

30 March 2026

PipeHawk plc
(“PipeHawk”, “Company” or the “Group”)

Unaudited results for the six months ended 31 December 2025

Chairman’s Statement

The six months ended 31 December 2025 (“H1 FY26”) and the period since then have been very difficult and frustrating for the Group. While the Directors believe that there is abundant evidence of latent demand and companies wanting to place orders with the Group, the economic and political environment is such that confidence and/or funds are lacking to actually place those orders. All this is against a backdrop of generally increasing costs. Consequently, this has culminated with costs increasing and turnover decreasing in H1 FY26. Hence the Group’s unaudited results are as follows.

The Group’s turnover in the six months ended 31 December 2025 was £1,144,000 (H1 2024: £2,089,000). This represented a decrease of approximately 45% over the comparable period last year. The Group’s loss before taxation was £573,000 (H1 2024: profit before tax of £30,000;) and the Group’s loss after taxation was £495,000 (H1 2024: profit after tax of £59,000).

Thomson Engineering Design Ltd (“TED”)

Since my last Chairman’s Statement on 24 November 2025, TED has remained relatively stable.

Unipart has continued to work hard on our global sales opportunities and has embedded TED solutions into a number of high-profile infrastructure projects, some of which are expected to come to fruition within the next three months. Winning and delivering on these contracts is expected to provide the springboard for TED’s global success over the next decade.

Sadly, the UK market continues to be flat, with Network Rail appearing to spend very little of its allocated £44 billion budget even though we are now two years into Control Period 7. This is causing very real problems for the Tier 1 and 2 contractors to the UK rail network. We believe that this environment justifies our partnership with Unipart to target the worldwide market.

Nevertheless, we have continued to work hard on the UK market. We have successfully converted into sales £185,000 of the £500,000 RFQs (request for quotes) generated at the Rail Live event in June last year, with most of the balance, we are told, waiting on more commitment from Network Rail. However, there can be no certainty that this balance will also be converted into sales, nor as to the timing of any such potential sales. In any event, we are very well positioned for when that commitment is made evident by Network Rail. Furthermore, Transport for London and London Underground have approved, and in some cases mandated, TED machinery for ongoing and future maintenance projects.

Innovation remains the cornerstone of TED’s development. I am delighted to announce that development of the RT23 Rail Threader is now complete. Furthermore, the SL21 Sleeper Laying Machine has also completed its primary development phase and is currently undergoing rigorous endurance trials.

Both products will now be entered into Network Rail’s Product Approval process for use on the UK rail infrastructure.

Utsi Electronics Ltd (“Utsi”)

For Utsi, the year started positively, with Utsi receiving a number of small to medium sized orders and a variety of enquiries to quote for, with these offering valuable potential over the coming months. Completing those orders on time however, proved to be difficult, due to supply chain vagaries and discontinuance/obsolescence of certain components which required work arounds. Thus, the continuing raw material shortages, fluctuating parts costs and stretched supply chains have once again elongated Utsi’s delivery timeframes, shrunk our profit margins and put future repeat orders potentially at risk. Despite that, we have continued to innovate and remain relevant and competitive with our overall product offerings. With on time delivery and future support being key components of most tender enquiries, without adequate forward funding our future potential will remain limited. With this foremost in our minds, an initial approach from an overseas group, interested in a potential long term distribution agreement for our products, quickly developed into forward funding discussions and ultimately culminated into receiving a

formal offer to purchase UTSI from the group, thereby ensuring a continuity of supply for the products of most interest to them. This deal was announced by the Group on 24 December 2025 being subject in the main only to formal clearance by the National Security and Investment Authority ("NSIA"). We still await this clearance.

Adien

Adien had a difficult six months with turnover down from £855,000 to £712,000. However, it had picked up from the £673,000 turnover in the first half of 2025; as stated in my Chairman's Statement in November the project pipeline had become somewhat difficult to navigate, but we had succeeded in doing so and we entered 2026 with a full order book and all was looking very promising for the rest of 2026. Sadly, heavy snow and rain in December 2025 and January 2026 affected our ability to get on site, and then a significant bad debt meant that the company was under severe financial pressure. On 13 March 2026, the Group announced that it was informed, amongst other matters, that the board of directors of Adien had concluded that Adien was insolvent and that a general meeting of the shareholders of Adien should be convened for the purposes of passing a special resolution to wind up Adien, with an accompanying decision procedure to creditors of Adien on the nomination of a liquidator. It was also noted that the directors of Adien elected to instruct BTG Begbies Traynor (Central) LLP ("BTG") for this purpose, with the formal appointment of liquidators taking place in the coming weeks. In any event, I pay tribute to all the employees and directors of the company who had worked extremely hard to come through the last few difficult years since Covid. The Directors believe that if the NSIA had given clearance to the Utsi transaction in time, then Adien would have potentially survived.

