



27 April 2023

Quarterly Activities Report for the Period Ended 31 March 2023

SRJ Technologies Group Plc (ASX: **SRJ**; “**SRJ**”, or the “**Company**”) is pleased to present its Quarterly Activities Report for the period ended 31 March 2023 (“**Quarter**”, “**Reporting Period**”), as the Company continues to build its revenue, cash receipts and its opportunities pipeline.

Key Highlights

- Cash receipts in quarter of £247k (A\$443k) increased by 229% compared to the previous quarter.
- Revenues secured in this quarter totaled £282k (A\$526k) which excludes a portion of the PTTEP contract which is expected to be approx. £125k (A\$233k) and formalised in coming weeks.
- Outstanding client invoices owing but not received for the quarter total approx. £240k (A\$447k) with ongoing constructive dialogue with customers and expected to be receipted in full in Q2 CY23.
- Secured another contract with leading FPSO operator in West Africa generating revenues in CY23 of £115k (A\$214k).
- Secured three-year contract to supply BoltEx® product to PTTEP in Malaysia with Malaysian Partner Eftech International with an approximate value of A\$667k (US\$449k).
- SRJ Technologies Group has received initial orders for asset integrity solutions for pipework systems from Stork Technical Services Ltd in the UK and Jergo in Norway. First sale into the robust European energy market with expectations of further near term orders from clients.
- Signed a strategic alliance agreement with Cokebusters Limited to monetise both their combined expertise with Cokebusters specialising in mechanical cleaning and intelligent pigging of piping systems.

Overview

During the first quarter, SRJ continued to expand its presence in the market through provision of product and strategic partnerships. The company is well-positioned to capitalise on the opportunities presented by emerging developments in the energy industry and its financial performance in the first quarter continues to build on the platform for future growth.

Overall, SRJ’s Q1 CY23 activity demonstrates the company's aspirations in the asset integrity space as it looks to continued growth to deliver value to its customers and shareholders.

Head Office

Ph: +44 (0) 1534 626 818
Le Quai House, Le Quai D'Auvergne,
St Helier, Jersey JE2 3TN
ARBN: 642 229 856 - a limited liability company incorporated in Jersey

Australia

Ph: +61 8 9482 0500
Level 4, 225 St Georges Tce, Perth
Western Australia 6000

UK

Ph: +44 (0) 2382 549 818
U2, Waterside House, Port Hamble
Satchell Lane, Hamble, Southampton SO31

ASX ANNOUNCEMENT

CODE: SRJ



West Africa FPSO

The Company was awarded a further contract in West Africa for the long-term lease of its flange bolt integrity equipment for a hot bolting campaign. The current revenues generated from this project in CY23 total £115k (A\$214k). The contract win, via SRJ's local partner EnerMech, arrives after the successful completion of hot bolting service offshore Ghana and Ivory Coast using SRJ's proprietary "BoltEx® flange clamp" technology.

SRJ proprietary "BoltEx®" equipment was deployed onboard an ageing major FPSO operator and was undertaken in conjunction with EnerMech, utilising local personnel who have been trained by SRJ to undertake hot bolting using BoltEx®.

PTTEP Malaysia

SRJ Technologies has secured a three year contract to supply its BoltEx® product to PTTEP Malaysia, in partnership with local company Eftech International. The contract includes the supply of the BoltEx® product, spares kits, extension kits, as well as training and supervision for PTTEP staff.

PTTEP ran an extensive market survey and subsequent invitation-to-bid process for all potential holt bolting products across the market. SRJ successfully aligned with Eftech International for this invitation to bid and was awarded a contract. The Bid contract call off value over 3 years is an approximate value of A\$667k(US\$449k) (product only). The first Purchase order of approx. £125k (A\$233k) is expected to be issued in early May 2023.

Convertible Securities agreement with Mercer Capital

The company has secured a A\$3.5m convertible note facility with Mercer Street Global Opportunity Fund LLC, which will be used to support the acceleration of sales and marketing growth initiatives as the Company executes on its growth pipeline.

The convertible note facility has been issued in two tranches totalling 1,610,000 Convertible Notes, each with a face value of \$1.00 and a premium of A\$210,000.

The first line of funding of A\$1.4m was issued in two tranches. The first tranche consisted of 862,500 Convertible Notes, which was issued for A\$750,000 and the second tranche which consisted of 747,500 Convertible Notes, was issued for A\$650,000. The convertible notes were successfully issued under a prospectus lodged with ASIC and were approved by shareholders.

