

11 March 2019

PipeHawk plc

("Pipehawk" or the "Company")

Further re Acquisition of Thomson Engineering Design Limited

Further to its announcement of 29 November 2017, Pipehawk announces an amendment to the terms of the acquisition of the entire issued share capital of Thomson Engineering Design Limited ("Thomson") (the "Acquisition").

As previously announced, immediately following the completion of the Acquisition, Thomson had unsecured, interest free, short term loans due to the vendors of the business (the "Vendors"), amounting to £200,000, and repayment was due to commence on 14 July 2018 at a rate of £12,500 per quarter, for a period of four years (the "Vendor Loans"). To date, no repayments have been made as a result of warranty claims.

Pipehawk and the Vendors have agreed to amend the original terms of the Acquisition and as a result the total liability of the PipeHawk Group to the Vendors has been reduced from £200,000 to £71,000. The Vendor Loans of £200,000 payable by Thomson have been assigned by the Vendors to PipeHawk in consideration of the following;

- PipeHawk has issued to the Vendors, subject to admission to the AIM market, 340,000 ordinary shares in the Company at an issue price of 5p per share; and
- PipeHawk has issued to the Vendors £54,000 nominal of unsecured loan notes ("Loan Notes"), with an interest rate of 1.035 per cent. per annum on the principal amount outstanding until prepaid or repaid, calculated and compounded on each anniversary of the issue of the Loan Notes. The Loan Notes are repayable by Pipehawk on the date the earlier of 14 days after PipeHawk publishes annual results containing profits before tax of in excess of £750,000 and 30 September 2022.

Application will be made to the London Stock Exchange for 340,000 Ordinary Shares to be admitted to trading on AIM ("Admission"). It is anticipated that Admission will occur on 22 March 2019.

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