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Aukett Swanke Group PLC
04 November 2019

Aukett Swanke Group plc

Trading Update and update regarding Aukett Swanke Moscow

Aukett Swanke Group Plc (the group) ("ASG"), the international group of architects, interior designers and associated engineering is pleased to provide the following trading update on performance to 30 September 2019.

The Board expressed the view that second half trading would be profitable and that this should result in recovering the first half loss to show a positive result at the year end. The Board is now pleased to be able to confirm that this remains the case and that the Group will achieve a profit for the full year to 30 September 2019, subject to there being no material impact for IFRS 9 and 15. Full year results will be reported in January 2020.

At the same time the Board can confirm that year end cash stood at £1,145,000 (2018: £710,000) and after deducting the Long Term Loan used to acquire Shankland Cox, Net Funds stood at £819,000 (2018: £157,000); a satisfactory improvement.

Trading in the new financial year has been stable though we remain vigilant regarding possible adverse impacts as a result the forthcoming General Election and prolonged Brexit negotiations.

Since the year end we have also sold the Group's subsidiary in Moscow, Aukett Swanke OOO ("AS Moscow"), having previously stated the Board's belief that AS Moscow would perform better under local ownership. Under the terms of a Sale Agreement AS Moscow was sold to Maxim Neretin, a Russian national, owner of Aurora Group (another Moscow based architectural practice) with whom the Group has previously co-operated on design projects, for a nominal consideration. The sale will result in inter-company loans being repaid to the Group and, under the terms of a licence arrangement, enables AS Moscow to continue to trade as Aukett Swanke, allowing the Group's brand to endure in this important market. The sale also safeguards our staffs' employment and was achieved without any warranties being provided to the new owner. AS Moscow made a loss of £17,000 in the year to 30 September 2018.

Commenting Nicholas Thompson, CEO, said:

"The recovery from the large loss in 2018 is a tribute to the perseverance of the staff in all of our operations and in the internal rigours of reducing cost during a difficult trading period.

The process to find a suitable successor to carry on the Russian business in our name has taken some considerable time to realise. Critically, the sale has

safeguarded the interests of our staff in Moscow, avoids a costly closure process and provides some upside for shareholders through the ongoing licence arrangement. We are pleased with the outcome".

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