

Tandem Group plc
(the "Company" or the "Group")

Acquisition

The Board of Tandem Group plc (AIM: TND), designers, developers and distributors of sports, leisure and mobility equipment, announces that it has acquired 100% of the share capital of leisure products business, E.S.C. (Europe) Ltd ("ESC" or the "Acquisition").

The initial consideration for the Acquisition is £2.1 million to be paid in cash with an adjustment for net assets in excess of or below £1.5 million following the preparation of completion accounts. Additional consideration, also to be paid in cash, is likely to be approximately £0.55 million but up to a maximum of £0.75 million, payable over the next twelve months and subject to ESC fulfilling certain profitability criteria. The Acquisition will be funded from the Company's existing cash resources and a new £1.5 million 5 year loan provided by HSBC Bank plc. Interest on the loan will be charged at a rate of 2.35 per cent above base rate.

ESC is a leading online retailer of gazebos, party tents, household, kitchen and fishing products under the Airwave, Windbar, Jack Stonehouse and Carpzone brands. ESC made a profit of £0.4 million in the statutory accounts for the year ended 31 October 2013. Net assets were £1.0 million as at 31 October 2013 and are expected to be approximately £1.7 million on completion. Jonathan Fagg and Mark Fagg, the Directors and existing joint 100% shareholders of the Acquisition, will continue as Directors of ESC.

The Board believe that ESC will complement the Group's existing ecommerce business, Pro Rider Limited, and broaden the online product range. The Acquisition is expected to be earnings enhancing for the Company in its first full year of ownership and will further strengthen the Group's distribution channels and its customer base through continued development and growth of the business. ESC will continue on a stand-alone basis but is expected to be integrated into the Group's existing Northampton premises by early 2016.

Commenting on the Acquisition, Chairman Mervyn Keene said *"We are pleased that we have made this acquisition which will enable us to build further on our online trading platforms. Many of the products in the ESC portfolio complement our existing sports and leisure ranges and we look forward to the prospect of further growth"*.

Enquiries:

Tandem Group plc

Steve Grant, CEO

Jim Shears, Group Finance Director and Company Secretary

Telephone 0121 748 8075

Nominated Adviser

Cairn Advisers LLP

Tony Rawlinson

Telephone 020 7148 7901

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