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Equipmake Holdings PLC
14 July 2023

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14 July 2023

Equipmake Holdings plc
("Equipmake" or the "Company")

Trading Update for the year ended 31 May 2023

Equipmake, the UK-based engineering specialist pioneering the development and production of electrification products across the automotive, aerospace, bus, coach, and fire truck industries, is pleased to announce a trading update in line with expectations for the year ended 31 May 2023 ("FY2023").

Financial Highlights

- Listed on AQUIS and raised £16.2m during the year, enabling the continuation of its growth strategy.
- Revenue expected to be £5.1m (FY2022: £3.7m), comprising:
  - £4.8 million revenue from existing order book and grants; and
  - £0.3 million from new licensing agreement with Sona Comstar.
- Commercial and production contracts represent 97.7% of total revenue (FY2022: 72.1%), demonstrating the business' ability to realise commercial returns from its portfolio of know-how and IP.
- Cash at year end was £7m.
- Gross margins expected to be ahead of half year at 23.9%, with loss before tax expected to be £4.4m, inclusive of IPO-related costs (FY2022: £4.3m).

Operational Highlights

- Strengthened its position as a market leader for the repowering of buses by delivering vehicles into service for First Bus York and Transport for London ("TfL"), and secured orders for further bus repowers from both new and existing clients.
- In addition to an order, First Bus has provided a letter of intent stating that it may engage the Company for the conversion to electric of several hundreds of double deck diesel buses.
- The successful demonstration of repowered buses led to a repower order in the adjacent coach market, providing Equipmake with an early-mover advantage in this complimentary market.
- Secured, and successfully delivered, further orders for electric vehicle ("EV") powertrains for fire trucks for both the UK and US markets, further enhancing its reputation with its client and the end customer.
- Obtained Innovate UK / Advanced Propulsion Centre grant funding of up to £1.6m, on a matched funding basis, for the Hydrogen Electric Integrated Drivetrain Initiative ("HEIDI"), facilitating the further development of fuel cell electrification technology and integration for electric vehicles.
- Attained battery module supply by signing a contract with a blue-chip global battery module supplier.
- Signed licensing agreement with Sonar Comstar in India for the application of certain products in electric cars, buses, commercial vehicles and off-road vehicles in India, Thailand and other select South Asian countries.

- Secured a flexible lease on a 50,000 sq. ft unit to facilitate the production of the growing repowering business and has grown headcount across the business to 94 at the year-end (May 2022: 73) to meet anticipated increases in demand.

Outlook

- Contracted order book* as of 10 July 2023 of £5.5m, with a number of opportunities at advanced stages which are expected to be translated in to contracted orders during the remainder of the first half of the current financial year. As a result, the Company is confident it will meet market expectations for revenue for the current financial year ending 31 May 2024.
- Whilst Gross Margins for H2 2023 are expected to be ahead of the first half, the Company has experienced margin pressures predominately due to significant cost increases on component parts. Whilst there are initial signs of this abating, the Company remains alive to further potential impacts through FY2024.
- The Company will continue to focus on expanding its geographic reach, with active discussions underway in various geographies.
- Growing interest for the Company's IP in the Aerospace market continues where the Company is currently delivering production motors and inverters to Gilmour Space in addition to being selected as H55's technology partner.

Commenting on the trading update, Ian Foley, CEO of Equipmake said: *"We came to the public market in July 2022 with a vision and plan to consolidate and grow our bus and coach electrification business. Fast forward one year, and we have systematically accomplished all our main areas of focus for this core business and have also broadened our investor opportunity by encompassing licensing revenues and accessing key, and strategically valuable, adjacent markets which are ripe for further growth.*

"I am delighted to report that we have achieved and, in fact, exceeded market expectations for revenue the year to 31 May 2023 but this figure doesn't paint the full picture of what the Equipmake team has achieved during the year. Not only have we demonstrated our successful transition from a R&D business to a sizeable production and engineering enterprise, but we have also evidenced our ability to rapidly scale up to meet the increasing commercial demand for our products. We expect this theme to continue over the coming years as we look to gain further market share in our core business areas, and as we break into new and complementary industries and help them accelerate the transition they need to make from fossil-fuelled to zero-emission powertrains."

Further Information

The Company expects to announce its results for the year ended 31 May 2023 in September 2023.

*Orders that have been contracted but where revenue hasn't been recognised.

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About Equipmake

Equipmake is the UK-based engineering specialist pioneering the development and production of electrification products to meet the needs of the automotive, aerospace and other sectors in support of the transition from fossil-fuelled to zero-emission powertrains.

Equipmake is a leader in ultra-high performance electric motors and complete EV drivetrains and ultra-fast power electronic systems. As well as developing proprietary technology - such as an ultra-compact, lightweight high performance spoke motor - it also offers industry-leading EV consultancy.

Equipmake has developed a vertically integrated solution providing fully bespoke solutions. The Company has built a significant pipeline of opportunities, as demand for electric vehicles increases as part of the global decarbonisation movement.

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