SRJ TECHNOLOGIES GROUP

PROPOSED ACQUISITION OF AIR CONTROL ENTECH AND CAPITAL RAISING

ADVANCING ASSET INTEGRITY:
Air Control Entech - Where Robotics & Drones Merge with Deep Industry Expertise for Smarter, Faster, and Safer Solutions.

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TODAY'S PRESENTERS

ALEXANDER WOOD

SRJ Executive Director and
Chief Executive Officer

KIERAN HOPE

ACE Chief
Operating Officer

STEFAN McGREEVY

SRJ Chief
Financial Officer

01

EXECUTIVE SUMMARY & TRANSACTION OVERVIEW

EXECUTIVE SUMMARY

SRJ

The business combination creates a world-class asset integrity company, delivering state-of-the-art Advanced Robotics & Specialised Drone Technology with cutting-edge repair and integrity maintenance solutions.

Acquisition Summary	• SRJ Technologies Group Plc ("SRJ") has entered into a Share Purchase Agreement to acquire 100% of the issued capital of Air Control Entech Limited (ACE). • ACE provides remote inspection services to the Oil & Gas industry with advanced robotics and custom drone technology. • Acquisition of ACE for consideration amount of GBP£4.5 million (~A$8.6m) in cash and the balance by the issue of 175,249,279 CDIs (with an implied value of ~A$9.6m at the Offer Price)[2,3] - equivalent to 5.8x ACE's FY24E EBITDA • On completion of the transaction the sellers will hold 28% of SRJ on an undiluted basis which will be subject to voluntary escrow arrangements for a period of 24 months for management sellers and 6 to 12 months for all other sellers.
Acquisition Rational	• **Cross-Selling:** Utilizing SRJ and ACE's client bases to offer a wide range of inspection, repair, and management services. • **Geographical Expansion:** Leveraging SRJ's networks in North America and Asia to expand ACE's penetration into new markets. • **R&D Advancements:** Enhanced engineering and product development capabilities, driving innovation and competitiveness. • **Cutting-Edge Technologies:** Access to a diverse range of certified and patented solutions for a strong competitive market advantage.
Acquisition Funding	• SRJ is conducting a capital raising to raise up to $14.0 million via an offer of new SRJ CDI's at $0.055 (**Offer Price**) (partially underwritten to $11.1 million by Bell Potter Securities Limited and Peloton Capital Pty Ltd (**Joint Lead Managers**) • The Acquisition and the Offer are subject to Shareholder approval, which will be sought at SRJ's Annual General Meeting (**AGM**) scheduled for 13 August 2024 • Settlement of the Offer is conditional upon the Acquisition Agreement becoming unconditional
Impact of transaction[4]	• CDI's on issue post transaction 624,914,917 undiluted, 671,336,104 fully diluted • Indicative Market cap @ the Offer Price ~A$34.4m • Combined Group Pro Forma Forecast FY24 Revenue ~A$12.3m (GBP£6.4m) • Combined Group Pro Forma Forecast FY24 EBITDA ~A$3.2m (GBP£1.7m) • Combined Group Pro Forma Cash balance post transaction as at 31 December 2023 of A$5.0m (GBP£2.6m)

Note 1: Unless stated otherwise, all numbers have been converted from reporting currency, GBP to AUD at an exchange rate of 1.92. The reporting currency of SRJ and ACE is GBP.

Note 2: Under the terms of the SPA the agreed purchase price is GBP15 million (~A$28.8m) comprising a cash payment of GBP£4.5 million (~A$8.64m) and the issue of 175,249,279 CDIs representing GBP£10.5 million at a deemed issue price of $0.115 per CDI.

Note 3: The SPA contains customary working capital and net debt adjustments to the purchase price such that if there is a positive adjustment to the purchase price in favour of the sellers, SRJ must issue additional Consideration Shares to the sellers based on the market price of CDIs at the time of the adjustment. Please refer to the summary of the SPA on slide 55 for more information.

Note 4: Pro forma financials for FY24F assume Combined financial performance of SRJ and ACE businesses for the full financial year. See slides 30-35 for further details of financial forecasts, pro forma adjustments and capital structure.

A COMBINATION TO FORGE A SIGNIFICANT PLAYER IN ASSET INTEGRITY MANAGEMENT

The strategic combination of SRJ Technologies and Air Control Entech creates a robotically enabled technology platform leveraged to the high growth asset integrity and power generation industries.

KEY HIGHLIGHTS:

Exposed to Large and Growing Market
The asset integrity market is valued at US$23.9bn and is forecast to grow to US$31.5bn by 2029

ACE and SRJ capability expansion fuels growth
SRJ and ACE provide repair and maintenance and robotically enabled inspection services for critical infrastructure assets in the oil and gas industry with plans to expand into the shipping and marine industry.

Compelling cost and safety improvements for global customers
The combined group will displace unsafe and high-cost manual inspections with advanced drone technologies

Tier 1 Global Clients
Established commercial relationships with tier one global clients including;

- ENI (Mkt Cap: A$70bn)
- Total Energies (Mkt Cap: A$230bn)
- Repsol (Mkt Cap: A$29bn)
- BP (Mkt Cap: A$152bn)
- Rio Tinto (Mkt Cap: A$46bn)
- Woodside (Mkt Cap: A$55bn)

Enhanced cross selling opportunities
The business combination will enable substantial cross selling opportunities to existing clients and deepening of relationships with global clients across geographies including North America, the Middle East, West Africa and Southeast Asia.

Outstanding growth profile
The Company is forecasting Combined Group pro forma revenue growth of 112% for FY24 from A$5.7m to A$12.3m and is forecasting FY24 EBITDA of $3.2m[1].

Capital light business model
High gross margins (Combined Group FY24F 78%[1]) and significant operating leverage.

High barriers to entry
Established via registered intellectual property, technological development and know-how, industry accreditation (class certificates) and deep industry knowledge and relationships throughout oil and gas.

Note 1: Forecasts prepared by Management of SRJ and ACE for the year ended 31 December 2024. . Pro forma financials for FY24F assume Combined financial performance of SRJ and ACE businesses for the full financial year. See slides 30-35 for further details of financial forecasts, pro forma adjustments and capital structure and slide 49-50 for basis of preparation and assumptions underlying forecast information

THE ASSET INTEGRITY MARKET

The asset integrity market, which covers the oil & gas, power generation, marine and aerospace industries, is large, growing and primed for technological advancement

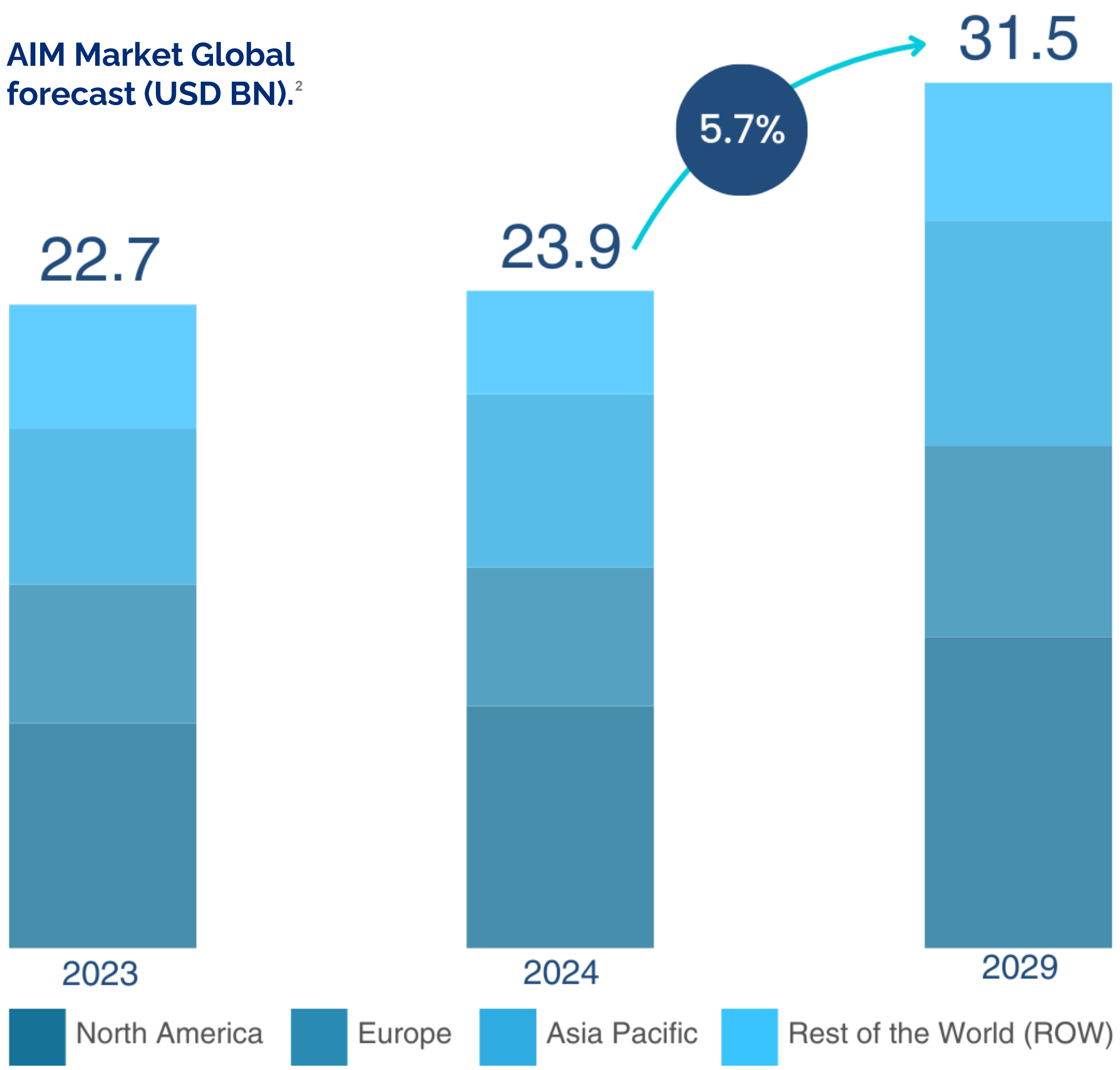
Key Drivers

- Stricter safety regulations and compliance requirements.
- Aging infrastructure needing careful management to minimize risk.
- Technological advancements (IoT, digitalization) enabling better monitoring.
- The focus on operational efficiency and cost reduction.
- Increase in investment in the Energy Sector

Global annual investments in the energy sector are expected to reach between **USD$2 trillion and USD$3.2 trillion by 2040**[3]

Oil and Gas Asset Integrity Management Services Market – Growth Rate by Region, 2022-2027[1]

AIM Market Global forecast (USD BN).[2]



1 https://www.mordorintelligence.com/industry-reports/oil-gas-asset-integrity-management-services-market
2 https://www.marketsandmarkets.com/Market-Reports/asset-integrity-management-market-7798221.html
3 Global Energy Perspective 2023 | McKinsey

ACQUISITION STRATEGIC RATIONALE

The acquisition of ACE places the Combined Group in two of the three life cycle sectors

1 Inspection

- Remote inspection services
- Advanced sensor technologies for inspection and integrity monitoring

AIR CONTROL ENTECH

2 Defect Management

- Analytics for defect classification and characterisation
- Data visualisation tools (e.g., digital twin)
- ACE has partnerships established with sector leaders, including GDI