Summary

Accordingly, I think there is cause for optimism:

- TED is expecting the first of a number of global orders via its Unipart partnership in the very near future.
- The Utsi sale, if approved, will provide the Group with sufficient funding to properly develop TED's offerings, and Utsi itself is expected to go to a home which will fully develop its technologies and provide it with warm introductions to more global customers.
- The demise of Adien, whilst very sad, in accounting terms means the write back of net liabilities of approximately £250,000.

Financial position

As previously announced, my letter of financial support was renewed on 16 November 2025 to provide the Group with financial support until 31 December 2026.

In addition to the loan I have provided to the Company in previous years, my fellow directors and I have deferred a certain proportion of our fees and interest payments due on loans until the Company is in a suitably strong position to make these payments in full. During the six months ended 31 December 2025, these deferred fees and interest payments amounted to approximately £127,000 in total, all of which have been accrued in the Company's interim results, and at 31 December 2025 amounted in total to £2,421,000.

Gordon Watt
Chairman

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Consolidated Statement of Comprehensive Income
For the six months ended 31 December 2025

	6 months ended 31 December 2025 (unaudited) £'000	6 months ended 31 December 2024 (unaudited) £'000	Year ended 30 June 2025 (audited) £'000
Revenue	1,144	2,089	3,743
Staff costs	(886)	(831)	(1,674)
Impairment of goodwill	-	-	-
General administrative expenses	(621)	(1,021)	(1,951)
Profit / (Loss) on ordinary activities before interest, taxation and exceptional items	(363)	237	118
Finance costs	(210)	(207)	(428)
Profit / (Loss) before taxation and exceptional items	(573)	30	(310)
Taxation credit / (charge)	78	29	51
Profit / (Loss) for the period attributable to equity holders of the Company	(495)	59	(259)
Other comprehensive income – Revaluation reserve	-	-	141
Total comprehensive income / (expense) for the period net of tax	(495)	59	(118)
Profit / (Loss) per share (pence) – basic	(1.36)	0.16	(0.71)
Profit / (Loss) per share (pence) – diluted	(1.36)	0.03	(0.71)

Consolidated Statement of Financial Position
As at 31 December 2025

	As at 31 December 2025 (unaudited) £'000	As at 31 December 2024 (unaudited) £'000	As at 30 June 2025 (audited) £'000
Assets			
Non-current assets			
Property, plant and equipment	531	432	553
Right of use	135	252	187
Goodwill	-	-	-
	<u>666</u>	<u>684</u>	<u>740</u>
Current assets			
Inventories	152	91	105
Current tax assets	129	96	51
Trade and other receivables	759	843	728
Cash	17	49	15
	<u>1,057</u>	<u>1,079</u>	<u>899</u>
Total assets	<u><u>1,723</u></u>	<u><u>1,763</u></u>	<u><u>1,639</u></u>
Equity and liabilities			
Equity			
Share capital	363	363	363
Share premium	5,316	5,316	5,316
Revaluation reserve	-	-	141
Other reserves	(12,565)	(11,893)	(12,211)
	<u>(6,886)</u>	<u>(6,214)</u>	<u>(6,391)</u>
Non-current liabilities			
Borrowings	3,839	3,690	3,663
Trade and other payables	-	-	-
	<u>3,839</u>	<u>3,690</u>	<u>3,663</u>
Current liabilities			
Bank overdrafts and loans	3,593	3,120	3,401
Trade and other payables	1,177	1,167	966
	<u>4,770</u>	<u>4,287</u>	<u>4,367</u>
Total equity and liabilities	<u><u>1,723</u></u>	<u><u>1,763</u></u>	<u><u>1,639</u></u>

Consolidated Statement of Cash Flow
For the six months ended 31 December 2025

	6 months ended 31 December 2025 (unaudited) £'000	6 months ended 31 December 2024 (unaudited) £'000	Year ended 30 June 2025 (audited) £'000
Cash inflow from operating activities			
Profit / (Loss) from operations	(363)	237	118
Depreciation	73	83	170
	(290)	320	288
(Increase) / Decrease in inventories	(47)	22	8
Decrease/(Increase) in receivables	(31)	164	279
Increase/(Decrease) in liabilities	297	(255)	(369)
Cash generated from/(used in) operations	(71)	251	206
Interest paid	(83)	(73)	(169)
Corporation tax received	-	13	80
Net cash generated from/(utilised in) operating activities	(154)	191	117
Cash flows from investing activities			
Purchase of fixed assets	-	(16)	(18)
Net cash utilised in investing activities	-	(16)	(18)
Cash flows from financing activities			
(Repayments)/Proceeds from borrowings	58	(53)	28
Repayments of bank and other loans	(16)	(150)	(242)
Proceeds of bank and other loans	179	46	165
Repayment of leases	(65)	(64)	(130)
Net cash (utilised in)/generated from financing activities	156	(221)	(179)
Increase/(Decrease) in cash and cash equivalents	2	(46)	(80)
Cash and cash equivalents at beginning of period	15	95	95
Cash and cash equivalents at end of period	17	49	15

