

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.

10 March 2022

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

Further re. Major contract win with Ventive Limited

Further to the announcement released on 1 December 2021, the Company is pleased to announce that QM Systems, one of the Group's principal subsidiaries, has signed a contract with Ventive Limited ("Ventive") for the second phase of the project to manufacture a ground breaking 'green energy' product to provide 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, which are planned to be phased out as the UK moves towards Net Zero.

Ventive, the British company behind an award-winning low-carbon and low-cost ventilation system, has contracted with QM Systems to manufacture Ventive's ground-breaking and fully integrated 'intelligent home' solution at QM Systems' new facility in Hartlebury in Worcestershire which will be funded as to £1.1 million by Ventive with QM Systems investing £0.4 million.

Production of the "Ventive Home" System is anticipated to begin in June 2022 and is expected to deliver revenues of circa £7.5 million in the twelve months to 30 June 2023.

The ground-breaking "Ventive Home" System will be able to provide households with heating and hot water, as well as whole house and energy efficient ventilation and cooling in a single unit, similar in size to a fridge/freezer.

This is the first time that Ventive, known for its expertise in building physics and developing innovative affordable solutions that maintain healthy indoor environments, has established a dedicated manufacturing base.

The development of the "Ventive Home" System has been supported by the UK Government, via the BEIS Thermal Efficiency Innovation Fund, and has been trialled in Nottingham in partnership with Nottingham City Council, Nottingham City Homes and Energiesprong UK. Ventive has also received support from the UK's Energy Systems Catapult and Carbon Limiting Technologies, through BEIS's Energy Entrepreneurs Scheme.

The opening of the Hartlebury factory on 1 March 2022, following QM Systems signing a ten-year lease on 13 January 2022, has been welcomed by Lord Callanan, Parliamentary Under Secretary of State (Minister for Business, Energy and Corporate Responsibility) whose responsibilities include, amongst other matters, clean heat. **Lord Callanan commented** "If

we are to meet our bold commitments on tackling climate change, finding low-carbon solutions to how we warm and cool our homes and workplaces is going to be vital.

Backed by government funding, Ventive is supporting the move away from using fossil fuels to heat buildings and demonstrates how UK innovators continue to lead the fight against climate change whilst creating new job opportunities along the way”.

Rob Morrison, Managing Director of Ventive said: “We are delighted to announce this modern production facility at Hartlebury; it will allow us to quickly scale up production to meet growing demand for these products in the UK, as the country switches away from gas central heating, to meet Net Zero targets. Switching domestic heating from gas to electricity and reducing the carbon emissions of our homes is one of the biggest challenges of our time.

We expect strong market growth in the heating sector over the next decade. To meet the UK’s carbon reduction targets, it is estimated that 20 million buildings will need to be retrofitted with air source heat pumps and to reduce the burning of fossil fuels to heat them – the facility in Hartlebury will ensure that Ventive plays its part in this mission.

Working closely with QM Systems, we have an agile manufacturing solution that allows us the opportunity to scale as demand increases. Together, we have designed an advanced method of modular assembly that is efficient, controllable and importantly we can double outputs with ease. This is not just the beginning of a new era for new and existing homes, this is a new era for heat pump manufacturing.”

Nick Field, Managing Director of QM Systems said: “With the UK market for heat pumps projected by the Heat Pump Association to grow from 37,000 units per annum today to 600,000 units per annum by 2028, we are very excited to be working in partnership with Ventive to manufacture its new and innovative “Ventive Home” System. The market opportunity is significant. The opening of Hartlebury is a first for UK manufacturing and we expect it will put Ventive and QM Systems at the forefront of domestic heating and hot water solutions in the UK and, in due course, overseas.”

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Notes to Editors

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