

This announcement contains inside information for the purposes of Article 7 of the UK version of Regulation (EU) No 596/2014 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended ("MAR"). Upon the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.

30 January 2025

Petards Group plc

("Petards" or the "Group")

Trading update

Petards Group plc (AIM: PEG), the AIM quoted developer of advanced security, communication and surveillance systems, provides a trading update for the financial year ended 31 December 2024 ("FY24").

The Group's results for the second half of the year included Affini Technology Group Limited ("Affini") for the full period, following its acquisition on 13 June 2024, leading to an improved overall performance for the Group.

While both revenues and Adjusted EBITDA¹ are up on those reported for the first half year, the Board anticipates trading for the full year ended 31 December 2024 will be below its expectations as at the time of its interim results on 30 September 2024.

Key Highlights:

Operational

- Group order book £7.1 million as at 31 December 2024 (31 Dec 2023: £2.4 million), with over 80% scheduled for delivery in FY25.
- Integration of Affini into the Group is progressing following its acquisition. The Board is pleased with its performance to date and its order intake in H2 FY24.
- QRO has recently launched an in-car mobile version of its successful Harrier AI ANPR camera with which it is targeting new markets.

Financial

The Group expects to report (all figures are unaudited):

- Group revenues of circa £12.1 million (FY23: £9.4 million), with H2 contributing circa £7.7 million.
- Adjusted EBITDA¹ of circa £0.4 million (FY23: £0.3 million).
- Total net debt² as at 31 December 2024 of £1.5 million (30 June 2024: £0.7 million).

Revenues and EBITDA, excluding Affini, in the second half year are expected to be slightly higher than those reported in the first half, with most of the Group's increased revenues and EBITDA relating to the contribution from Affini.

QRO Solutions' ("QRO") revenues and EBITDA are expected to be ahead of those for 2023, although not by as much as the Board had anticipated, with some revenues expected in December 2024 slipping into 2025.

Similarly, while Affini made a good contribution to the Group's results, it was affected by a customer delaying a significant project that led to lower than expected revenues in December 2024. The mix of

revenues was also different from that expected, with higher margin engineering services work being delayed into 2025.

Full year trading at the Group's rail and defence operations, while still challenging, was ahead of the first half of the year at the EBITDA level, on similar revenues.

QRO has recently launched an in-car mobile version of its successful Harrier AI ANPR camera and is looking to develop further into broader markets in the current year.

The Group's cash performance was ahead of the Board's expectations with total net debt as at 31 December 2024 being slightly lower than forecast; and Petards is entering 2025 with a significantly improved order book of £7.1 million (31 Dec 2023: £2.4 million), over 80% of which is for delivery in 2025.

Commenting on the current outlook, Raschid Abdullah, Chairman, said:

"With a significantly improved opening order book, a strong pipeline of new business and a full year's contribution from Affini, the Board has confidence in the newly enlarged Group's prospects and anticipates an improving trading performance in the current year."

¹ Adjusted EBITDA is earnings before depreciation, amortisation, exceptional items, acquisition costs and share based payments

² Total net funds comprise cash and cash equivalents less interest bearing loans and borrowings

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