

18 June 2024

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

Update on partnership with Unipart Rail Limited

PipeHawk is pleased to provide the following update in relation to Thomson Engineering Design Limited ("TED"), one of the Group's subsidiaries, and its progress with its partnership with Unipart Rail Limited ("Unipart Rail").

On 20 September 2022, it was announced by PipeHawk that TED and Unipart Rail had entered into a Memorandum of Understanding to establish Unipart Rail as the exclusive global distributor for a range of standard TED products, which included TED's attachments, outside of the UK (the "MoU"). It was also announced that as part of the MoU there were no minimum sales required to be achieved to maintain this exclusive arrangement.

More recently, TED's partnership with Unipart Rail has further expanded beyond the distribution of TED's standard products to include the manufacture and distribution of TED's high output, self-propelled equipment.

With the above progress, the Company is pleased to report that whilst revenues at TED recognised in the year to 30 June 2023 under the MoU were only £30k, the Company expects this to have increased to approximately £0.5m in the year ending 30 June 2024, with a further £250k of revenue already booked for the year ending 30 June 2025.

Gordon Watt, Chairman of PipeHawk commented: "While it has initially taken some time for orders to materialise under the MoU with Unipart Rail, we are pleased to note the recent uptake in orders which includes both an increase in value and frequency for both the attachments and high output machinery.

Our expectation is that TED's partnership with Unipart Rail will provide a strong channel for growth in terms of revenue and profitability outside of the traditional TED work streams, which historically has predominantly been UK orders.

In addition to the MoU, TED and Unipart Rail have also recently won joint funding from Innovate UK, Global Centre of Rail Excellence for the development of Mobile Rail Panel Handler (the "Project"). This Project is well underway and will see the development and manufacture of very innovative solution for handling large rail panels.

The establishment of the latest Project between TED and Unipart Rail is leading to increases in orders for TED and is providing for some very innovative rail handling solutions that will soon be available to clients globally. I am personally really looking forward to seeing how this Project develops over the coming months."

-Ends-

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