The Company's Board of Directors has determined that the terms of the Convertible Notes are more favourable to the Company than a capital raising via the issue of ordinary shares/CDIs as:

- It avoids a direct equity raise being conducted at the same time that the Company is focussing on new sales opportunities;
- Conversion is linked to market price which therefore may result in less dilution if price increases as the business grows;
- the facility can be drawn down over a 12 month period; and
- The Company has the option to redeem the Convertible Notes prior to their maturity, providing greater flexibility.

Head Office

Ph: +44 (0) 1534 626 818
Le Quai House, Le Quai D'Auvergne,
St Helier, Jersey JE2 3TN
ARBN: 642 229 856 - a limited liability company incorporated in Jersey

Australia

Ph: +61 8 9482 0500
Level 4, 225 St Georges Tce, Perth
Western Australia 6000

UK

Ph: +44 (0) 2382 549 818
U2, Waterside House, Port Hamble
Satchell Lane, Hamble, Southampton SO31

ASX ANNOUNCEMENT

CODE: SRJ



Strategic relationships with Stork UK and Jergo, Norway

SRJ Technologies Group has received initial orders totalling A\$230k for asset integrity solutions for pipework systems from Stork Technical Services Ltd in the UK and Jergo in Norway.

The Company has developed strategic relationships covering the provision of asset integrity solutions for pipework systems with Stork in the UK and Jergo AS ("Jergo") in Norway who are both leading maintenance and repair suppliers in their respective sectors of the North Sea.

These initial orders represent a much wider opportunity for SRJ products and solutions across the UK/Norwegian North Sea – aligning with the considerable maintenance and repair spend envisaged to ensure continued and increased oil and gas production.

Strategic alliance agreement with Cokebusters Limited

SRJ Technologies has signed a Strategic Alliance Agreement with Cokebusters Limited to develop asset integrity solutions for pipeline and pipework systems that are difficult to inspect. The partnership will combine SRJ's asset integrity expertise with Cokebusters' capability to access the internal surfaces of process piping systems to provide inspection and integrity risk solutions that are currently not available in the market.

The Companies aim to achieve 'first mover' advantage in assessing and mitigating risks associated with hazardous fluids and pipeline/pipework systems operating beyond their original design life. Such solutions are severely limited in the market due to the difficulties associated with pipeline internal access, current pigging technology and data capture/analysis.

SRJ and Cokebusters are now working closely to design solutions and services to monetise the combined expertise of both entities by enabling the condition of such pipework/pipelines to be monitored. The Company has engaged with and received initial enquiries from several high-profile operators seeking technology to assess and manage what are now considered to be significant environmental risks.

Other Wins/Opportunities

- A growing number of organic customer enquiries have been received in Q1 CY23 reflecting the effectiveness of the marketing campaigns and SRJ brand promotion online.
- Majority of the new enquiries confirm global interest in the recently introduced Sales model for the BoltEx® flange clamps. These new opportunities along with the steady project flow from the existent network of clients form a strong and growing sales pipeline for the coming quarters.
- SRJ has also received a repeat order for sale of pipework integrity products from British Sugar Plc that, whilst not significant in revenue terms, displays a developing relationship.
- Following successful completion of the leak sealing projects in collaboration with its Saudi Arabian partner ZOMCO (<http://zamil-om.com/>) in 2022, SRJ will be co-exhibiting with ZOMCO during the upcoming Asset Integrity and Process Safety Conference in Jubail 2-4 May, 2023. SRJ BoltEx® flange clamps will be showcased under the conference theme "Advanced Strategies And Technologies To Optimise Production".

Head Office

Ph: +44 (0) 1534 626 818
Le Quai House, Le Quai D'Auvergne,
St Helier, Jersey JE2 3TN
ARBN: 642 229 856 - a limited liability company incorporated in Jersey

Australia

Ph: +61 8 9482 0500
Level 4, 225 St Georges Tce, Perth
Western Australia 6000

UK

Ph: +44 (0) 2382 549 818
U2, Waterside House, Port Hamble
Satchell Lane, Hamble, Southampton SO31

ASX ANNOUNCEMENT

CODE: SRJ



- Further inroads into Malaysian market with ongoing Technical discussions for the use of SRJ BoltEx® products on Malaysian Offshore Assets operated and managed by Petrofac. Planning and costing submitted for Bolt Exchange campaigns likely to commence in Q2 CY23.
- Technical presentation and subsequent SRJ BoltEx® product quotation submitted to Hibiscus Petroleum, Malaysia. Further enclosure designs developed and proposed to mitigate integrity risks.
- Woodside Energy Group (Karratha Gas Plant), complete additional critical bolt exchange work with SRJ BoltEx® product.

