ASX ANNOUNCEMENT

CODE: SRJ

23 October 2020

Company Update and September Activity Report

Highlights

- **Commences trading on ASX on 18 September 2020 following a successful $8m capital raise**
- **Well positioned to execute growth strategy and expand into new markets**
- **Major Agreements signed with Mitsui and Zamil Operations and Management**

SRJ Technologies (ASX:SRJ; "SRJ" or "the Company") is pleased to provide the following update of its recent operational and corporate achievements.

SRJ commenced trading following its successful IPO

SRJ Technologies Group plc listed on the ASX on 18 September 2020 following a heavily oversubscribed IPO. The Company raised $8 million before costs with strong support from a broad range of institutional, high net worth and sophisticated investors. The IPO also saw Mitsui & Co. (Australia) Ltd join the register and follow on investment from existing shareholders Ellerston Capital and Regal Funds Management.

Under the IPO, a total of 16,000,000 Chess Depository Receipts (CDI's) were issued at $0.50 per CDI and the Company listed with a market capitalisation of approximately $60 million. The Company is delighted with the support it has received from ASX investors and the share price has continued to trade well above the $0.50 IPO price reaching a high of $0.83.

Significant agreements

On 18 September 2020, the Company announced that it had reached an agreement with Mitsui & Co (Australia) Ltd to explore commercial opportunities to promote SRJ's portfolio of products and services through Mitsui companies and projects across the energy, chemicals, and mining and metals sectors.

Following the completion of the quarter, the Company also announced it had appointed Zamil Operations and Maintenance Co Ltd ("ZOMCO") as its agent for the lucrative oil and gas and pipeline market in the Kingdom of Saudi Arabia.

Both agreements provide the Company with significant leverage into both established and new markets but more importantly quickly position SRJ to take advantage of already established networks to secure contracts and work.

Investor engagement and media coverage

The recent listing provided profile raising opportunities and interviews were secured with the Australian Financial Review, Stockhead, Ausbiz TV and Energy News Bulletin. SRJ were also the lead story on WA Business News website and were a feature story on the afternoon news of the WA Business News and media alert email. The CEO has also recently undertaken an interview with Alan Kohler for investment publication 'Eureka Report'.

Head Office
Ph: +44 (0) 1534 626 818
Le Quai House, Le Quai D'Auvergne,
St Helier, Jersey JE2 3TN

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

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

For personal use only

ASX ANNOUNCEMENT

CODE: SRJ
Financial performance

SRJ Technologies Group plc has continued to generate sales in Q3 with cash generation of £93k (A$168k.)

Sales performance and revenue growth has slowed over 2020 partly due to management's focus on the IPO process and capital raising activities but predominately due to COVID-19. Key points to note:

- Asset Life Extension - the pandemic has undoubtedly provided SRJ with significant opportunities to sell its containment solutions to operators that are looking for ways to extend the life of existing assets rather than replace them.
- Operator Led delays - as operators try to interpret and react to the impact of the evolving pandemic, planned maintenance shutdowns are being pushed out to 2021 thereby pushing out anticipated revenues for the Company.
- Resilience - fundamentally it is the timing of opportunities, not the opportunities themselves, that have been impacted and SRJ remains confident it is well placed to react to changing business practices and the opportunities it will present.

Research & development

Q3 2020 saw SRJ present the first iteration of its newly developed Repair Register management platform to an existing client as part of its digitalisation strategy. This platform comprises three seamlessly integrated elements:

- An app enabling field operations staff to capture the details of integrity anomalies and containment losses on mobile devices for centralised storage;
- A web browser interface that provides for management oversight and the historical tracking of subsequent repair measures through their successful closure;
- Overlaying visualisation software enabling the central repair database to be selectively interrogated to generate data-driven insights regarding repair trends and integrity management performance.

Outlook

With the success of the IPO now behind it, and with the IPO proceeds now available for business development, the Company is focussed on delivering progress across all operations during Q4 2020 and moving into 2021.

COVID-19 continues to challenge but opportunities are still presenting themselves even if the timing remains uncertain. With a successful capital raise, no debts and with a lean, highly flexible workforce the Company is in a strong position to deliver.

