

14 May 2018

Petards Group plc
("Petards" or "the Company")

Completion of Acquisition of RTS Solutions

Petards, the AIM quoted developer of advanced security and surveillance systems is pleased to announce that it has acquired the entire issued share capital of RTS Solutions (Holdings) Limited and RTS Solutions (UK) Limited (together "RTS").

RTS (www.rts-solutions.net) is a specialist transportation software engineering company delivering stable and resilient, web-based, real-time safety critical applications, whose main customers are currently Network Rail and its Tier 1 contractors. It supplies end-to-end integrated solutions that support the UK rail network infrastructure by maximising effectiveness for operational, engineering and maintenance programmes. These solutions include incident and fault management, work site management, resource management, machine plant management, and asset/inventory management applications.

RTS's unaudited accounts for the year ended 31 March 2017 show that it generated revenues of £778,000 and reported a profit before tax of £262,000. Over 50% of these revenues related to recurring software licences, maintenance and support contracts. The business is debt free and has a history of excellent cash generation. Revenues recorded in the unaudited management accounts for the year ended 31 March 2018 totalled approximately £800,000.

The acquisition consideration comprises an initial cash payment of £1.0 million and deferred consideration of up to £0.5 million conditional upon RTS meeting certain financial and other targets during the 12 months ending 31 March 2019.

A payment of £0.6 million will also be made on a pound for pound basis for surplus cash in RTS's balance sheet.

Accordingly, the total maximum consideration will be £1.5 million for the business plus the £0.6 million payment for surplus cash on a pound for pound basis. The consideration is being satisfied in cash from Petards existing cash reserves and a new £1.25 million five year bank term loan.

RTS will operate as an independent company within the Petards Group from its offices at Holbeck Rail Depot in Leeds and all staff will be retained within the business as part of the acquisition.

The Directors believe that the acquisition will strengthen the Group's software solutions offering and that it will provide the Group with an entry into the UK rail infrastructure market complementing the Group's existing *eyeTrain* on-board train systems. RTS has a strong base of recurring revenues and the Directors believe that it will be earnings accretive in its first full year as part of the Petards Group.

Commenting, Raschid Abdullah, Petards Chairman said:

"We are delighted to welcome RTS and its staff to the Petards Group and look forward to working with them to further develop and grow its business. This acquisition marks a further step in the broadening of the Group's portfolio of products, providing the opportunity to expand its earnings and enhance shareholder value."

This announcement includes inside information as defined in Article 7 of the Market Abuse Regulation No. 596/2014 and is disclosed in accordance with the Company's obligations under Article 17 of those Regulations.

For further information:

Petards Group plc

www.petards.com

Raschid Abdullah, Chairman

Mb: 07768 905 004

WH Ireland Limited, Nomad and Joint Broker
Mike Coe, Ed Allsopp

www.whirelandcb.com
Tel: 0117 945 3470

Hybridan LLP, Joint Broker
Claire Louise Noyce

www.hybridan.com
Tel: 020 3764 2341