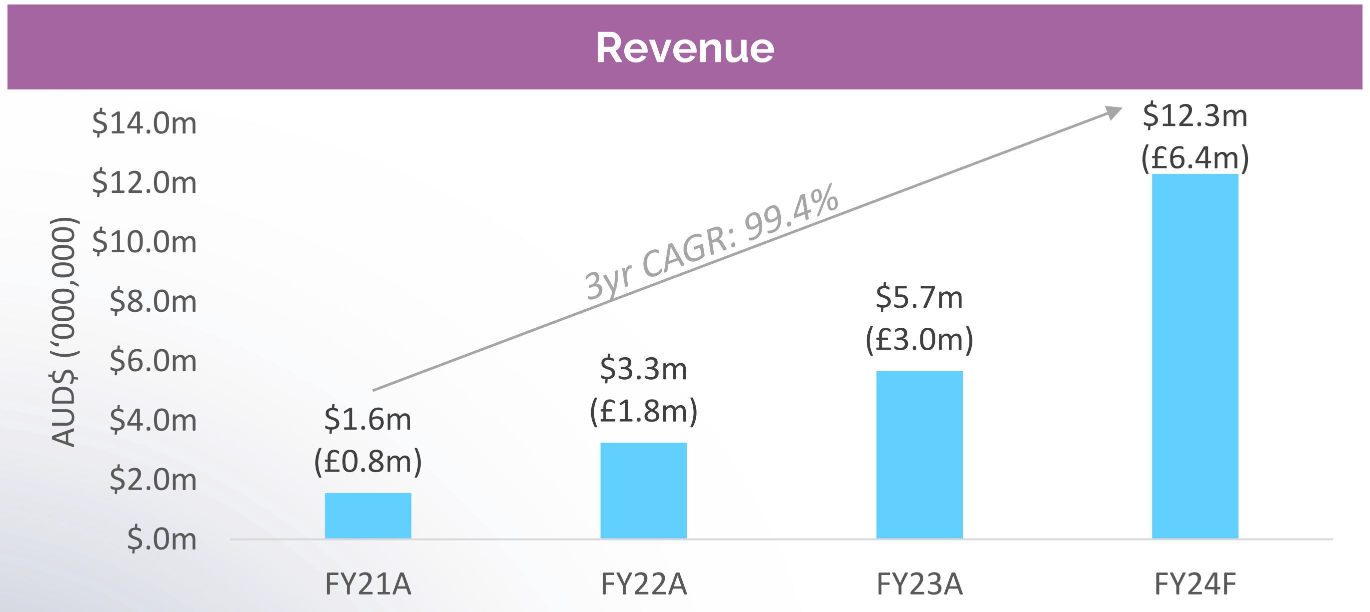
3 Repair & Maintenance

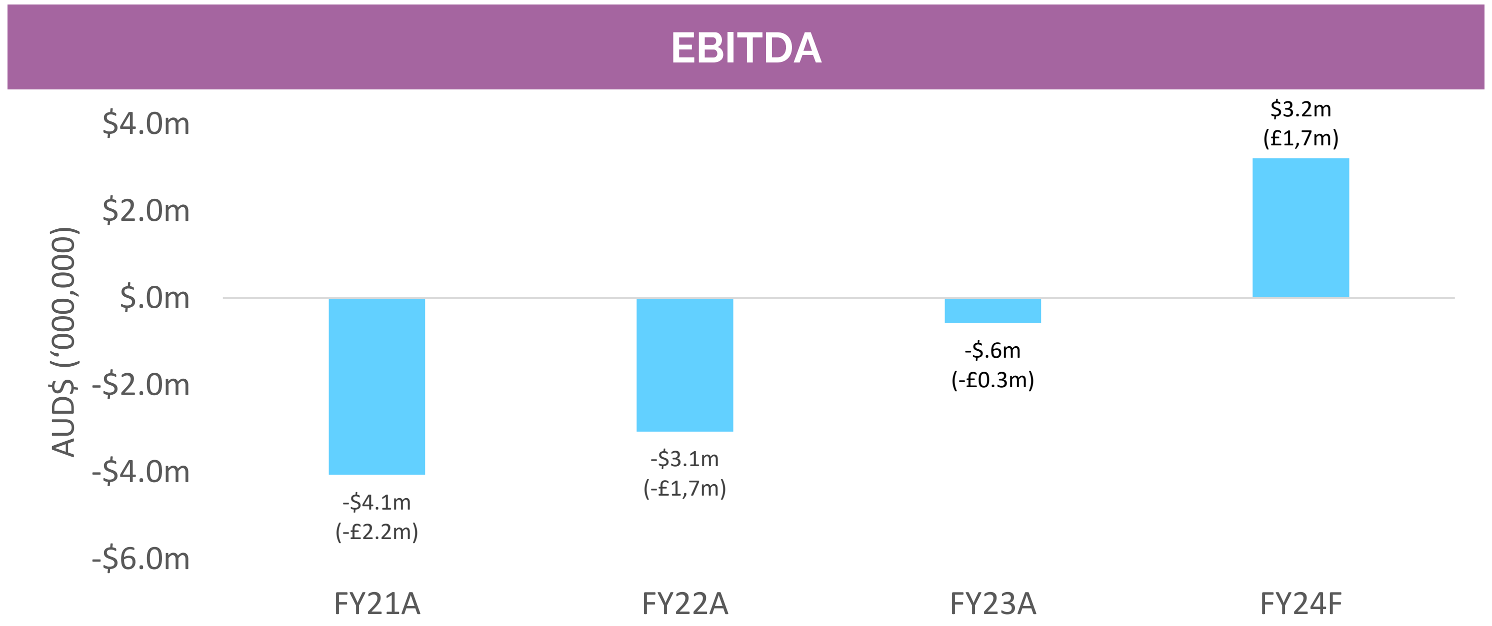
- Innovative online repair technologies and maintenance aids
- Design and manufacture of bespoke solutions

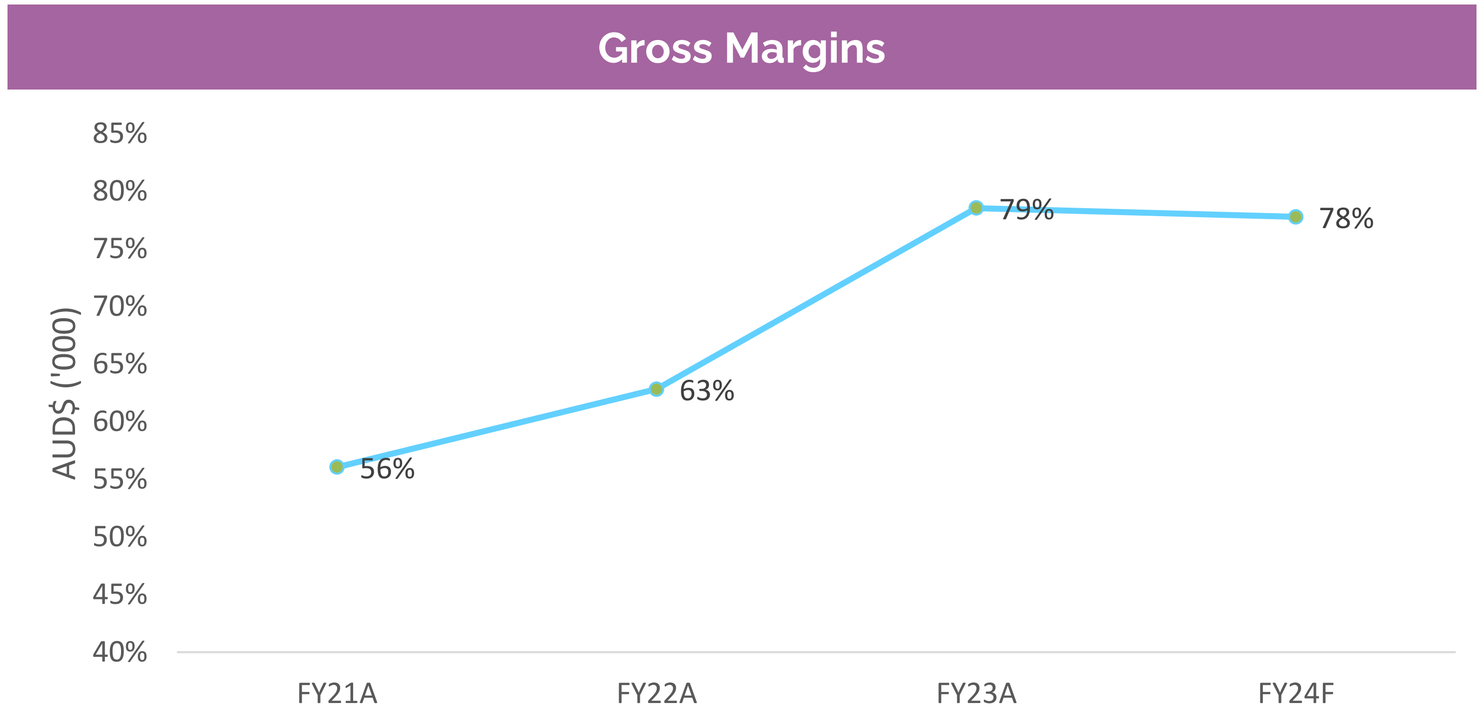
SRJ

SRJ & ACE COMBINED FINANCIAL HIGHLIGHTS

The combination of ACE and SRJ capitalises on synergistic strengths and opportunities, promising unparalleled service offerings, expansive market reach, and sustained innovation.







Note 1: Metrics above are presented on an aggregated proforma basis of SRJ and ACE for FY21A, FY22A, FY23A and FY24F.

Note 2: Refer to Page 49-50 for the basis of preparation of the Combined Group Pro Forma Historical and Forecast Financial Information.

Note 3: Pro forma metrics do not include any revenue or cost synergies

Note 4: See slides 30-35 for further details of pro forma financials, pro forma adjustments and capital structure and slide 49-50 for basis of preparation and underlying assumptions for forecasts

Note 5: GBP:AUD at a rate of 1.83 in FY21;1.78 in FY22 and 1.87 in FY23 and 1.92 in FY24

02

ACE OVERVIEW

OVERVIEW OF ACE

SRJ

ACE is a UK business that provides remote inspection services to the Oil & Gas industry with advanced robotics and custom UAV technology. ACE's growth and tier 1 customer base is a result of the cost efficiencies and safety improvements its services provide for the Oil & Gas industry.

OVERVIEW:

ACE is renowned in the North Sea Oil & Gas sector for its solution-driven products and services, maintaining strong partnerships with key operators and serving 4 of the 11 UK FPSOs and various fixed platforms.

Custom Technology and Processes

By providing advanced robotic solutions covering land, sea, and air, ACE is redefining inspection protocols, minimizing human risk and maximizing precision and safety in the Oil & Gas market.

Industry Tailwinds

Successfully established service offerings in the UK and initiated initial steps towards international expansion with support of SRJ demonstrating scalability on an international level.

Regulatory Approvals

ACE is the only advanced robotic technology company in the oil and gas sector offering inspection services certified by all 5 main class societies, significantly enhancing its ability to win tenders

Strong relationships with established peers

Blue chip customer base established including ENI, Total Energies, Repsol, BW Offshore
Collaborations with GDi, Stork, Scout DI, Flyguys, and Hydromea have accelerated market acceptance.

Strong growth profile

Achieved a remarkable 64% revenue growth in FY23, with projected revenue growth of ~174% forecast for FY24.
Strong gross margins of 75% and EBITDA margins of ~41% for Fy24%[1]

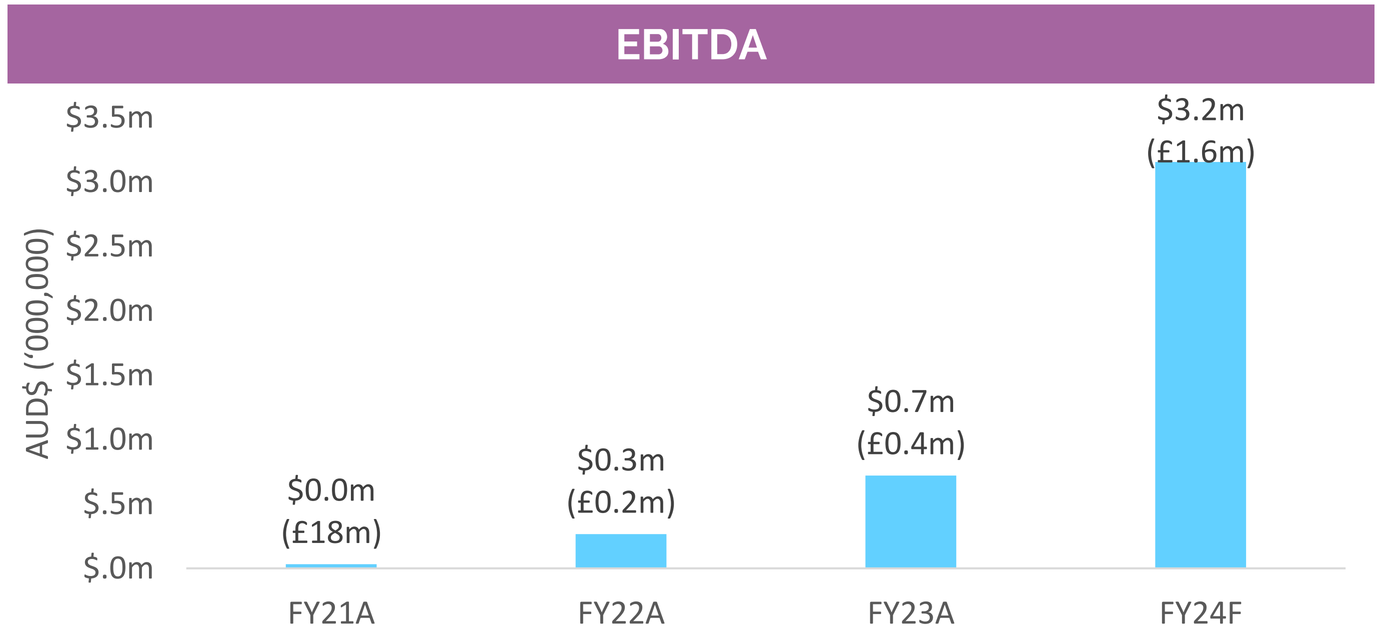
TotalEnergies
ITHACA ENERGY (UK) LTD.
Sumitomo Corporation
Enriching lives and the world
REPSOL SINOPEC
Harbour Energy
Eni
PERENCO
BW Offshore
Applus
OCEANEERING
STORK

