

13 January 2022

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

New lease agreement for QM Systems Limited

PipeHawk is pleased to announce that QM Systems Limited ("QM"), one of the Group's principal subsidiaries, has signed a ten-year lease for a modern open space building at Hartlebury Industrial Estate - the largest industrial estate in Worcestershire, approximately seven miles north of Worcester (the "New Premises") at an annual rental of £263,000 with a rent-free period. The New Premises comprise over 44,000 sq.ft. of useable space, over five times the available floor space and approximately 80% additional office and commercial space when compared with QM's existing premises.

The significant expansion is driven partly by a requirement for more floor space for QM Systems Project Business and partly by QM's expansion into Contract Manufacturing and New Product Introduction ("NPI"). The Ventive Manufacturing Business Unit will initially occupy approximately 9,000 sq.ft. and approximately 10,000 sq.ft. has been earmarked for further contract manufacturing opportunity which is at an advanced stage of negotiations. The additional space provides the platform to facilitate significant growth within QM over the next few years.

Gordon Watt, Chairman of PipeHawk, commented "This is a very exciting phase in the development of QM, where we are able to retain all of the expert knowledge within QM and move the business into a much more efficient, modern and spacious working environment. The New Premises will house our ongoing project business to develop and manufacture automated manufacturing and test systems, which when combined with our own proprietary MES technology provide a leading edge No Fault Forward ("NFF") production environment together with our expansion into new contract manufacturing. Here we have already signed contracts with two clients and are in advanced discussions with a third. The first of these is expected to commence production in June 2022. In order to facilitate the growth of our business, QM is expecting to increase its workforce by approximately 70% over the next twelve months, providing significant employment opportunities to the local area, Worcestershire and surrounding counties".

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Notes to Editors

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