Key operational objectives in the immediate term are:

- Increasing sales and market penetration in existing markets of Australia and pushing to close identified opportunities in the UK and USA;
- Development of new sales and distribution networks for sales penetration into the USA and the Middle Eastern markets; and
- Continued development of new technology and patents.

For personal use only

Head Office
Ph: +44 (0) 1534 626 818
Le Quai House, Le Quai D'Auvergne,
St Helier, Jersey JE2 3TN

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

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

ASX ANNOUNCEMENT

CODE: SRJ

Related party payments

For the purpose of Section 6 of the Appendix 4C, all payments made to related parties have been paid in relation to wages for the CEO and independent Directors/Chairman remuneration including superannuation and pension as applicable or consulting fees.

The Company notes that it was only listed for 12 days of the quarter, and as such no real expenditure has been incurred against the use of funds stated in the prospectus. The Company will report against this in the coming quarter.

- Ends –

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

Media Inquiries
Simon Shepherdson
Spoke Corporate
simon@spokecorporate.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.

For personal use only

ASX ANNOUNCEMENT

CODE: SRJ

Appendix 4C

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

Name of entity

SRJ Technologies Group plc

ABRN	Quarter ended ("current quarter")
642 229 856	30 September 2020

Consolidated statement of cash flows		Current quarter GBP £'000	Year to date (9 months) GBP £'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	93	98
1.2	Payments for		
	(a) research and development	(18)	(43)
	(b) product manufacturing and operating costs	(49)	(68)
	(c) advertising and marketing	(3)	(35)
	(d) leased assets	-	-
	(e) staff costs	(441)	(1,078)
	(f) administration and corporate costs	(160)	(522)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(1)	(2)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	58
1.8	Other (provide details if material)	20	(154)
1.9	**Net cash from / (used in) operating activities**	**(559)**	**(1,746)**
2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(18)	(48)
	(d) investments	-	-

For personal use only

Head Office
Ph: +44 (0) 1534 626 818
Le Quai House, Le Quai D'Auvergne,
St Helier, Jersey JE2 3TN

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

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

ASX ANNOUNCEMENT

CODE: SRJ

Consolidated statement of cash flows		Current quarter GBP £'000	Year to date (9 months) GBP £'000
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(g) entities	-	-
	(h) businesses	-	-
	(i) property, plant and equipment	-	-
	(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)	-	3
2.6	**Net cash from / (used in) investing activities**	**(18)**	**(45)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	4,551	4,551
3.2	Proceeds from issue of convertible debt securities	20	1,788
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(507)	(708)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**4,064**	**5,631**

For personal use only

Head Office
Ph: +44 (0) 1534 626 818
Le Quai House, Le Quai D'Auvergne,
St Helier, Jersey JE2 3TN

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

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

ASX ANNOUNCEMENT

CODE: SRJ

Consolidated statement of cash flows		Current quarter GBP £'000	Year to date (9 months) GBP £'000
4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	1,571	1,216
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(559)	(1,746)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(18)	(45)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	4,064	5,631
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**5,058**	**5,058**

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	5,058	1,568
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)**	**5,058**	**1,568**

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	121
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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.

The amount in 6.1 includes wages for the CEO and independent Directors/Chairman remuneration including superannuation and pension as applicable or consulting fees.

Head Office
Ph: +44 (0) 1534 626 818
Le Quai House, Le Quai D'Auvergne,
St Helier, Jersey JE2 3TN

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

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

For personal use only

ASX ANNOUNCEMENT

CODE: SRJ

7.	Financing facilities *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end GBP £'000**	**Amount drawn at quarter end GBP £'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-
7.5	**Unused financing facilities available at quarter end**		-

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.

N/A

8.	Estimated cash available for future operating activities	**GBP £'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(559)
8.2	Cash and cash equivalents at quarter end (item 4.6)	5,058
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	**5,058**
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	9 Quarters

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.

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: N/A

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: N/A

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: N/A

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.

For personal use only

Head Office
Ph: +44 (0) 1534 626 818
Le Quai House, Le Quai D'Auvergne,
St Helier, Jersey JE2 3TN

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

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

ASX ANNOUNCEMENT

CODE: SRJ

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: 22 October 2020

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.

For personal use only

Head Office
Ph: +44 (0) 1534 626 818
Le Quai House, Le Quai D'Auvergne,
St Helier, Jersey JE2 3TN

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

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