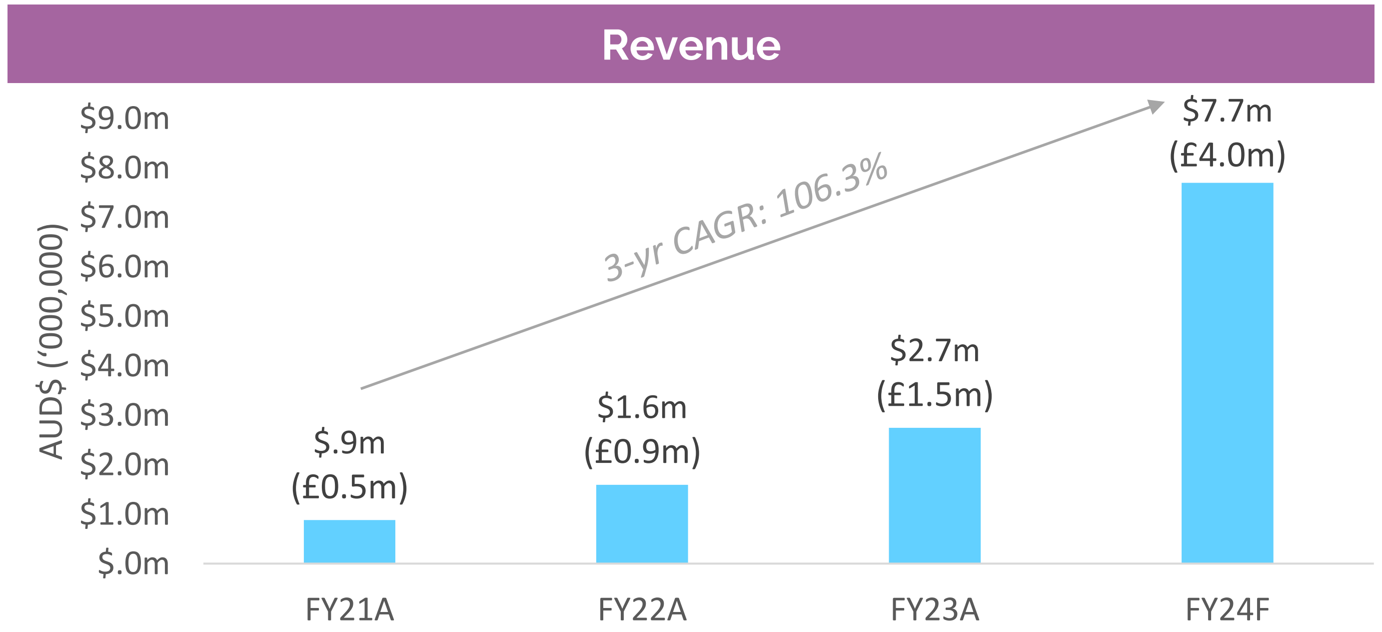
Note 1: See slides 30-35 for detailed financial overview

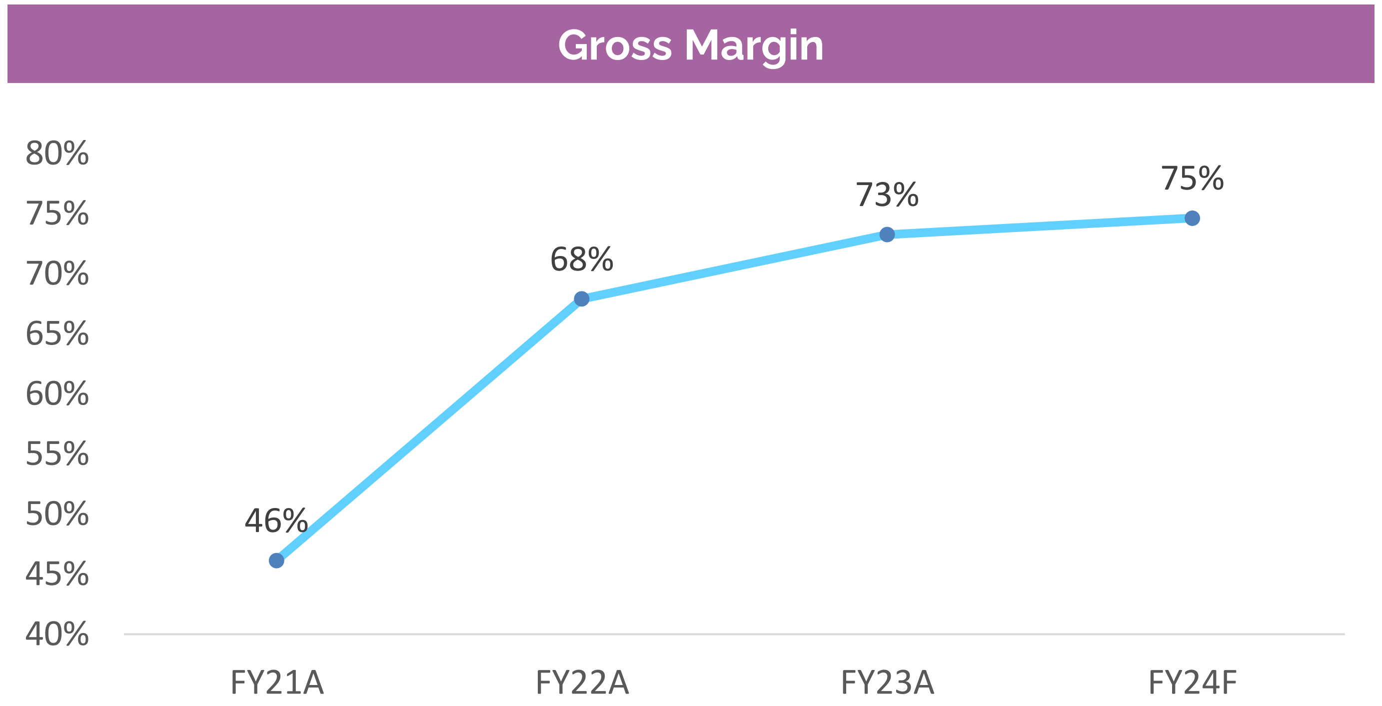
ACE FINANCIAL OVERVIEW

COMMENTARY:

- Revenue growth driven in FY24F by existing clients looking to roll out solutions in other jurisdictions
- EBITDA has improved YoY as revenue growth has outpaced the overheads increase, thereby indicating operational leverage nearing to be achieved over time
- Lower Gross Margins in 2021 represent design and development projects which have been completed. Gross Margins expected to remain similar to FY23A for the current financial year







Note 1: See slides 30-35 for detailed financial overview
Note 2: GBP:AUD at a rate of 1.83 in FY21;1.78 in FY22 and 1.87 in FY23 and 1.92 in FY24.
Reference: Audited financial statements of ACE for FY21A, FY22A and FY23A in GBP and ACE Management forecasts for FY24F in GBP, converted at aforementioned exchange rates.

LEGACY INDUSTRY CHALLENGES – ACE SOLUTIONS

ACE's advanced robotic solutions solve the safety, efficiency and cost challenges of the incumbent technology

PROBLEM – OLD TECHNOLOGY

- **Increasing government regulation** on critical energy infrastructure increases compliance burden and costs.
- Need for **manual inspections in hazardous environments**.
- **Low Margin** due to over competition.
- **Labor intensive** workflows
- Traditional inspections involve **large teams in confined spaces**

ACE SOLUTION

- Automated inspections drive **cost reduction**
- Robots, drones, and remote-controlled devices reach and assess otherwise inaccessible assets, **diminishing human risk**
- **High Margin** through technology driven, differentiated offerings.
- By utilising advancing technology ACE offer inspections that can be **completed faster, dramatically reducing asset downtime**
- **Reduced personnel** required for inspections

ACE – KEY COMPETITIVE ADVANTAGE

ACE is the only advanced technology company offering services certified by all 5 main class societies, significantly enhancing its ability to win tenders for FPSOs.

UNMATCHED CLASS CERTIFICATIONS

A ship classification society or ship classification organisation is a non-governmental organization that establishes and maintains technical standards for the construction and operation of ships and offshore structures.

Classification societies certify that the construction of a vessel complies with relevant standards and carry out regular surveys in service to ensure continuing compliance with the standards.

Annual surveys are typically carried out, with additional comprehensive surveys carried out on a 5-year cycle.

A classification certificate is required for a ship's owner to be able to;

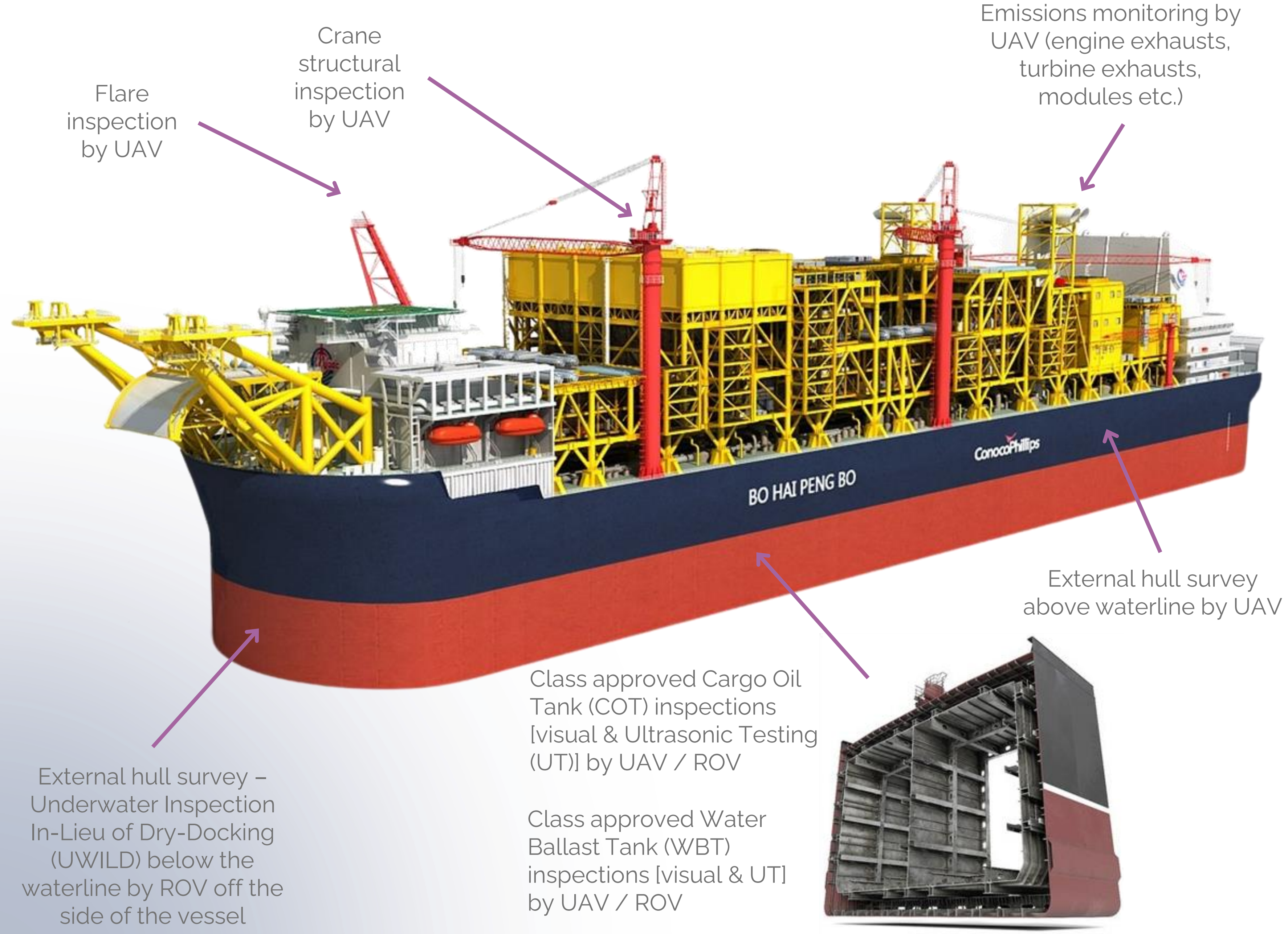
- register the ship
- obtain marine insurance on the ship
- enter some ports or waterways, and;
- may be of interest to charterers and potential buyers.