Acquisitive Opportunities

SRJ's growth strategy is to deliver on the Company's vision of becoming a global leader in asset integrity solutions for the process industries. SRJ aim to achieve this through a combination of organic growth/development, acquisition and partnering. Several potential acquisition targets have been identified that meet SRJ's investment criteria but there are no developments to report at this stage.

Asset Integrity Consulting and Business Development

The BD activities of Q4 2022 are beginning to reveal opportunities in both the new build and existing operational asset space. As a result, SRJ Consulting group has been invited to tender for the following work scopes:

- Delivery of API 14C device reliability methodology for a new FPSO
- Delivery of PSV integrity program for a new FPSO
- Delivery of PSV integrity program for five operating FPSOs

SRJ Consulting group has submitted the following proposals during the quarter:

- Develop a hot bolting procedure for an international energy supplier
- Expansion to the existing API 14C project for technical consultation
- Facilitate an asset integrity management review workshop for a major operator – linked to a potential follow-on work scope

SRJ Consulting group project delivery

- Hot bolting procedure won above
- API-14C reliability methodology and pilot study for a major FPSO Operator continues, including work scope expansion won above

Financial Performance

During the Quarter, cash receipts of £247k (A\$443k) increased by 229% compared to the previous quarter (£75k (A\$134k) but were down 13% compared to Q1 FY22 (£284k (A\$506k). Cash outflows used in operating activities of £265k (A\$471k) were down by 46% compared to the previous quarter of £492k (A\$876k). Funds owed from one client currently total approx. £240k (A\$447k) and SRJ is in dialogue with this client to resolve this during Q2 CY23.

Head Office

Ph: +44 (0) 1534 626 818
Le Quai House, Le Quai D'Auvergne,
St Helier, Jersey JE2 3TN
ARBN: 642 229 856 - a limited liability company incorporated in Jersey

Australia

Ph: +61 8 9482 0500
Level 4, 225 St Georges Tce, Perth
Western Australia 6000

UK

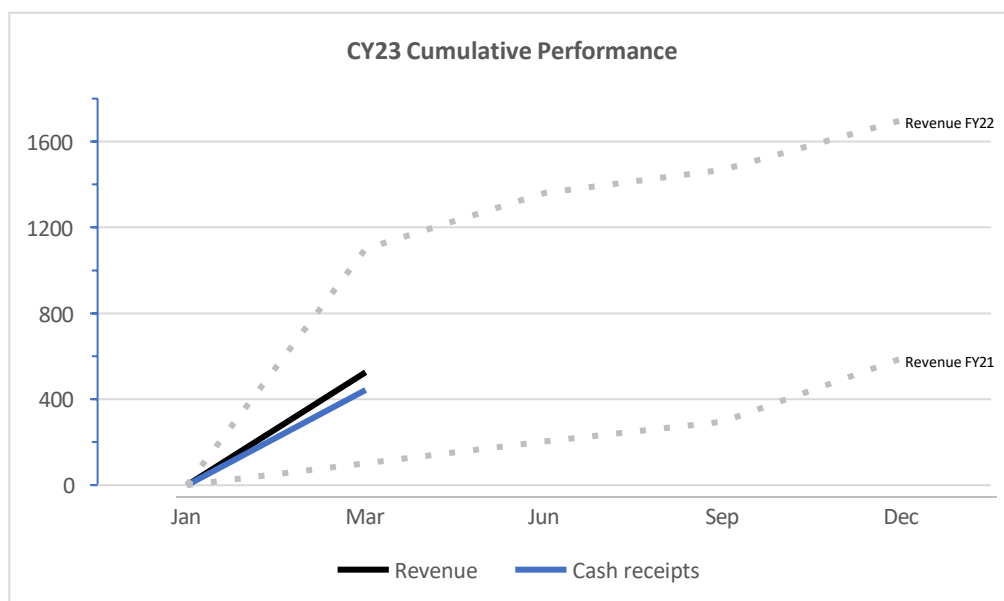
Ph: +44 (0) 2382 549 818
U2, Waterside House, Port Hamble
Satchell Lane, Hamble, Southampton SO31

ASX ANNOUNCEMENT

CODE: SRJ



A\$'000



The Company is continually considering ways to implement cost saving measures and, having already identified savings of A\$605k per annum announced in the previous quarter's report it is expecting to undertake further steps in Q2 CY23.

