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Aukett Swanke Group PLC
02 February 2024

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Aukett Swanke Group Plc

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

Commercial Update

Aukett Swanke (AIM: AUK), the group providing Smart Buildings, Architectural and Design Services, is pleased to provide the following pre-close update ahead of its audited results for the year to 30 September 2023 ("FY 2023"), expected to be announced in March 2024.

Trading Update

Unaudited management accounts indicate that in the year to 30 September 2023 the Group made a small pre-tax profit, before acquisition-related exceptional items, on revenue of approximately £14 million (FY 2022: £7.1 million). For the current year (FY 2024) we expect the Group's performance to remain second half weighted.

Bank Finance and Property Update

The Company is also pleased to report a new 12-month funding facility for its subsidiary Torpedo Factory Group Limited ("TFG"). This is secured on The Old Torpedo Factory (the "Property") in west London, which is currently listed for sale.

The new facility comprises a £1.40 million loan, of which £1.36 million is interest only and £0.04 million is repayable on a monthly basis. This refinances and replaces an existing mortgage on the Property which was due to expire on 7 February 2024.

Offers have been received for the Property but no sale has yet been agreed. The new facility will allow the Group to continue to progress these and other discussions to sell the Property in an orderly manner. The Property was independently valued at £3.08 million in July 2023, but in line with current market conditions the directors anticipate the sale price will be below this level. The Company will further update on progress in due course.

TFG also has approximately £0.9 million of CBILS-backed loan finance outstanding, which is repayable monthly over the period to July 2026. This is unaffected by the new facility.

The Group's only other bank borrowings are a separate CBILS-backed loan of approximately £0.1 million, which is due to be fully repaid by May 2024, and an overdraft facility of £250,000.

Disposal of Turkish Operations

The Group also reports that on 27 December 2023 it completed the disposal of its loss-making Turkish subsidiary, Aukett Swanke Mimarlik ("ASM", previously Swanke Hayden Connell Mimarlik) to ASM's management, for a nominal sum. ASM has entered into a Name Licence Agreement, which provides for licence fees to be paid based on revenue generated. Revenues, trading losses, and assets subject to the disposal are not material given the Group's size. The Group will record a loss on disposal which will be less than £0.1 million.

The Group currently retains its two German architecture investments, which remain profitable and from which the Group receives management fees and dividends.

Nick Clark, Chief Executive, commented:

"We are pleased to have returned the Group to full year operational profitability after several years of losses. Looking ahead to the current financial year, we expect the enlarged Group to report record revenues, with the second half performance as usual stronger than the first half. The successful sale of our freehold property would eliminate our net debt, enabling us to accelerate our smart buildings strategy."

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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

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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