Class approvals are also cross transferable into the marine and shipping markets which will allow ACE to expand into one of the worlds largest markets of seagoing vessel inspections.

AIR CONTROL ENTECH - SOLUTIONS

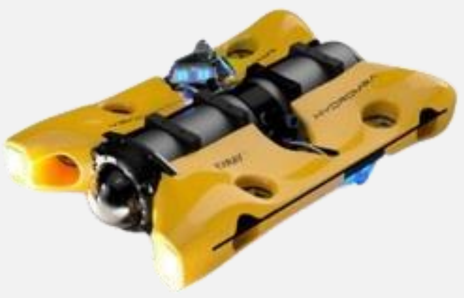
ACE's custom drone technologies perform remote inspections on Floating Production Storage & Offloading vessels (FPSOs).

REMOTE INSPECTION TECHNOLOGY SOLUTIONS

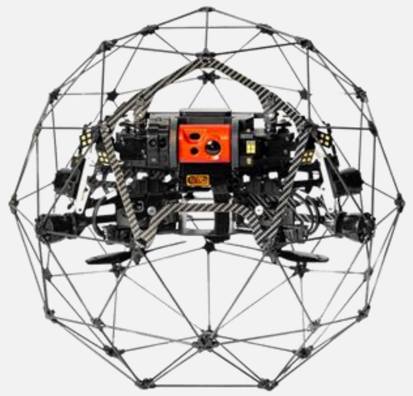


TECHNOLOGIES USED: CUSTOM ENGINEERED ROBOTICS AND UAVS

ROV: Remotely Operated Vehicle – remote controlled tethered underwater robot



UAV: Unmanned Aerial Vehicle – aircraft piloted by remote control



An FPSO (Floating Production Storage and Offloading vessel) is a versatile offshore oil and gas facility used for processing and storing hydrocarbons in deepwater locations. The global FPSO market, valued at USD 6.78 billion in 2020, is forecasted to grow to USD 34.65 billion by 2032 due to increased deepwater exploration and technological advancements **https://www.fortunebusinessinsights.com/industry-reports/fpso-market-100429**

ACE PRODUCT, SERVICES & REVENUE MODEL

Through proprietary and class certified technology, ACE solutions for FPSO operators provide a full suite of solutions with flexible pricing structures to fit client needs

Technology & Certifications

- Utilizes advanced robotics and custom UAV technology for remote inspections.
- Holds all 5 key class society approvals, ensuring a competitive edge in quality and compliance.

Service Models & Flexibility

- Offers adaptable operational packages (ADHOC, 183, & 365) tailored to client-specific requirements and budgets.
- Provides embedded technician options with rotation schedules or back-to-back operations for year-round coverage.

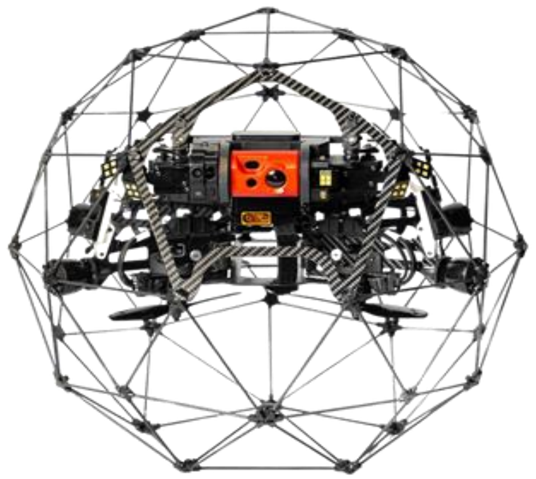
Pricing Structure

- Rental charges for UAVs and ROVs
- Separate day rates for the deployment of qualified engineers and pilots.

Services

- Specializes in remote inspection services with customizable kits for specific project scopes.
- Applications include inspections of FPSO hulls, flare boom structures, turret enclosures, turbine stacks, accommodation modules, jacket structures, flare stacks, and lifeboat structures.

The UT Inspection UAV is engineered for accurate, repeatable UT data. It uses electromagnets for stable adherence to structures, allowing precise readings



The Elios 2 MTE UAV is designed for stable flight in dark, GPS-restricted areas with protected rotors. It features a stabilized system for 180-degree vertical camera control and integrated HID lighting, enabling clear HD image and video capture.

ACE CASE STUDY: In Service Internal Tank Inspections

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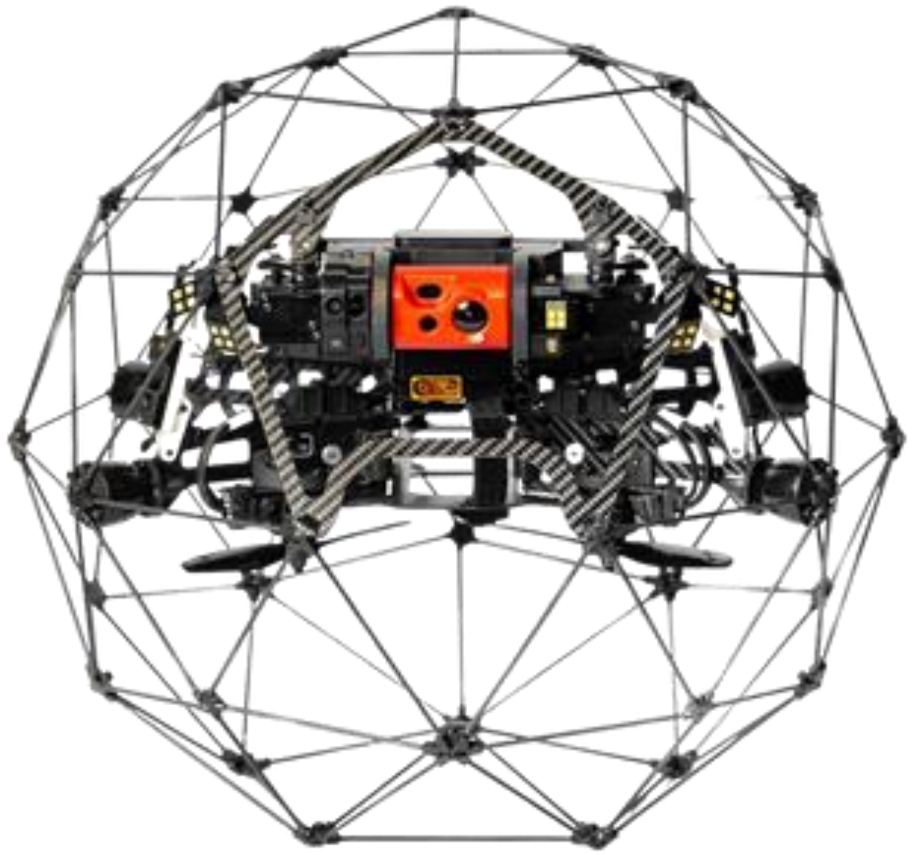
Utilizing an Elios 2 internal inspection drone ACE performed a full visual tank inspection satisfying the vessels class society and saving ~£80k per tank inspected vs. conventional inspection techniques



Project

- **Scope of Work**: Internal cargo oil tank inspections.
- **Facility**: Offshore FPSO vessel, North Sea.
- **Objective**: Minimize downtime and maximize FPSO's operational/storage capacity.

ACE Solution

ACE utilized the advanced Elios 2 drone, deploying a single technician to work alongside the incumbent inspection provider

Outcome

- Project delivered on time with no disruption to ongoing operations
- Material Inspection and operational cost savings to the client

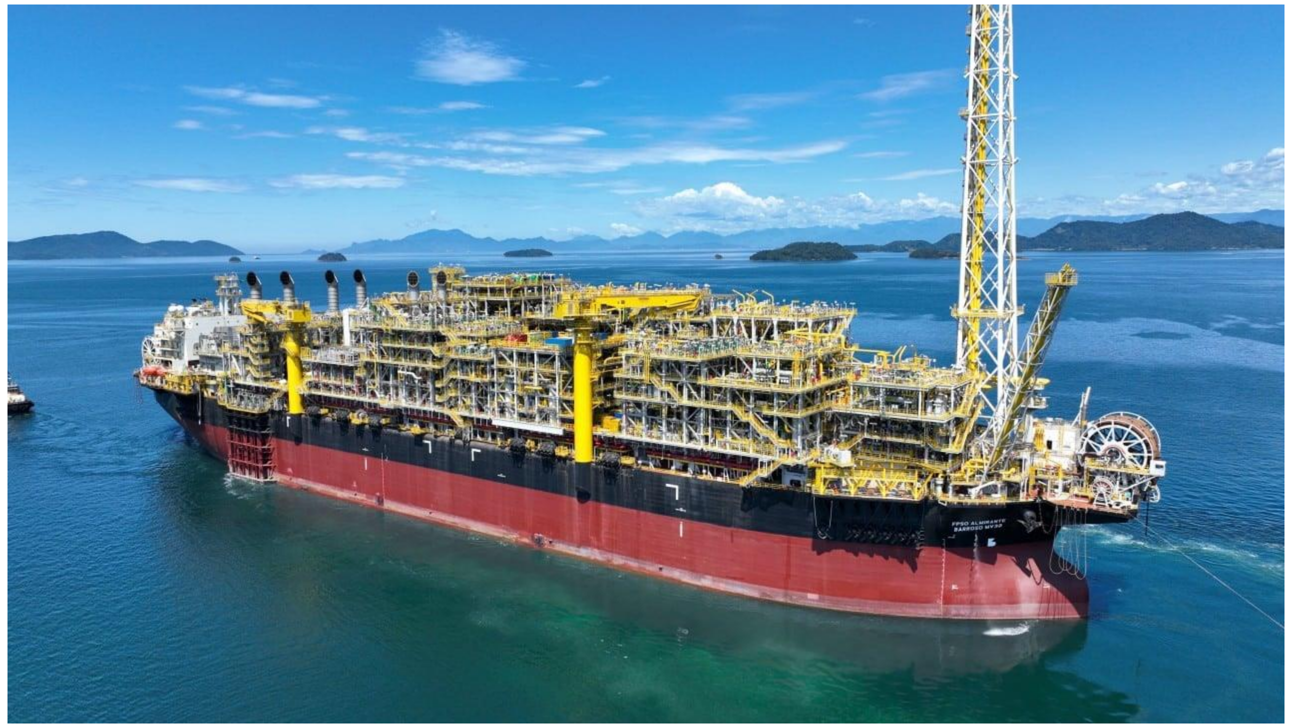
Results and benefits of ACE technology compared to conventional offerings

Factor	Conventional	Robotics
Personnel Required	4-6	2
Cost	>£100k / Tank	£20k / Tank
Time	7 Days / Tank	1-2 Days / Tank
Impact on operations	More resources required on asset	Only 2 bunks required!
Hazard	High Risk	Low Risk
Differentiator	Low quality photos and UTM	High resolution photos, video and UTM

ACE MARKET OPPORTUNITY AND GROWTH STRATEGY

CURRENT MARKET: OIL & GAS, FPSO

- As of 2024, there are approximately 220 floating production storage and offloading (FPSO) units in operation with a further 63 planned and announced FPSOs to begin operation over next 5 years. [1]
- ACE is currently in discussions with operators representing > 50 FPSO's
- A small FPSO represents ~A$1.0m revenue opportunity per inspection. A large FPSO represents ~A$2.0m
- ACE's initial focus will be to grow FPSO market share before expanding across to the Marine sector



GROWTH OPPORTUNITY: MARITIME SHIPPING MARKET

- Capabilities developed in the Oil & Gas sector are directly transferable to the Maritime Shipping Market
- ACE's class certifications apply directly to maritime shipping vessels
- There are over 12,500 dry bulk carriers and over 4,000 container ships in operation
- The estimated Ship Hull Inspection Services market is estimated to be US$3.45B in 2024 and growing at a CAGR of 8.9%[2]
- ACE's medium term vision is to expand its service offering and capabilities into this larger addressable market

(1) https://www.worldoil.com/magazine/2021/august-2021/special-focus/offshore-energy-will-power-the-world-2021-2040-fpso-forecast/
(2) Ship Hull Inspection Services Market Size & Statistics | By 2034 (factmr.com))