Details of the convertible loan facility entered into during the quarter are detailed within the cashflow report in the following pages.

- Ends -

Investor Inquiries

Alexander Wood
CEO, SRJ Technologies
info@srj-technologies.com

This announcement has been authorised for release by the Board.

ABOUT SRJ TECHNOLOGIES

SRJ Technologies provides specialised engineering services and containment management solutions, elevating customer's integrity management performance.

We see real value in offering a wider range of asset integrity consulting services helping our customers to better understand the operational risks and where best to focus resource to minimise these risks.

SRJ's range of industry accredited products are designed to maintain and assure the integrity of pressure containment systems and therefore play an important role in the overall integrity of operating facilities.

Using pre-qualified service providers and manufacturers local to customer, SRJ is geolocation-flexible and able to deliver a range of high quality, agile and cost-conscious solutions globally.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Head Office

Ph: +44 (0) 1534 626 818
Le Quai House, Le Quai D'Auvergne,
St Helier, Jersey JE2 3TN
ARBN: 642 229 856 - a limited liability company incorporated in Jersey

Australia

Ph: +61 8 9482 0500
Level 4, 225 St Georges Tce, Perth
Western Australia 6000

UK

Ph: +44 (0) 2382 549 818
U2, Waterside House, Port Hamble
Satchell Lane, Hamble, Southampton SO31

ASX ANNOUNCEMENT



CODE: SRJ

Name of entity

SRJ Technologies Group plc

ABRN

642 229 856

Quarter ended ("current quarter")

31 March 2023

Consolidated statement of cash flows	Current quarter GBP £'000	Year to date (3 months) GBP £'000
1. Cash flows from operating activities		
1.1 Receipts from customers	247	247
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(33)	(33)
(c) advertising and marketing		
(d) leased assets		
(e) staff costs	(332)	(332)
(f) administration and corporate costs	(121)	(121)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other - foreign exchange	(25)	(25)
1.9 Net cash from / (used in) operating activities	(265)	(265)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment		
(d) investments		
(e) intellectual property	(4)	(4)
(f) other non-current assets		
2.2 Proceeds from disposal of:		
(g) entities		
(h) businesses		
(i) property, plant and equipment		

Head Office

Ph: +44 (0) 1534 626 818

Le Quai House, Le Quai D'Auvergne,

St Helier, Jersey JE2 3TN

ARBN: 642 229 856 - a limited liability company incorporated in Jersey

Australia

Ph: +61 8 9482 0500

Level 4, 225 St Georges Tce, Perth

Western Australia 6000

UK

Ph: +44 (0) 2382 549 818

U2, Waterside House, Port Hamble

Satchell Lane, Hamble, Southampton SO31

ASX ANNOUNCEMENT



CODE: SRJ

Consolidated statement of cash flows	Current quarter GBP £'000	Year to date (3 months) GBP £'000
(j) investments		
(k) intellectual property		
(l) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)		
2.6 Net cash from / (used in) investing activities	(4)	(4)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2 Proceeds from issue of convertible debt securities	775	775
3.3 Proceeds from exercise of options		
3.4 Transaction costs related to issues of equity securities or convertible debt securities		
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings	(423)	(423)
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other – Transaction costs re STATS	(214)	(214)
3.10 Net cash from / (used in) financing activities	138	138

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	559	559
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(265)	(265)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(4)	(4)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	138	138

Head Office

Ph: +44 (0) 1534 626 818
Le Quai House, Le Quai D'Auvergne,
St Helier, Jersey JE2 3TN
ARBN: 642 229 856 - a limited liability company incorporated in Jersey

Australia

Ph: +61 8 9482 0500
Level 4, 225 St Georges Tce, Perth
Western Australia 6000

UK

Ph: +44 (0) 2382 549 818
U2, Waterside House, Port Hamble
Satchell Lane, Hamble, Southampton SO31

ASX ANNOUNCEMENT



CODE: SRJ

Consolidated statement of cash flows		Current quarter GBP £'000	Year to date (3 months) GBP £'000
4.5	Effect of movement in exchange rates on cash held	15	15
4.6	Cash and cash equivalents at end of period	443	443

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter GBP £'000	Previous quarter GBP £'000
5.1	Bank balances	443	559
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	443	559

6.	Payments to related parties of the entity and their associates	Current quarter GBP £'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(27)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

The amount in 6.1 includes wages and some travel expenses for the CEO. The Non-Executive Director agreed to suspend payment of fees for an unspecified time but these continue to be accrued.

