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Aukett Swanke Group PLC
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Aukett Swanke Group Plc

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

Smart Buildings software contract win

Trading update

Aukett Swanke (AIM: AUK), the Architecture and Smart Buildings group, provides the following update.

Smart Buildings contract win

On 21 March 2023, the Company announced the acquisition of certain assets of RTS Technology Solutions Ltd ("Vanti") by a subsidiary of the Company, which included rights over certain software products. The Vanti transaction has significantly boosted the Group's Smart Buildings credentials and has already resulted in a number of new contracts for the Group amounting to approximately £2m over the next 18 months.

The Group has now signed one such contract which includes revenue of £200,000 for a licence of the Enterprise Edition of Smart Core, the building operating system developed by Vanti. The relevant customer is a long-standing client of the Group's architectural businesses, and the pre-existing relationship was important in securing the contract. The building in question is in the City of London and will be the largest building to deploy Smart Core to date. This represents the Group's first meaningful revenue from software that has no third-party costs. While an up-front purchase, rather than SaaS revenue, the Group will receive recurring revenue from a long-term support contract once the building is brought into use.

Trading update

On 26 April 2024, the Group's AGM Statement noted that the first half results to 31 March 2024 would be an increased loss on increased revenue, but with the expectation that the majority of this loss would be recovered during the second half. Since that announcement, the Group has seen further delays to start dates for some confirmed contracts. Additionally, some large prospects the Group expected to secure and start in the second half have yet to be secured. Consequently, the Board are more cautious in the outcome for the current financial year, which ends on 30 September 2024.

The success with Vanti and the continuing delays in the Group's traditional businesses, which rely on a succession of new projects starting when planned to cover the associated large fixed cost base, demonstrates to the Board the need to increase the pace at which it implements its Smart Buildings strategy.

Nick Clark, Chief Executive, commented:

"Like other shareholders, I am disappointed that the performance of several of the Group's businesses has been below the board's expectations. We will not avoid difficult decisions to ensure the existing businesses are positioned for profitability as the newer revenue streams start to come through.

By contrast, we are delighted to have secured a software licence sale to deliver the building operating system for a substantial property in the City of London. While minor in relation to Group revenues, significantly it demonstrates the ability to leverage the contacts and experience of our architectural colleagues to deliver smart building revenues that can scale independently of overheads. This offers the promise of a brighter future for the Group - using our expertise and contacts to generate high margin scalable revenues."

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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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