ACE GROWTH STRATEGY LEVERAGING KEY INDUSTRY RELATIONSHIPS

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Air Control Entech continues to develop commercial relationships with large industry players across the oil and gas and marine sectors which will drive future growth

- ACE has established strong commercial relationships with leading operators in the North Sea oil and gas sector.
- The company's strategy is to leverage these relationships to deepen penetration with existing customers and to secure new customers
- ACE has completed commercial scopes with Total Energies, ENI and Repsol and is currently engaged in several tender and evaluation processes.
- The company has established relationships with oil and gas industry *Majors* and *Super Majors* including Total Energies, ENI and Repsol which provide opportunities to generate substantial and repeatable future engagements and revenue

Company	**TotalEnergies SE (NYSE:TTE)**	**ENI S.p.A (BIT:ENI)**	**Repsol, S.A (BME:REP)**
Company Overview	Internationally produces and markets oil and biofuels, natural gas, green gases, renewables, and electricity in France	Global integrated energy provider, operating across oil & gas and other energy products	Repsol, S.A. operates as a multi-e energy company worldwide.
Market Capitalisation	~A$230B	~A$70B	~A$28.7B
Revenue (FY23)	~A$319B	~A$147B	~A$85.2B
Headquarters	Courbevoie, France	Rome, Italy	Madrid, Spain

ACE – ONGOING RESEARCH & DEVELOPMENT OF INDUSTRY LEADING TECHNOLOGIES

SRJ

ACE's industry leading technologies continue to enhance its position as a world leader in UAV technology for the Oil & Gas market

Emissions Monitoring: ATEX Zone 1 – Optical Gas Imaging (OGI) unmanned aerial vehicle (UAV)

- It is estimated that over 75% of methane emissions in the Oil & Gas sector can be reduced with existing technologies[1]. One of the historical reasons that methane emissions have been difficult to address is a lack of reliable, real-world data.
- ACE has developed a custom drone (certification pending) for use in ATEX* Zone 1, explosive atmospheres (patent pending).
- UAVs are currently restricted from flying any closer than Zone 2 (see diagram) which severely limits detailed inspection activities. ACE's OGI UAV will enable operators to identify emissions and plan necessary mitigation measures.
- The OGI UAV will provide ACE with a significant competitive advantage. Certification is expected CY24 with commercial roll out to follow immediately.

Internal Tank Inspection: Ultrasonic Testing (UT) UAV and ROV

- Seagoing vessels require 20% annual internal hull tank inspection over a 5-year cycle.
- Traditional inspections involve large teams in confined spaces.
- ACE has developed class accredited Visual and UT Remote Inspection system utilizing ACE UT UAV and third party ROV

Note 1:. https://www.jpmorgan.com/content/dam/jpm/cib/complex/content/redesign-custom-builds/carbon-compass/JPMC_methane.pdf

03

SRJ OVERVIEW

OVERVIEW OF SRJ

SRJ

SRJ's vision is to become a global leader in asset integrity solutions for the energy industry, providing solutions to ensure efficient, productive and compliant operations.

- **SRJ delivers a range of asset integrity solutions** for the short term and long-term integrity management of pipeline and pipework systems, pressure vessels, valves and flanges to eliminate emissions and enhance personnel safety.

- **The global asset integrity opportunity is large and growing.**
  Expected to reach US$31.5B by 2029 at a CAGR of ~5.7%

- SRJ has an **established blue chip customer base** across multiple jurisdictions

- **Strong growth trajectory** with FY23 revenues of A$2.9m, a 67.5% increase from FY22's A$1.7m

- In FY23, Gross Profit margins surged to 83.4%, a substantial improvement from 58% in FY22, attributed to SRJ's strategic cost optimization initiatives

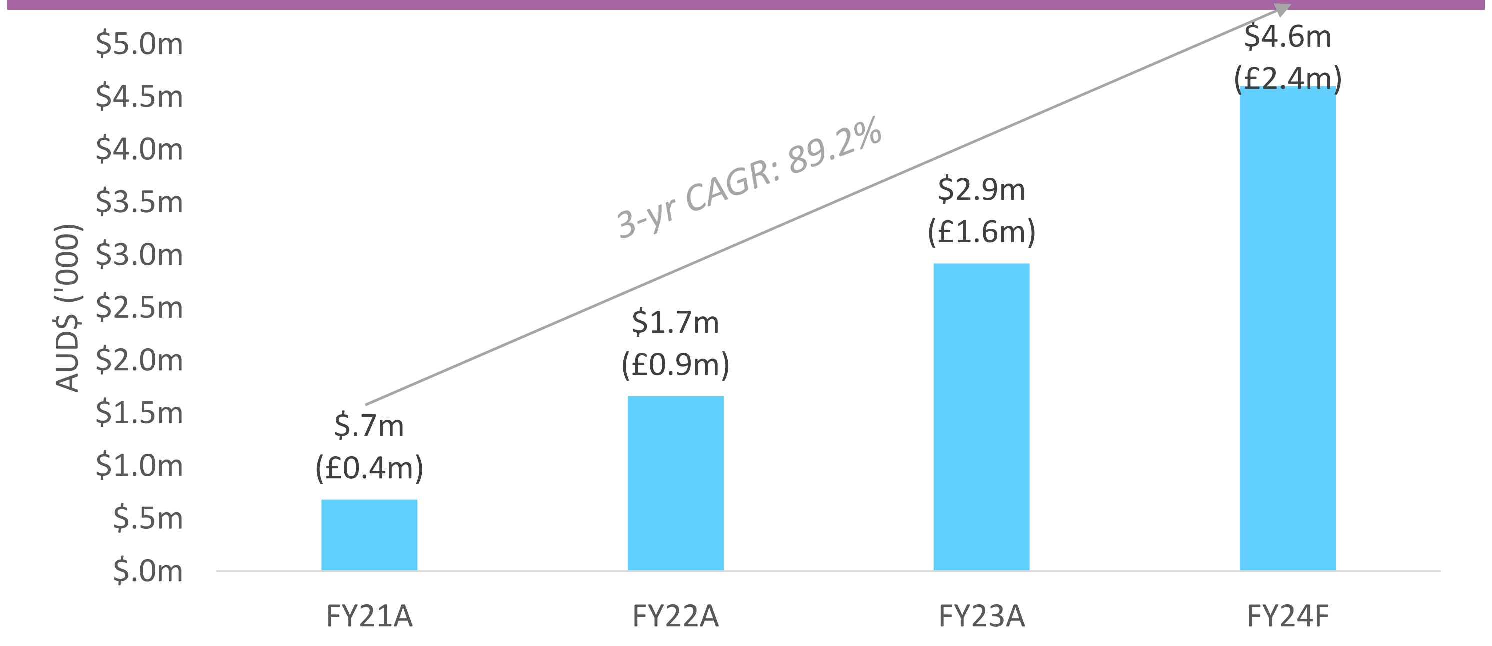
KEY CUSTOMERS

ADNOC, Zamil O&M, Rio Tinto, Ampol, Woodside, bp, Petrofac, Caltex, Sabic, CSBP, MODEC

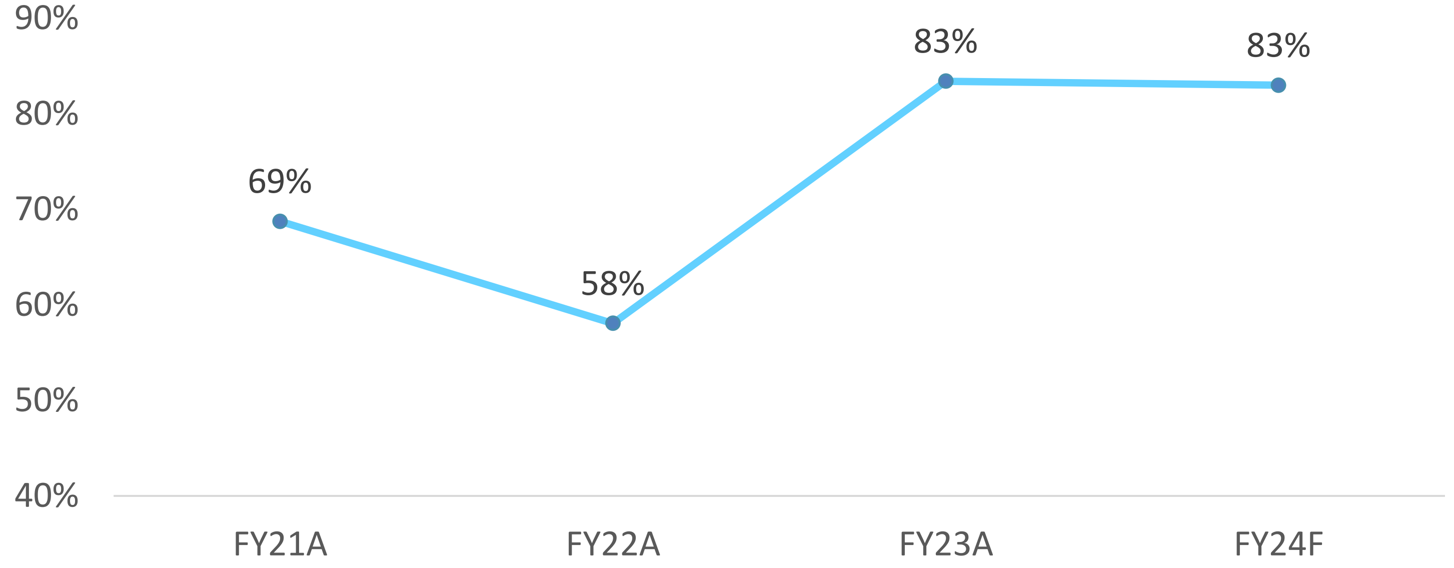
SRJ FINANCIAL OVERVIEW

SRJ

Revenue



Gross Margin

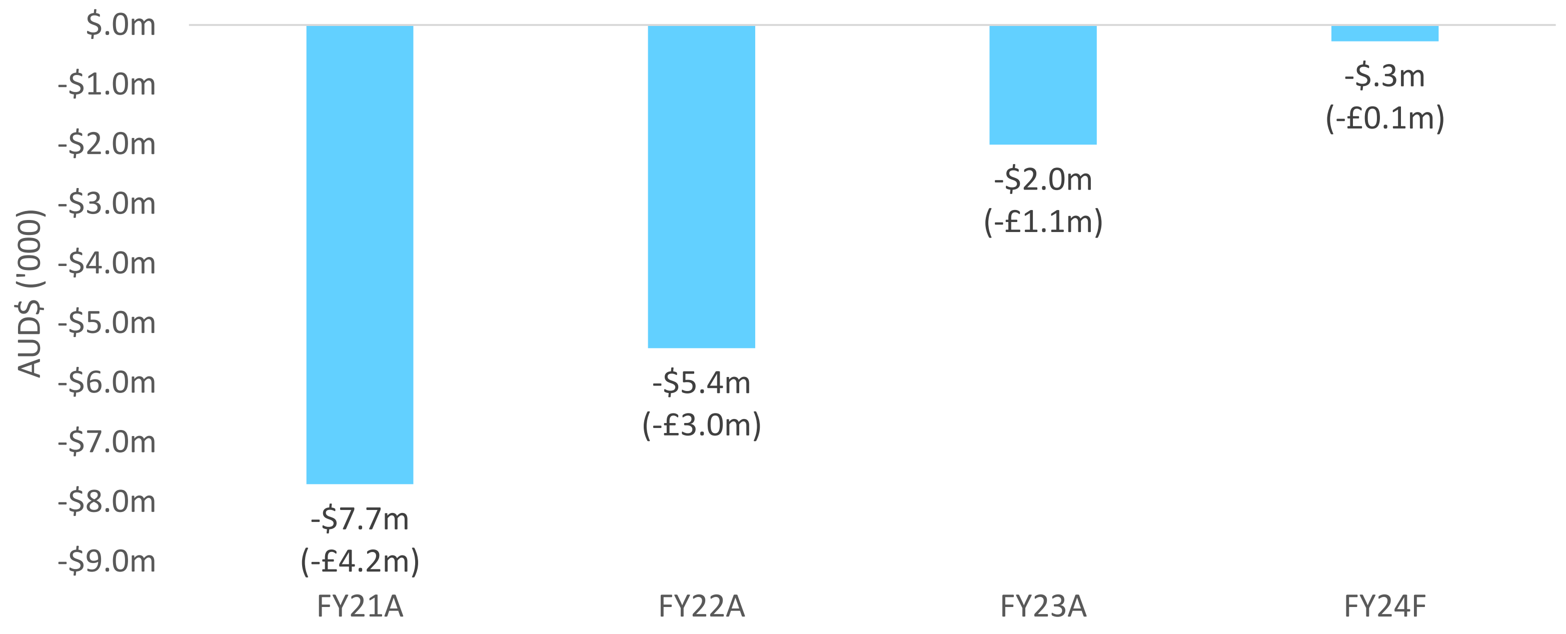


Note 1: See slides 30-35 for detailed financial overview and slide 49-50 for basis of preparation and underlying assumptions for forecasts

Note 2: GBP:AUD at a rate of 1.83 in FY21;1.78 in FY22 and 1.87 in FY23 and FY24 1.92

Reference: Audited financial statements of SRJ for FY21A, FY22A and FY23A in GBP and SRJ Management forecasts for FY24F in GBP, converted at aforementioned exchange rates.

