

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.

5 February 2026

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, is pleased to provide a trading update for the year ended 31 December 2025.

The improvement in the Group's financial performance seen in the first half-year was sustained over the remainder of the year, with the year closing with an improved order book.

Adjusted EBITDA is expected to be in line with current market expectations and the Group expects to report (all figures are unaudited):

- Group revenues up 24% year-on-year of circa £14.9 million (2024: £12.0 million)
- Adjusted EBITDA¹ of circa £1.0 million (2024: £0.4 million)
- Total net debt² as at 31 December 2025 of £1.3 million (31 December 2024: £1.5 million)

The overall improvement in trading in 2025 reflected an upturn in trading at Petards Rail and Petards Defence, with both seeing increases in revenue and profitability over the prior year, and a profitable maiden full year's contribution from Affini.

While QRO secured some important framework contract wins during the year, delays in the placement of orders affected its trading in the second half-year resulting in lower revenues than those achieved in 2024. However, looking forward, revenue momentum is expected to recover on the back of those framework contracts, significant market interest in the newly launched Harrier Mini, and the conversion of overseas opportunities.

During the year, Petards generated cash of £1.4 million from operating activities (2024: £0.2 million), which after investing and financing cash flows, reduced total net debt² to £1.3 million at 31 December 2025.

Order intake for the year for Petards Rail and in particular Petards Defence were at levels not seen for several years. Following contract awards from the MOD, RBSL and BAE Systems in the last two months of the year totalling £3.5 million, the Group's year end order book closed at £9.2 million (2024: £7.1 million) with around 85% scheduled for delivery in 2026.

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

"Petards performed well in 2025 generating cash and increasing revenues, with improvements in gross profit margin and profitability, while increasing its order book to £9.2 million at the year end.

"The Group enters 2026 in a stronger position than it has in the past few years. While trading continues to be challenging with extended tendering processes, given the strength of the opening order book and its cover for 2026 revenues, the Group is well placed to deliver a continued improvement in its trading performance in the coming year."

Notes

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

² Total net debt comprises cash and cash equivalents less interest bearing loans and borrowings

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