

Tandem Group plc

(the "Company" or "Group")

ACQUISITION OF FREEHOLD LAND

Tandem Group plc (AIM: TND), designers, developers, distributors and retailers of sports, leisure and mobility equipment, announces the acquisition ("Acquisition") of freehold land adjacent to its Birmingham headquarters.

The Company has exchanged contracts on the Acquisition of the freehold on approximately 3.23 acres of land adjacent to its existing site in Castle Bromwich, Birmingham for cash consideration (before expenses) of £2.85 million ("Consideration"). Completion is expected to take place by April 2021.

The Consideration is to be satisfied by means of a new term loan of £1.43 million provided by the Company's bankers with the intention of repaying over 10 years and the balance from existing cash resources. Interest on the term loan will be charged at a rate of 1.99 percent above base rate.

Following the Acquisition, the Company plans to construct a warehouse and distribution facility which will link to its existing premises. The construction is expected to cost approximately £3.50 million and will be financed by means of a new property term loan envisaged to be approximately £2.35 million, also with the intention of repaying over 10 years, and the balance funded from cash resources. Interest on the term loan will be charged at a rate of 1.99 percent above base rate.

Construction is projected to be completed by June 2022. The new building will more than double existing warehouse capacity in Birmingham to approximately 160,000 square feet. The project is also expected to deliver an immediate annual overhead saving of £0.2 million and therefore be earnings enhancing for the Group.

In addition, the Company is currently implementing a new ERP and finance system across the Group which is expected to significantly improve operational efficiency and distribution speed from order intake to despatch.

Commenting on the Acquisition, CEO Jim Shears stated "I'm delighted that we have exchanged contracts on the site. The new warehousing and distribution facility will expand our existing operation and, coupled with the implementation of the new ERP system, will help us to further grow domestic business and enhance warehousing and distribution efficiency."

This announcement contains inside information for the purposes of the UK Market Abuse Regulation and the Directors of the Company are responsible for the release of this announcement.

Enquiries:

Tandem Group plc
Jim Shears, Chief Executive Officer
David Rock, Company Secretary
Telephone 0121 748 8075

Nominated Adviser
Cairn Financial Advisers LLP
James Caithie
Sandy Jamieson
Telephone 020 7213 0880

11 March 2021

Forward-Looking Statements

Certain statements made in this announcement are forward-looking statements. These forward-looking statements are not historical facts but rather are based on the Company's current expectations, estimates, and projections about its industry; its beliefs; and assumptions. Words such as 'anticipates,' 'expects,' 'intends,' 'plans,' 'believes,' 'seeks,' 'estimates,' and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties, and other factors, some of which are beyond the Company's control, are difficult to predict, and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. The Company cautions security holders and prospective security holders not to place undue reliance on these forward-looking statements, which reflect the view of the Company only as of the date of this announcement. The forward-looking statements made in this announcement relate only to events as of the date on which the statements are made. The Company will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances, or unanticipated events occurring after the date of this announcement except as required by law or by any appropriate regulatory authority.