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Aukett Swanke Group PLC
17 July 2023

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Aukett Swanke Group Plc

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

Acquisition of Anders+Kern U.K. Limited

("Anders+Kern" or "A+K")

Aukett Swanke (AIM: AUK), the group providing Smart Buildings, Architectural and Design Services, is pleased to announce the acquisition of Anders+Kern, a distributor of smart workplace systems (the "Acquisition").

The Acquisition adds meaningful Smart Building revenues and expertise to the Group.

Summary of the Transaction

The Company has entered into a share purchase agreement pursuant to which it has acquired the entire issued share capital of A+K from Easter Road Holdings Ltd, a wholly-owned subsidiary of SmartSpace Software plc (AIM:SMRT) ("SmartSpace"). The consideration of £515,057 is payable in cash following completion, which occurred on Friday 14 July 2023.

Shortly prior to the Acquisition, A+K completed the disposal of a freehold property asset and settled various intragroup transactions. The net assets acquired are estimated to be approximately £250,000. The Group has received customary warranties and indemnities from the vendor, guaranteed by its parent, SmartSpace. The consideration is subject to a working capital adjustment. This is expected to be minimal and is limited to a further £45,000. Accordingly, the maximum total consideration is £560,000.

For the year ended 31 January 2023 SmartSpace reported A+K revenues of £2.09m and a trading loss before tax of £169k. During that period it employed an average of 11 people. Earlier in the current financial period it carried out a restructuring including transfers to other businesses owned by SmartSpace. At the point of acquisition there are seven A+K employees joining the Group. The business is trading profitably with revenue expected to exceed the prior year.

Acquisition Rationale

Smart Buildings bring tremendous benefits to their users, their owners, and to the environment. There remain significant barriers to their adoption, including changing the status quo. Architecture firms are well placed to persuade their clients to implement Smart Building methodologies, but most lack the capital and expertise to make the necessary investment in hardware, software, and systems as well as people. As the UK's only quoted architecture group, Aukett Swanke is uniquely placed to be able to purchase established Smart Buildings businesses and enable them to scale, taking advantage of synergies that will be developed between the Group's businesses.

As set out in the Company's recent interim results, the Group has been evaluating a number of acquisition opportunities to develop its expertise in the integration and operation of Smart Buildings, and A+K is the first of these to progress to completion. A+K's revenues are derived from, *inter alia*, the provision of hardware, software, and installation services for room and desk booking systems, and the provision of IoT sensors to monitor environmental and occupancy data. The data created can be analysed using Artificial Intelligence (AI) to get meaningful actionable insights to improve occupier experience within the built environment.

Barrie Meehan, formerly A+K's Technical Director, and Alison Taylor, formerly A+K's Operations Manager, will lead the acquired business as Managing Director and Operations Director of A+K respectively.

A+K retains its status as a distributor of SpaceConnect, SmartSpace's workspace optimisation SaaS product, and is actively pursuing a number of opportunities with SmartSpace. However, outside of a pure software business, backed by the systems and resources of a larger group, our expectation is that A+K can grow more rapidly. There are expected to be further synergistic benefits for A+K as the Group implements its growth strategy.

Clive Carver, Chairman of Aukett Swanke, commented:

"We are pleased to be completing on a second acquisition to accelerate our Smart Buildings strategy following the Torpedo Factory (TFG) acquisition in March. The A+K business has been known to TFG for some time, and the Board believes that TFG's systems and resources will enable A+K to scale faster. We congratulate Barrie and Alison on their promotions and welcome the A+K team to the Group."

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About Aukett Swanke Group plc

Aukett Swanke Group has a strong foundation in architectural services and is on a transformative journey to become a London-listed provider of Smart Buildings and related services. ASG are uniquely positioned to ensure the technical systems that run modern premises are designed as an integral part of the structure, from the outset.

For more information go to https://www.aukettswankeplc.com

About SmartSpace Software PLC

SmartSpace Software plc is a fast growing SaaS-based technology business, designing and building smart software solutions. The Company's software solutions help transform employee engagement with modules which include visitor management, desk management, meeting room management and analytics.

For more information go to https://www.smartspaceplc.com

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended by virtue of the Market Abuse (Amendment) (EU Exit) Regulations 2019.

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