EBITDA



COMMENTARY:

- 63% of FY24F revenue is locked in by way of YTD revenue and confirmed purchase orders with a strong pipeline of advanced stage negotiations with customers for the remainder of the target revenues
- Growth drivers for FY24 and beyond focus on increasing commercial traction. SRJ achieved technical qualification for its BoltEx® solution during FY23/24 from Shell, Exxon Mobil, Petronas, Woodside, SBM Offshore, MODEC and SABIC
- SRJ is not a capital-intensive business, with a low headcount, outsourced manufacturing & installation and high margins.
- Overheads are currently high relative to revenue but the planned growth will not require any marked increase in supporting overheads

SRJ - REPAIR & MAINTENANCE SOLUTIONS

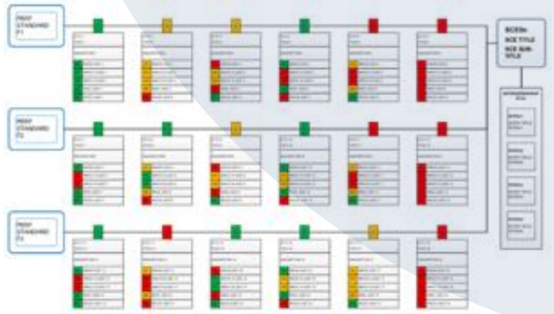
SRJ

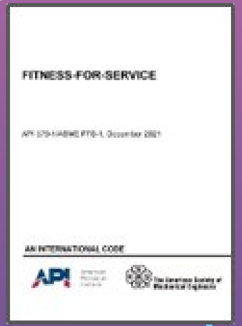
SRJ provides a solutions led, end to end service utilizing proprietary technology

Integrity management strategic advice and governance

Integrity management activity digitalisation

Sustainable Operations reviews for ageing assets (focused on Safety and Business Critical systems)





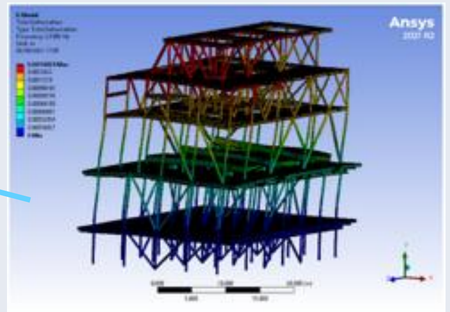
Fitness-for-Service & Remaining Life Assessments (vessels, piping, structures etc.)

Leak sealing and piping repair solutions

Flange bolt exchange technology

Machinery vibration troubleshooting services

Structural vibration analyses and problem solving



Piping design integrity assessments;
piping vibration troubleshooting

04

TRANSACTION STRATEGIC RATIONALE

THE COMBINED GROUP - STRONG CROSS SELLING OPPORTUNITIES

SRJ

The combined strengths of ACE and SRJ create significant opportunities for cross-selling and enhanced service delivery in the asset integrity management market.

Strengthened Customer Relationships

By leveraging their strong existing relationships, ACE and SRJ aim to cross-sell their respective offerings, effectively expanding market penetration and creating substantial opportunities to introduce complementary services across existing client bases,.

Comprehensive Solutions in Asset Integrity Management

Clients increasingly prefer single-source providers for their asset integrity needs. The combined expertise of ACE and SRJ, along with their strategic partnerships in defect management, positions them as a full-service provider in the asset integrity management sector.

ACE KEY CUSTOMERS

TotalEnergies, Ithaca Energy (UK) Ltd., Repsol Sinopec, Sumitomo Corporation, Harbour Energy, Eni, Perenco, BW Offshore, Applus, Oceaneering, Stork

SRJ KEY CUSTOMERS

ADNOC, Zamil O&M, RioTinto, Ampol, Woodside, bp, Petrofac, Caltex, SABIC, CSBP, MODEC

STRATEGIC EXPANSION OF GEOGRAPHIC FOOTPRINT

SRJ

Geographic expansion to drive follow on business with existing global operators in the Oil & Gas sector

Strategic Expansion

- ACE and SRJ have established commercial relationships with global operators in the Oil & Gas sector, including BP, Rio Tinto, ENI, Total Energies, Repsol
- Next horizon is to strategically broaden geographic footprint to service existing customers globally.
- **South East Asia** - ACE and SRJ have existing customer relationships in South East Asia
- **West Africa -** Inspection undertaken for FPSO in Nigeria for Super Major with potential rollout for its entire global fleet
- **Middle East -** Intention to open combined Middle East operations Q4 FY24
- **South America -** Finalising vendor/service approval for a global FPSO operator introduced by SRJ with initial inspection scope in Brazil planned for Q3 FY24 creating potential opportunity for fleetwide rollout

BOARD AND MANAGEMENT

SRJ

SRJ established governance structures will support growth of combined SRJ and ACE business

SRJ

Robin Pinchbeck

Non-Executive Chair -SRJ

Over 40 years of experience in the oil and gas industry, primarily at BP and Petrofac Plc, where he founded and led the Operations Services division. He has also held non-executive directorships at several companies, including Sondex Plc and Enquest Plc. Currently Chairman and Trustee of Orbis UK.

Alexander Wood

Executive Director and Chief Executive Officer -SRJ

Mr. Wood co-founded SRJ after 15 years in the industrial and technology sectors in the UK, Africa, and the Middle East. Previously, he was Commercial Director at Middle East Corrosion Technologies.

Roger Smith

Managing Director – Europe & MENA - SRJ

Leads SRJ's EMENA operations. He has over 35 years of experience in the oil and gas industry, having founded and sold two engineering consulting companies. He was previously a Senior Vice President at Petrofac Plc and a Non-Executive Director at Haydale Graphene Industries plc.

Stefan McGreevy

Chief Financial Officer & Proposed Executive Director – SRJ

Has over 25 years of experience in corporate services, including finance and regulatory compliance. Previously, he was Head of Operations at Alden Global Capital and held senior roles at La Crosse Global Fund Services and Bank of America Merrill Lynch.

Giles Bourne

Proposed Non-Executive Director - SRJ

Co-Founder of Scalare Partners. Extensive Board and Governance experience including 14 years as Managing Director of ASX listed BluGlass LTD ASX:BLG.

ACE

Kieran Hope

Chief Operating Officer - ACE

Mr. Hope is the founder of Air Control Entech (ACE) and has focused on commercializing the business since 2020. He has extensive experience in the Marine and Oil & Gas industries. Previous roles include positions at KCI, PTC, Halliburton, and the Royal Navy.

Murray Stewart

Operations Manager -ACE

Mr. Stewart joined ACE in 2017 and manages the operations team and mobilizations. He has extensive experience in NDT inspection, previously working at Bilfinger Salamis, Oceaneering, and Cape PLC.

Marc Whitton

Chief Commercial Officer -ACE

Mr. Whitton joined ACE in 2021 and provides strategic direction for the business. He previously worked as a Business Development Manager at Cyberhawk and in various roles at Stork.

Blair Nichols

Chief Technology Officer - ACE

Mr. Nichols joined ACE full-time as CTO in 2018. He leads technical and research developments and has been instrumental in developing the UT UAV and ATEX Zone 1 OGI UAV. Previously, he held roles at Cloud 3D and Cloud Software Systems.

Note 1: Stefan McGreevy & Giles Bourne will be appointed as directors of SRJ following completion of the Offer and Acquisition

Note 2: For completeness, Kieran has an historical conviction that relates to a matter over 10 years ago. Based on the Company's due diligence enquiries, it has determined that this matter is not relevant to Kieran's role as COO of ACE and concern's a matter in Kieran's personal capacity that does not involve dishonesty and does not relate to his competence to fulfill his role as COO of ACE. The Board has determined that notwithstanding this matter, it considers Kieran Hope to be of good fame and character and competent to fulfil his role in the Combined Group.

05

FINANCIAL INFORMATION & TRANSACTION OVERVIEW

COMBINED GROUP PROFIT & LOSS

SRJ

Combined Group Pro Forma Profit and Loss represented in Australian Dollars Equivalent

A$'000	FY21A Pro forma	FY22A Pro forma	FY23A Pro forma	FY24F Pro forma	FY24F Statutory
Revenue	1,555	3,251	5,660	12,300	9,085
Cost of sales	(684)	(1,209)	(1,216)	(2,736)	(1,915)
Gross profit	**872**	**2,042**	**4,444**	**9,564**	**7,170**
Employee overheads	(3,997)	(3,746)	(3,210)	(3,969)	(2,977)
Other overheads	(1,555)	(1,560)	(1,935)	(2,379)	(2,096)
Overheads	(5,553)	(5,306)	(5,144)	(6,348)	(5,072)
Other income	620	195	125	-	-
EBITDA	**(4,061)**	**(3,069)**	**(575)**	**3,217**	**2,098**
Depreciation & amortisation	(2,121)	(2,144)	(2,120)	(2,354)	(971)
EBIT	**(6,181)**	**(5,213)**	**(2,695)**	**862**	**1,127**
Finance costs	(91)	(86)	(2)	(47)	(31)
Forex gain/ (loss)	(241)	10	(20)	(102)	(102)
NPBT	**(6,514)**	**(5,289)**	**(2,717)**	**714**	**994**
Income tax expense	(614)	(451)	(63)	(356)	(271)
NPAT	**(7,127)**	**(5,739)**	**(2,780)**	**357**	**723**

Notes
1: GBP:AUD at a rate of 1.83 in FY21;1.78 in FY22 and 1.87 in FY23 and FY24 1.92
2. Pro forma financials for the historical and forecast period assume Combined financial performance of SRJ and ACE businesses for the full financial year.
3. Statutory FY24F financials assumes completion of the acquisition of ACE on 21 August 2024.
4. Refer to Page 49-50 for the basis of preparation of the Combined Group Pro Forma Historical and Forecast Financial Information
5. Refer to Page 53 for Combined Group P&L in GBP.
6. Refer to Page 54 for further details on Pro forma adjustments.

Revenues has increased between FY21A-Fy24F, supported by increased activity from a recurring customer base. The forecast increase in FY24F revenue is primarily attributable to increased awareness of product offering in the market resulting in large purchase orders and tender opportunities.

Gross margins have improved since FY23A when the SRJ model changed predominantly from a rental model to a sales model. Margins are forecast to remain largely consistent in FY24F.

Increase in overhead cost base due to greater investment in FTE headcount (business development and administrative staff) with a view to expanding into new regions and markets which will be supported by an increased marketing spend.

Historically, the Combined Group has been loss making at an EBITDA level. However, in FY24F the EBITDA is forecast to be profitable due to the scalability of revenue against a largely fixed overhead cost base.