Consolidated Statement of Changes in Equity
For the six months ended 31 December 2025

	Share capital £'000	Share premium account £'000	Retained earnings £'000	Revaluation Reserve £'000	Total £'000
6 months ended 31 December 2024					
As at 1 July 2024	363	5,316	(11,952)	-	(6,273)
Loss for the period	-	-	59	-	59
Total comprehensive income	-	-	59	-	59
Issue of shares		-	-	-	-
As at 31 December 2024	363	5,316	(11,893)	-	(6,214)
12 months ended 30 June 2025					
As at 1 July 2024	363	5,316	(11,952)	-	(6,273)
Loss for the period	-	-	(259)	-	(259)
Revaluation gain	-	-	-	141	141
Total comprehensive income	-	-	(259)	141	(118)
Issue of shares	-	-	-	-	-
As at 30 June 2025	363	5,316	(12,211)	141	(6,391)
6 months ended 31 December 2025					
As at 1 July 2025	363	5,316	(12,211)	141	(6,391)
Profit for the period	-	-	(495)	-	(495)
Revaluation gain	-	-	-	-	-
Total comprehensive income	-	-	(495)	-	(495)
Issue of shares		-	-		-
As at 31 December 2025	363	5,316	(12,706)	141	(6,886)

Notes to the Interim Results

1. Basis of preparation

The Interim Results for the six months ended 31 December 2025 are unaudited and do not constitute statutory accounts in accordance with section 240 of the Companies Act 2006.

Full accounts for the year ended 30 June 2025, on which the auditors gave a qualified report and contained no statement under Section 498 (2) or (3) of the Companies Act 2006, have been delivered to the Registrar of Companies.”

The interim financial information has been prepared on a basis which is consistent with the accounting policies adopted by the Company for the last financial statements and in compliance with basic principles of IFRS.

2. Segmental information

The Company operates in one geographical location being the UK. Accordingly, the primary segmental disclosure is based on activity.

	Utility detection and mapping services £'000	Development, assembly and sale of GPR equipment £'000	Automation and test system solutions £'000	Total £'000
6 months ended 31 December 2025				
Total segmental revenue	712	122	310	1,144
Segment result	(86)	(113)	(164)	(363)
Finance costs	(22)	(171)	(17)	(210)
Profit / (loss) before taxation	(108)	(284)	(181)	(573)
Segment assets	598	445	680	1,723
Segment liabilities	781	6,969	859	8,609
Non-current asset additions	-	-	-	-
Depreciation and amortisation	19	1	53	73
6 months ended 31 December 2024				
Total segmental revenue	855	144	1,090	2,089
Segment result	64	(49)	222	237
Finance costs	(18)	(175)	(14)	(207)
Profit / (loss) before taxation	46	(224)	208	30
Segment assets	687	323	753	1,763
Segment liabilities	585	6,477	941	8,003
Non-current asset additions	2	-	14	16
Depreciation and amortisation	21	8	54	83

12 months ended 30 June 2025

Total segmental revenue

	Utility detection and mapping services £'000	Development, assembly and sale of GPR equipment £'000	Automation and test system solutions £'000	Total £'000
	1,537	433	1,773	3,743
Segmental result	68	(114)	164	118
Finance costs	(53)	(350)	(25)	(428)
Profit / (loss) before taxation	15	(464)	139	(310)
Segment assets	612	430	597	1,639
Segment liabilities	659	6,510	878	8,047
Non-current asset additions	3	-	15	18
Revaluation reserve - property	-	93	48	141
Depreciation and amortisation	44	17	109	170

3. Profit / loss per share

This has been calculated on the loss for the period of £495,000 (H1 2024: profit £59,000) and the number of shares used was 36,312,823 (H1 2024: 36,312,823), being the weighted average number of shares in issue during the period.

4. Dividends

No dividend is proposed for the six months ended 31 December 2025.

5. Copies of Interim Results

The Interim Results will be posted on the Company's website www.pipehawk.com and copies will be available from the Company's registered office at 2a & 3 Crabtree Rd, Forest Vale Industrial Estate, Cinderford, GL14 2YQ.