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**Tekmar Group plc**

("Tekmar", the "Company" or the "Group")

**Trading Update**

Tekmar Group plc (AIM: TGP), a leading provider of asset protection technology and offshore energy services globally, provides a trading update for the year ending 30 September 2025 ("FY2025").

**Current Trading and FY2025 Outlook**

In the interim results announced on 26 June 2025, Tekmar highlighted the increasing strength of its visible pipeline, with in excess of £50m of projects scheduled for award in the second half of the calendar year to December 2025. Subject to these anticipated awards being converted and the timing of these awards, the Board expected "EBITDA generation to be improved in the second half such that a reasonable expectation is for adjusted EBITDA for FY2025 to be broadly consistent with FY2024."<sup>1</sup>

The bidding pipeline has remained strong in the second half of FY2025 and the fourth quarter, in particular, has been strong for new awards. However, the conversion to orders has been slower than anticipated with customers' procurement decisions taking longer than expected. These delays have had a corresponding impact on the expected financial outturn for the second half of FY2025 with some forecasted revenue moving into FY2026. The Board continues to expect improved revenue and EBITDA generation in the second half of the year, albeit at a lower level than previously anticipated. Accordingly, the Board's expectation is that the Group will achieve an adjusted EBITDA<sup>2</sup> break-even position for the full year. This represents a material improvement in second half trading from the £0.7m EBITDA loss for the first half of the year with higher margins being delivered.

**Strategic Progress**

Under the leadership of Richard Turner as CEO, who joined in September 2024, the business has been aligned to deliver on Project Aurora - the Board's medium-term value creation strategy to deliver true scale and record financial performance for the Group. Successful execution of the plan will achieve a fundamental change in the scale and mix of revenue and deliver significant profitability gains driven by the benefit of operational gearing.

Despite short term trading challenges, Tekmar continues to make good progress on the key initiatives within Project Aurora:

- **Increase order intake.** This has been a primary objective for FY2025, establishing the platform for sustained growth in FY2026 and beyond. The healthy current pipeline and order intake in Q42025 supports an anticipated strong starting backlog for FY2026, with these projects well balanced between sectors and geography. Tekmar has also strengthened and realigned its Sales organisation within 2025 in order to increase collaboration with customers, and providing them with efficient access to the full breadth of the Group's asset protection technology and offshore energy services. The focus remains on Tekmar outperforming an improving market with continued long-term growth forecast across all sectors.
- **Maintain tight control over cash.** FY2025 run-rate capex is expected to be less than £0.5m. There has also been significant progress over the last 12 months in improving the Company's aged debt position, including the agreed payment plan for £2.1m of China aged debt, with £0.6m received in June 2025.
- **Launch new business verticals.** Tekmar is now organised across two verticals - Asset Protection Technology and Offshore Energy Services. This creates a leaner cost base with greater level of operational efficiency.
- **Grow offshore Energy Services division.** This vertical is achieving a materially higher sales run-rate in FY2025 than in FY2024, consistent with the mid-term objective to scale this division to 25% of Group revenue (from 6% in FY2024).
- **Resolve legacy warranty claims.** Commercial settlement agreements have been announced this year with two customers. Both with no admission of liability and no conclusion of defect with the

Company's products and were fully covered by the insurance monies already received by Tekmar with nil cash impact for the Group.

- **Execute M&A.** There is an active acquisition pipeline in place with discussions ongoing with selected targets. The Board continues to adopt a disciplined approach to assessing acquisition opportunities to ensure value for shareholders.

Net debt<sup>3</sup> as at 30 June 2025 was £2.6m and the Group's existing loan facilities provide adequate cash resources to support the Group's working capital requirements and the repayment of the CBILs loan which is due on 31 October 2025. In addition, the Group holds the former Subsea Innovation Limited freehold premises as an asset held for sale with a book value of £2.8m.

**Richard Turner, CEO of Tekmar Group, commented:**

*"We continue to see strength in our inquiry pipeline, which supports a very healthy near-term bidding pipeline for the remainder of 2025 and into 2026. As we flagged with our interim results, the outturn for the current financial year was predicated on the timing of securing significant tender opportunities. Whilst the timing of these awards has been pushed out, impacting the current financial year, the shape of the near-term pipeline remains encouraging and supports our efforts to build a sustainably stronger backlog for FY2026 and beyond. FY2025 has been a transitional year for the business - a year where we started with a below par pipeline of opportunities and a business that had significant free capacity; and a year where we have aligned the business to deliver our strategic plan - Project Aurora. We remain confident we will translate the healthy pipeline into good quality orders, addressing the underutilisation in the business, and building the platform for sustained growth for 2026 and beyond."*

**Footnotes:**

(1) Group Adjusted EBITDA for FY2024 was £1.7m.

(2) Adjusted EBITDA is a key metric used by Directors. Earnings before interest, tax, depreciation and amortisation are adjusted for material items of a one-off nature and significant items which allow comparable business performance.

(3) Net debt is defined as total cash held by the Group less bank borrowings.

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**About Tekmar Group plc**

Tekmar Group plc collaborates with its partners to deliver robust and sustainable engineering led solutions that enable the world's energy transition.

Through our Offshore Energy and Marine Civils Divisions we provide a range of engineering services and technologies to support and protect offshore wind farms and other offshore energy assets and marine infrastructure. With near 40 years of experience, we optimise and de-risk projects, solve customer's engineering challenges, improve safety and lower project costs. Our capabilities include geotechnical design and analysis, simulation and engineering analysis, bespoke equipment design and build, subsea protection technology and subsea stability technology.

We have a clear strategy focused on strengthening Tekmar's value proposition as an engineering solutions-led business which offers integrated and differentiated technology, services and products to our global customer base.

Headquartered in Newton Aycliffe, UK, Tekmar Group has an extensive global reach with offices, manufacturing facilities, strategic supply partnerships and representation in 18 locations across Europe, Africa, the Middle East, Asia Pacific and North America.

For more information visit: [www.tekmargroup.com](http://www.tekmargroup.com)

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