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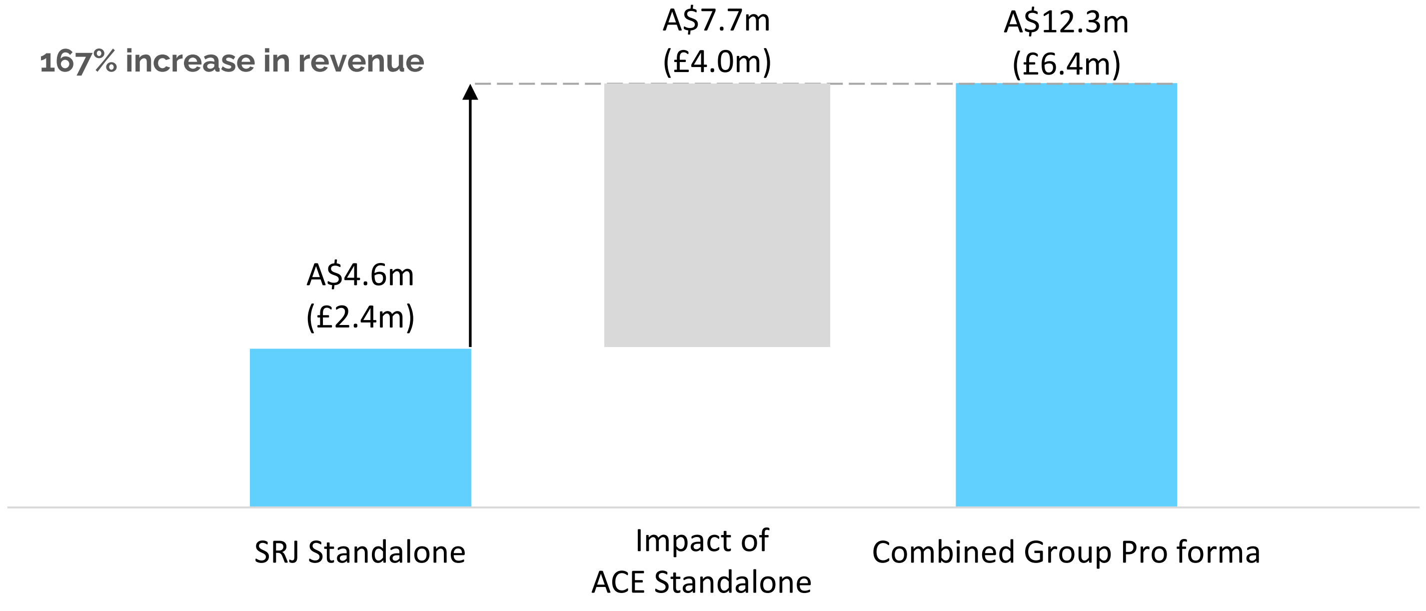
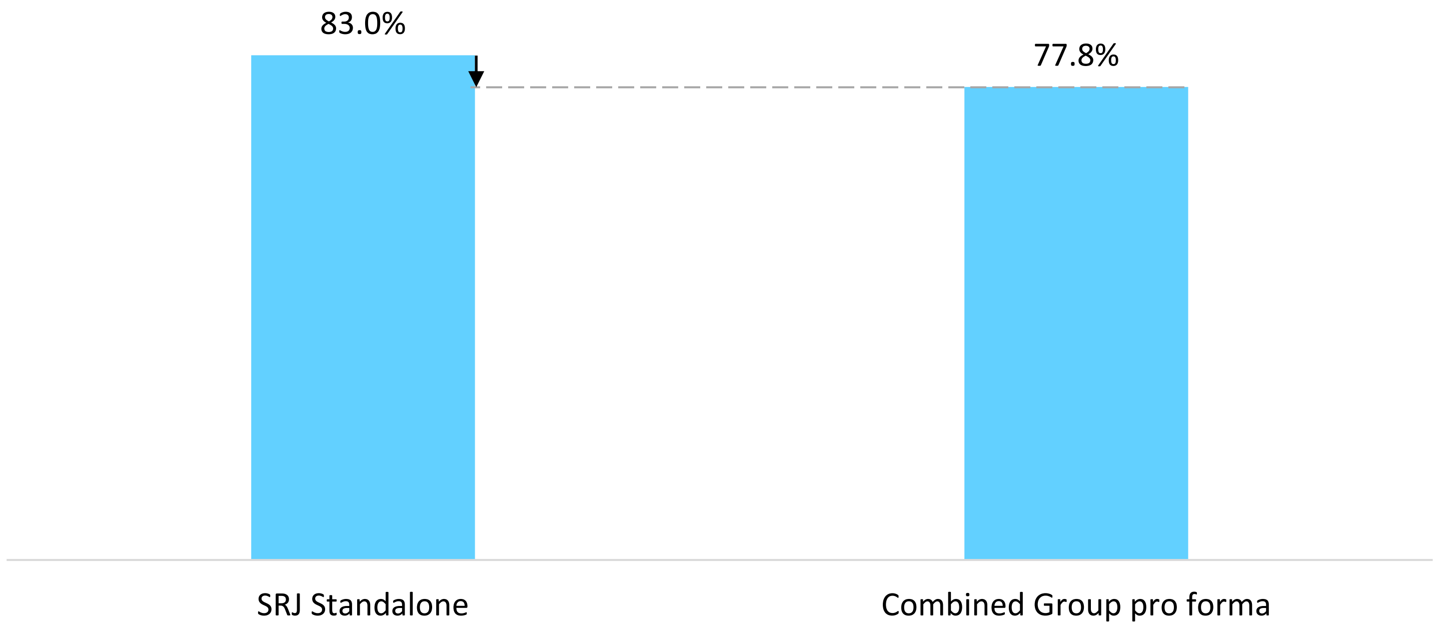
PRO FORMA FY24F COMBINED GROUP FINANCIAL METRICS

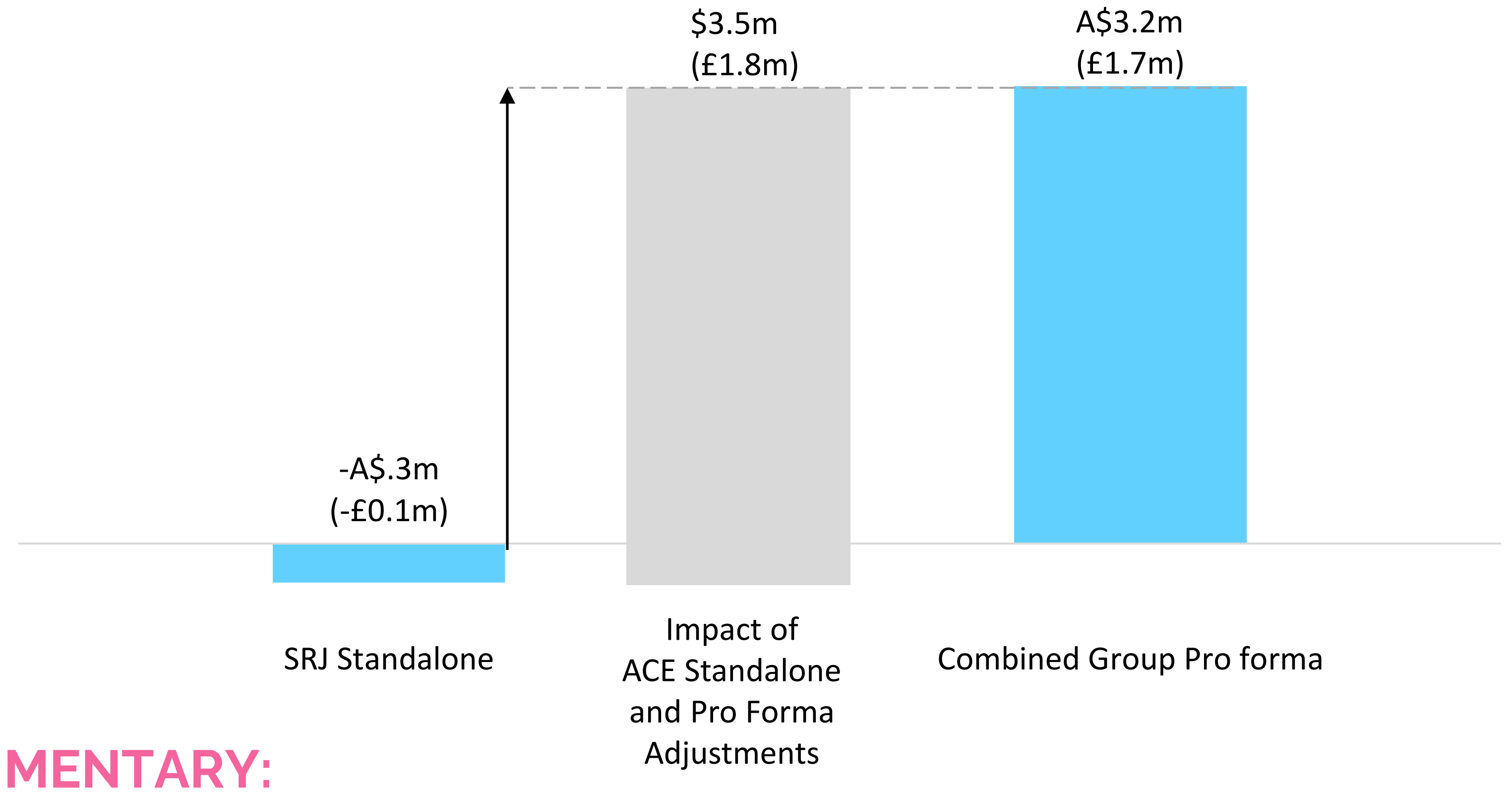
Revenue



Gross Margin



EBITDA



COMMENTARY:

- The acquisition represents a stepped change in scale whilst retaining high margin opportunities
- Both entities possess a strong pipeline of business with significant cross selling opportunities still to explore
- The FY24F revenue forecast for both businesses is based on year-to-date revenue generated, confirmed purchase orders, known opportunities with a degree of certainty based on a broader sales pipeline.
- EBITDA growth will provide further opportunities to reinvest funds for further expansion both geographically and across new sectors.
- The FY24F forecast assumes largely consistent gross margins similar to historical levels and improved EBITDA given a primarily fixed overhead cost base.

Note 1: Pro forma metrics do not include any revenue or cost synergies
Note 2: GBP:AUD at a rate of 1.92
Note 3: Pro forma financials for the forecast period assume Combined financial performance of SRJ and ACE businesses for the full financial year.
Note 4: Statutory FY24F financials assumes completion of the acquisition of ACE on 20 August 2024, as presented on Page 30.
Note 5: Refer to Page 49-50 for the basis of preparation of the Combined Group Pro Forma Historical and Forecast Financial Information

PRO FORMA BALANCE SHEET

SRJ

£'000	SRJ Dec-23 (Audited) £'000	Subsequent events	Pro forma adjs.	Acquisition of ACE	Dec-23 Pro forma £'000	Dec-23Pro forma A$'000
Current assets						
Cash and cash equivalents	128	680	6,303	(4,491)	2,620	5,031
Trade and other receivables	359	-	-	458	816	1,567
Deposits	11	-	-	-	11	20
Inventory	84	-	-	21	106	203
Total current assets	**582**	**680**	**6,303**	**(4,012)**	**3,553**	**6,822**
Non current assets		-			-	
Property, plant & equipment	38	-	-	212	249	479
Intangible assets	670	-	-	497	1,167	2,240
Goodwill	-	-	-	8,876	8,876	17,041
Total non current assets	**708**	**-**	**-**	**9,584**	**10,292**	**19,760**
Total assets	**1,290**	**680**	**6,303**	**5,572**	**13,845**	**26,582**
Current liabilities		-				
Trade and other payables	(793)	-	-	(299)	(1,092)	(2,097)
Loans and other borrowings	-	-	-	(11)	(11)	(20)
Related party loans	(50)	50	-	-	-	-
Total current liabilities	**(843)**	**50**		**(310)**	**(1,103)**	**(2,118)**
Non current liabilities		-				
Finance lease payable	(29)	-	-	(104)	(133)	(255)
Loans and other borrowings	-	-	-	(139)	(139)	(266)
Total non current liabilities	**(29)**	-	**-**	**(242)**	**(271)**	**(521)**
Total liabilities	**(872)**	**50**	**-**	**(552)**	**(1,374)**	**(2,639)**
Net assets	**418**	**730**	**6,303**	**5,020**	**12,471**	**23,943**
Shareholder's equity		-				
Issued capital	18,173	736	6,150	5,020	30,080	57,753
Translation reserve	(8)	-	-	-	(8)	(15)
Retained earnings	(17,747)	(6)	(192)	-	(17,946)	(34,456)
Share option reserve	-	-	345	-	345	662
Total shareholder's equity	**418**	**730**	**6,303**	**5,020**	**12,471**	**23,944**

The following transactions and events which are to take place on or before completion of the Offer and the Acquisition are presented as if they, together with the Offer and the Acquisition, had occurred on or before 31 December 2023 and are set out below.

- Repayment of Director loan
- Share issue in March 2024
- Convertible notes amounting to A$0.8 million (£0.4 million) at an interest rate of 12% p.a. with a vesting date of 31 July 2024, of which A$0.66m has been issued and the remainder of A$0.14m is expected to be issued during the offer period.
- Conversion of convertible notes including accrued interest
- The completion of the Offer, raising A$14 million (£7.29 million) (for 254,545,454 CDIs at A$0.055 per share).
- Acquisition of ACE for consideration amount of GBP£4.5 million (~A$8.64m) in cash and the balance by the issue of 175,249,279 CDIs (with an implied value of ~A$9.6m at the Offer Price).[1]
- As a result of the acquisition, goodwill of A$17.0 million (£8.9 million) would be recognised on the Balance sheet of the Combined Group5, which would need to be to be amortised over 10 years in accordance with UK GAAP. The amortisation of goodwill has been reflected as a pro forma adjustment to the P&L.

