

This announcement contains inside information as stipulated under the Market Abuse Regulations (EU) no. 596/2014 (which forms part of domestic UK law pursuant to the European Union (Withdrawal) Act 2018) ("MAR"). With the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.

1 December 2021

PipeHawk plc
("PipeHawk", "Company" or the "Group")

Major contract win with Ventive Limited

PipeHawk is very pleased to announce that QM Systems, one of the Group's principal subsidiaries, has entered into a partnership with Ventive Limited ("Ventive") to manufacture a ground breaking 'green energy' solution to providing domestic heating and hot water. The product builds on air source heat pump and heat recovery technology together with utilising a Thermal Battery to provide an efficient solution that can be considered a direct replacement for a conventional gas or oil fired heating system. The first phase of the project, which comprises a contract worth approximately £800,000 to QM Systems, will involve QM Systems and Ventive working together to produce a state of the art system for manufacturing the heating product.

Ventive and QM Systems have formed a relationship under which QM Systems will provide New Product Introduction (NPI) services to Ventive to ensure the product is designed to be robust, easy to manufacture and easy to service and support in the field. Ventive and QM Systems will work together to source components to be utilised in the product. This first phase is due for completion by mid 2022 and then under a non-binding heads of terms agreement QM Systems has been selected for the second phase as Ventive's partner of choice to manufacture the products for the UK market. The culmination of this work will provide a first of its kind in new technology and will be built in the UK.

The second phase of the project would see the rapid expansion of QM Systems's contract manufacturing business model where QM Systems extends its already expansive service offering to provide facilities and resources to manufacture the product on behalf of Ventive. It would also require the recruitment of a number of new staff to manage and run the production facility, bringing further employment to the area. Production is due to start in mid-2022 and could be expanded into other localities within the UK.

Gordon Watt, Chairman of PipeHawk, commented – "We are incredibly proud and excited to have been selected by Ventive as their partner to manufacture this new, innovative 'Green Energy' domestic heating solution. This is a first for UK Manufacturing and will put Ventive at the forefront of domestic heating and hot water solutions on the world stage. I expect this new contract will result in QM Systems expanding its contract manufacturing with a partner in an industry that is expected to expand rapidly. It is anticipated that demand for this product will increase quickly as the world strives to reduce its burden on fossil fuels utilised in heating. The UK market alone is estimated at 1.4 million domestic gas or oil boilers per annum and legislation from Government dictates that all solutions which burn oil, natural gas or LPG will be phased out over the coming years. The Heat Pump Association estimates that the UK market for Heat Pumps is projected to grow from 37,000 units per annum today to 600,000 by 2028 per annum. This product provides a ready made solution for both retrofit into existing properties and new build. It is particularly pleasing that Ventive has seen the potential in QM Systems to offer a full NPI solution to provide a state of the art production system and then to operate and manage that facility at QM Systems's facilities here in Worcestershire, with the possibility of growing to a number of locations across the UK and Europe"

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Notes to Editors

For further information on the Company and its subsidiaries, please visit: www.pipehawk.com