Head Office

Ph: +44 (0) 1534 626 818
Le Quai House, Le Quai D'Auvergne,
St Helier, Jersey JE2 3TN
ARBN: 642 229 856 - a limited liability company incorporated in Jersey

Australia

Ph: +61 8 9482 0500
Level 4, 225 St Georges Tce, Perth
Western Australia 6000

UK

Ph: +44 (0) 2382 549 818
U2, Waterside House, Port Hamble
Satchell Lane, Hamble, Southampton SO31

ASX ANNOUNCEMENT



CODE: SRJ

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end GBP £'000	Amount drawn at quarter end GBP £'000
7.1	Loan facilities	1,940	819
7.2	Credit standby arrangements	-	-
7.3	Other – Directors bridging loan facility	-	-
7.4	Total financing facilities	1,940	819
7.5	Unused financing facilities available at quarter end		1,121
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	7.1 Loan to acquire a commercial vehicle in Australia from Australian Alliance Automotive Finance Pty Limited that is secured on the vehicle. The interest rate of 4.99% is over a 5-year period. The first repayment occurred in April 2021. Amount drawn down includes £44k in relation to this loan 7.1 Company signed an agreement on 15 February 2023 for a convertible loan facility of A\$3,500,000 of convertible securities (the "Facility"). The Facility, with Mercer Street Global Opportunity Fund LLC (Mercer), consists of 1,610,000 Convertible Notes, comprised of A\$1,400,000 principal ("Principal Amount") and A\$210,000 Original Issue Discount ("OID") (Tranche1). Of this amount, 862,500 Convertible Notes for A\$750,000 was drawn down on 24 February 2023 with the remaining 747,500 Convertible Notes for a total of A\$650,000 (£353,107) was draw down on 30 March 2023 A second tranche of Convertible Notes in respect of the Second Convertible Security ("Second Tranche") will be issued with an individual face value of A\$1 (that is, a total of up to 2,415,000 Tranche 2 Notes will be issued) subject to shareholder and Mercer approval. (Tranche 2) SRJ can draw down a minimum of A\$500,000. The Tranche 1 and Tranche 2 Notes will be convertible into common shares at 90% of the lowest two (2) VWAPS ("Conversion Price A") during the fifteen (15) trading days immediately prior to notice of conversion by the Investor subject to a minimum conversion price of A\$0.05. As part of the fee for the facility, the Company will issue to Mercer shares of common stock for nil consideration equal to 3% of the Total Amount of A\$3,500,000.		

8.	Estimated cash available for future operating activities	GBP £'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(265)
8.2	Cash and cash equivalents at quarter end (item 4.6)	443
8.3	Unused finance facilities available at quarter end (item 7.5)	1,121
8.4	Total available funding (item 8.2 + item 8.3)	1,564
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	5.9
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	

Head Office

Ph: +44 (0) 1534 626 818
Le Quai House, Le Quai D'Auvergne,
St Helier, Jersey JE2 3TN
ARBN: 642 229 856 - a limited liability company incorporated in Jersey

Australia

Ph: +61 8 9482 0500
Level 4, 225 St Georges Tce, Perth
Western Australia 6000

UK

Ph: +44 (0) 2382 549 818
U2, Waterside House, Port Hamble
Satchell Lane, Hamble, Southampton SO31



ASX ANNOUNCEMENT

CODE: SRJ

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 27 April 2023

Authorised by the Board of SRJ Technologies Group Plc.

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Head Office

Ph: +44 (0) 1534 626 818
Le Quai House, Le Quai D'Auvergne,
St Helier, Jersey JE2 3TN
ARBN: 642 229 856 - a limited liability company incorporated in Jersey

Australia

Ph: +61 8 9482 0500
Level 4, 225 St Georges Tce, Perth
Western Australia 6000

UK

Ph: +44 (0) 2382 549 818
U2, Waterside House, Port Hamble
Satchell Lane, Hamble, Southampton SO31