

*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.*

5 July 2024

## **PipeHawk plc**

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

### **Trading update in relation to QM Systems Limited**

PipeHawk provides the following trading update in relation to QM Systems Limited ("QM"), a subsidiary of PipeHawk.

As announced by the Group on 27 March 2024, QM has experienced a number of challenges, which have included, *inter alia*, a reduction in the number of orders as well as the value of orders received. Notwithstanding this challenging environment, the board of directors of the Group (the "Board" or the "Directors") anticipated that QM would receive two material orders that were anticipated to underpin QM's financial performance and position. Contrary to the Board's expectations, it has now been made apparent to the Board that the two anticipated material orders will not be forthcoming.

As a result, QM's financial position is now under severe financial pressure. Accordingly, the Board is now taking steps to potentially, *inter alia*, place the Group's subsidiary, QM, into administration or a similar corporate insolvency process.

While the above developments in relation to QM are disappointing, the Board is of the view that any steps taken to protect the interests of QM's creditors through, *inter alia*, placing QM into administration, will not impact PipeHawk's broader group of companies and the Board believes that the remainder of the Group will be able to continue to trade as a going concern. Trading within the Group's other key subsidiaries, being Thomson Engineering Design Ltd, Adien Ltd and Utsi Electronics Ltd, currently remains in line with management's expectations.

### **Further information on QM Systems Limited**

QM is a turnkey provider of automation, test and manufacturing systems to all industries, also known as a machine builder and also offers contract manufacturing services. For the financial year ended 30th June 2023, QM generated approximately £4.2 million in revenues (representing approximately 65% of the Group's revenue for that year) and reported a loss after tax of approximately £970k. As at 30 June 2023, QM had total assets of approximately £4.7 million.

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