

19 December 2024

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

AGM Statement & Trading Update

Gordon Watt, Executive Chairman of PipeHawk (AIM: PIP), will make the following statement on current trading at PipeHawk's annual general meeting ("AGM") being held today.

"PipeHawk has made a positive start to the current financial year ending 30 June 2025 (the "Current Financial Year"), underpinning management's cautious projection of a return to operating profitability in the Current Financial Year as outlined in the Company's announcement on 28 November 2024.

To date, Thomson Engineering Design Limited's unaudited revenues and profits are considerably ahead of the comparable period last year, with a strong indicative pipeline of future orders from Unipart Rail Limited. Similarly, Adien Limited's unaudited revenues are also comfortably higher than the comparable period last year, and its committed order book is full through to spring next year. Finally, Utsi Electronics Limited's unaudited revenues are marginally better than the comparable period last year. However, that business continues to be adversely affected by the continuing political instability around the world.

We expect unaudited revenues for the six months ending 31 December 2024 (excluding QM Systems Ltd ("QM")) to be significantly ahead of the comparable period last year (H1 2023 revenues excluding QM: £1.1 million). While QM's entry into administration is a contributing factor, the higher margins achievable from the demand that PipeHawk's broader group of companies is encountering as a result of better efficiency in utilisation of staff is anticipated to positively compensate. Accordingly, management expects this to result in the Group reporting a net breakeven consolidated result for the six months ending 31 December 2024.

The Board believes it is important to ensure that employees in the Group's businesses are incentivised to enhance business performance leading to improvement in the share price of Pipehawk. With that in mind, the Board is preparing to grant new options over ordinary shares in Pipehawk.

As previously announced on 28 November 2024, trading conditions in the UK and globally are very difficult for SMEs. This means that, while management remains optimistic that the performance of our businesses will continue to improve gradually over the coming months, this is taking longer than originally anticipated. However, the Board believes that the Group has positioned itself to take advantage of current market conditions and that it should therefore be less susceptible to the need for a resurgence of business confidence."

-Ends-

Enquiries:

PipeHawk plc
Gordon Watt (Chairman)

Tel. No. 01252 338 959

Allenby Capital Limited (Nomad and Broker)
David Hart / Vivek Bhardwaj

Tel. No. 020 3328 5656

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