plc

("ASG", the "Company", or, together with its subsidiaries, the "Group")

Disposal of Live Events Business

Introduction

The Board of Aukett Swanke Group PLC announces the disposal of the non-core Live Events business acquired as part of the recently completed acquisition of Torpedo Factory Group Ltd ("TFG"), (the "Disposal").

Terms of the transaction

Under the terms of an asset purchase agreement, Conferencecast Limited, a company established for the purpose by the division's principal manager has acquired the business and assets of the Live Events division of TFG, and assumed responsibility for all the Live Events liabilities, including leasehold property and employment-related liabilities together with acquiring certain associated assets for a consideration of £1.

Impact on the Group

The Live Events business provides specialist audio visual equipment for live events and has been loss making since the Covid pandemic, forced the closure of many live event venues.

It represented 4.5% of the TFG revenue for the 18 month period ended 30 June 2021 and employed 17 of the total 71 TFG staff. It was lossmaking in that period (c. £112k loss) and management accounts indicate it has remained lossmaking subsequently. It also requires capital investment to renew the equipment it rents following the pandemic. At the point of disposal it has 9 staff, who are all transferring as part of the transaction. The Group expects to record a net loss on the Disposal in the region of £60,000 after costs, being the book value of the assets disposed.

As previously announced, the focus of the Group is the development of the architecture businesses and becoming a master systems integrator for smart buildings. The Live Events business forms part of neither and its disposal will allow the executive management team to better focus on the Group's strategy.

Lock-in arrangements

John-David Papworth, who leads the Live Events business and is the sole shareholder in Conferencecast Limited, has as part of the Disposal entered into a lock-in arrangement with the Company in respect of the 5.91% shares he holds in Aukett Swanke Group PLC. The initial lock-in is for a 12 month period, subject to certain permitted disposal events once a quarter, and there is then a remaining 12 month orderly market arrangement.

Related party transaction

The Disposal is considered to be a related party transaction for the purposes of AIM Rule 13 of the AIM Rules for Companies due to John-David Papworth being a director of TFG, a wholly-owned subsidiary of the Company. For the purposes of the AIM Rules for Companies, the Independent Directors (being all Directors), having consulted with the Company's Nominated Adviser, Strand Hanson Limited, consider the terms of the Disposal to be fair and reasonable so far as its Shareholders are concerned.

Comments

Clive Carver, Chairman said

"To have exited from this non-core business so soon after completing the TFG acquisition on terms that preserve the jobs of the staff involved is pleasing."

Nick Clark, founder and CEO of TFG and an executive director of ASG said

"The Live Events business was part of TFG for many years. Even though it was not part of our drive to become a leading master systems integrator for smart buildings it was important that a way was found to allow the business to continue to service its customers and preserve the jobs involved."

I am therefore delighted that we have found a way to allow it to continue outside the ASG structure on mutually agreeable terms and wish the new owner and the staff every success for the future."

Contacts

Aukett Swanke Group Plc +44 (0) 20 7843 3000

Clive Carver, Chairman

Robert Fry, Chief Executive

Nick Clark, Executive Director

Antony Barkwith, Group Financial Director

Strand Hanson Limited, Financial and Nominated Adviser +44 (0) 20 7409 3494

Richard Johnson, James Bellman

Zeus Capital Limited, Broker +44 (0) 20 3829 5000

Simon Johnson, Louisa Waddell

Investor/Media +44 (0) 7979 604 687

Chris Steele

this information may apply. For further information, please contact rns@lseg.com or visit www.rns.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

DISUOSNROUUSRAR