Following the Offer, SRJ will have A$23.9 million (£12.5 million) of net assets on a pro forma basis

Post offer SRJ will have a pro forma net cash balance of A$5.0m post transaction, providing sufficient working capital to fund both ACE and SRJ.

Note:

1. Under the terms of the SPA the agreed purchase price is GBP15 million (~A$28.8m) comprising a cash payment of GBP£4.5 million (~A$8.64m) and the issue of 175,249,279 CDIs representing GBP10.5 million at a deemed issue price of $0.115 per CDI"
2. 31-Dec-23 Audited balances represents the standalone SRJ audited balance sheet as at 31-Dec-23.
3. Acquisition accounting for ACE is based on 30 April 2024 balance sheet, which is not materially different to the balance sheet per the audited financials as at 31 December 2023.
4. Unless stated otherwise, all numbers have been presented in reporting currency, £'000.
5. GBP has been converted to AUD at 1.92
6. The amortisation of goodwill has been reflected as a pro forma adjustment to the P&L.
7. As at the date of this document, A$0.66m of convertible notes has been issued and the remainder of A$0.14m is expected to be issued during the offer period.

FUNDING SUMMARY

SRJ

Transaction Funding

- The conditional acquisition of ACE for consideration amount of GBP£4.5 million (~A$8.64m) in cash and the balance by the issue of 175,249,279 CDIs (with an implied value of ~A$9.6m at the Offer Price).[1]
- Cash consideration for ACE will be fully funded via a partially underwritten capital raising of up to approximately A$14.0m (**Capital Raising**) comprising of;
  - A conditional Placement to raise ~A$13.5m (**Placement**)
  - A Share Purchase Plan to existing SRJ shareholders at the same Offer Price as the Placement to raise ~A$0.5m (**SPP**)
- Pro Forma net cash at completion of A$5m to support capital light business model with high gross margins (Combined Group Pro Forma FY24F 78%) and significant operating leverage.
- The Capital Raising is conditional on shareholder approval at the Company's AGM for the purposes of, amongst other things, ASX Listing Rule 7.1.
- The Placement will be underwritten to A$11.1 million by the Joint Lead Managers (the SPP will not be underwritten).

Sources of Funds	GBP£m	A$m
Capital Raising	7.29	14.00

Use of Funds	GBP£m	A$m
ACE Acquisition	4.50	8.64
Sales and Marketing	0.25	0.48
Inventory and Operations	0.70	1.35
Costs of the Offer and Working Capital	1.84	3.53
Total	**7.29**	**14.00**

Note 1: Under the terms of the SPA the agreed purchase price is GBP15 million (~A$28.8m) comprising a cash payment of GBP£4.5 million (~A$8.64m) and the issue of 175,249,279 CDIs representing GBP10.5 million at a deemed issue price of $0.115 per CDI
Note 2: Refer to slide 57 for a summary of the underwriting agreement entered into between the Company and the Joint Lead Managers.

OFFER SUMMARY

Offer structure	SRJ is seeking to raise up to ~A$14.0m* via a capital raise (**Offer**) comprising of: • A conditional Placement of new fully paid ordinary CDIs (**New CDIs**) to sophisticated and professional investors to raise up to approximately $13.5m (before costs); • New CDIs under the Placement will be issued at the Offer Price of A$0.055 per New CDI and will result in the issuance of up to approximately 245.5million New CDIs. • SRJ intends to offer eligible shareholders the opportunity to participate in a SPP and apply for up to A$30,000 each of New CDIs, to raise up to an additional A$0.5 million (before costs). • The Placement will be underwritten to A$11.1 million by the Joint Lead Managers (the SPP will not be underwritten). The offer of New CDIs under the Offer and the SPP is subject to shareholder approval to be held at the AGM scheduled for 13 August 2024 and is also conditional on the Offeror's acquisition of 100% of the issued share capital of ACE becoming unconditional.
Share Purchase Plan	• The Company intends to offer eligible shareholders the opportunity to participate in a SPP and apply for up to A$30,000 of New CDIs, to raise up to an additional A$0.5 million. The SPP will be offered at same price as the Placement, being the Offer Price. • Record date for determining eligibility for the SPP is 7:00pm on Tuesday, 23 July 2024 • Further details in relation to the SPP, including the scale-back policy, will be provided to eligible shareholders in an SPP booklet
Offer price	• A$0.055 per CDI, representing an 42.7% discount to the last close price on 19 July 2024
Ranking	• New CDIs issued under the Placement and SPP will rank equally with existing CDIs from their respective issue dates
CDIs on issue at Completion of the Capital Raising[1]	• 624,914,917
Indicative market capitalisation at completion (at TERP[2])	• ~A$41.6m
Pro forma net cash at completion	• ~A$5.0m
Indicative enterprise value at completion	• ~A$36.7m
Implied EV / FY24F pro forma EBITDA	• ~11.4x
Joint Lead Managers	• Bell Potter Securities Limited and Peloton Capital Pty Ltd

1 This includes CDIs to be issued on conversion of the Convertible Notes on completion of the Placement to be converted at a conversion price of $0055.
2 Theoretical Ex-Rights Price (TERP) of $0.067
Note : Refer to slide 57 for a summary of the underwriting agreement entered into between the Company and the Joint Lead Managers.

CAPITAL STRUCTURE

SRJ

The maximum number of securities which may be issued under the Offer is set out below

Securities	No of securities	% of CDIs at Announcement Date (undiluted)	% of CDIs at Completion (undiluted)[3]	% of CDIs at Completion (fully diluted)[3]
Existing CDIs	177,681,596 CDIs	100%	28.4%	26.5%
Existing Convertible Notes[5]	800,000 Convertible Notes (14,771,920 CDIs on conversion)	0	2.4%	2.2%
Existing Options	19,671,187 Options	0	0	2.9%
Offer[1]	254,545,455 New CDIs	0	40.7%	37.9%
Consideration Shares for the Acquisition[1]	175,249,279 CDIs	0	28.1%	26.1%
Adviser Securities[1,2]	17,000,000 Options 2,666,667 CDIs	0	0 0.4%	2.5% 0.4%
Share Options[1,2]	9,750,000 Options	0	0	1.5%
Total	**671,336,104**	**100%**	**100%**	**100%**

Seller	Total CDIs on Completion	% Consideration Shares on Completion	% of total CDIs on Completion (undiluted)	6 months escrow post Completion	12 months escrow post Completion	24 months escrow post Completion	% subject to escrow
Kieran Hope	85,743,572	49%	13.7%	-	-	85,743,572	100%
Other Sellers	89,505,707	51%	14.3%	37,691,618	37,691,617	14,122,471	100%
Total CDIs	175,249,279	100%	28.0%	37,691,618	37,691,617	99,866,043	100%

- Kieran Hope will receive A$2.8m (£1.46m) cash consideration and 85.7m consideration CDIs worth A$4.7m (valued at the Offer Price).
- Kieran will hold ~13.7% of SRJ post completion of the Offer.
- 100% of Kieran's holding will be escrowed for 24 months following the Offer.

[1] Subject to Shareholder approval for the issue of these securities at the AGM.
[2] Assumes maximum number of options issued on completion of the Offer and Acquisition to Joint Lead Managers, Corporate Advisor and Directors and Management . See slide 56 for summary of the Adviser Securities to be issued to the Joint Lead Managers, Corporate Advisers and Directors and Management.
[3] Assumes the Offer and Acquisition have completed and all Convertible Notes on issue as at the date of this Presentation convert to CDIs at the conversion price of A$0.055, in accordance with their terms.
4 The SPA contains customary working capital and net debt adjustments to the purchase price such that if there is a positive adjustment to the purchase price in favour of the sellers, SRJ must issue additional Consideration Shares to the Sellers. Please refer to the summary of the SPA on Slide 55 for more information.
5. As at the date of this document, A$0.66m of convertible notes has been issued and the remainder of A$0.14m is expected to be issued during the offer period

OFFER SUMMARY - INDICATIVE TIMETABLE

SRJ

Timetable	Date 2024
SRJ goes into trading halt to complete capital raising	Monday, 22 July 2024
SPP Record Date	Tuesday, 23 July 2024
Capital raising trading halt lifted	Wednesday, 24 July 2024
ASX announcement regarding proposed acquisition of ACE and capital raising and return to trade	Wednesday, 24 July 2024
Release and despatch of Notice of Meeting regarding Annual General Meeting	Friday, 26 July 2024
SPP Opens	Wednesday, 31 July 2024
Annual General Meeting	Tuesday, 13 August 2024
SPP Closes	Wednesday, 14 August 2024
Settlement of funds under the Offer	Friday, 16 August 2024
Allotment of Consideration Shares and New CDIs under the Offer	Monday, 19 August 2024
Completion of the proposed acquisition under the SPA	Wednesday, 21 August 2024

*The timetable is indicative only and subject to change

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KEY RISKS & INTERNATIONAL OFFER RESTRICTIONS

OFFER SUMMARY – KEY RISKS

BUSINESS RELATED RISKS

Additional requirements for capital and dilution	The funds to be raised under the Offer are considered sufficient to meet the current objectives of the Group. However, additional funding will be required if further opportunities arise for capital expenditure, acquisitions or joint ventures to accelerate the growth of the business. If these events occur, the Group will look to raise additional funding via equity or debt financing. Failure to obtain sufficient funding may result in delay and indefinite postponement of the Group's activities and operations. There can be no guarantee that additional funding will be available when needed, on terms appropriate to the Group or that do not involve shareholder dilution.
Timing of purchase orders and receipt of revenues due to customer project delay	Timing differences for orders of the Group's' products from customers could affect inter-year results. The timing of orders, typically in the form of purchase orders from customers, is predominantly driven by the customer's schedule of projects and maintenance plans. As a result, the timing of receipt and recognition of revenues also generally depends on when those purchase orders are received. Any significant delay in the project schedules, maintenance plans or forecasted product orders of the Group's major customers or any request by these customers to defer the order date, could cause delays in the timing for the Group to recognise the revenue and could therefore materially impact the Group's ability to achieve its forecast financial results.
Failure to realise opportunities and impact on Forecast Financial Information	The Forecast Financial Information set out in this presentation is partly based on the combined group securing a number of advanced opportunities. In particular, the Forecast Financial Information takes account of various opportunities in the sales pipeline and applies a percentage weighting against them taking account of a number of factors relative to each opportunity. One particular tender, if secured, could result in a ~30% contribution to the Group's forecast revenue for FY24 with the expectation that revenue from contracted work under the successful tender is received in FY24. There is no guarantee that the Group will win the tender or that it will be awarded in full. If the Group does not win the tender or wins only part of the work under the tender, this will result in the Company being unable to recognise this forecast revenue (in part or in full) and may therefore materially impact the Group's ability to achieve its FY24 forecast results as set out in the Forecast Financial Information. Notwithstanding this, there may be other opportunities that the Group may secure during this forecast period.
Loss of a major global customer	A significant proportion of the Group's revenue is currently derived from a small number of large customers. SRJ's largest customer is EFTECH International SDN BHD which represented approximately 41% of SRJ's revenue in FY23. ACE's largest customer is Oceaneering International Services Ltd which represented approximately 57% of ACE's revenue in FY23. Of this amount 54% relates to work undertaken for Total Energies. While the Group is reliant on a small number of large customers, management is of the opinion that this will continue to reduce as the Group expands into other jurisdictions and operators as is forecast for FY24.
Protection of intellectual property	The value of the Group's products is dependent on its ability to effectively identify, protect, defend, and in certain circumstances keep secret, its intellectual property, including business processes and know-how, copyrights, patents, trade secrets and trademarks. There is a risk that the Group may be unable to detect the unauthorised use of its intellectual property rights in all instances. Further, actions the Group takes to protect its intellectual property may not be adequate or enforceable and therefore may not prevent the misappropriation of its intellectual property and proprietary information.

OFFER SUMMARY – KEY RISKS

SRJ

BUSINESS RELATED RISKS (Continued)

Failure to attract new customers	The success of the Group's business relies on its ability to attract new business from existing customers and attract new customers. The capacity to attract new customers and attract new business from existing customers will be dependent on many factors including the capability, cost-effectiveness, customer support and value compared to competing products. If customers do not continue to use the Group's products and increase their usage over time, and if new customers do not choose to use the Group's products, the growth in the Group's revenue may slow, or the Group's revenue may decline, which will have an adverse impact on the Group's operating and financial performance.
Competition risk	Whilst the Group currently has expertise to deliver high-quality products and services, it is anticipated that the level of competition could increase rapidly. There is no assurance that competitors will not succeed in developing products and services that are more effective or economic than the products and services developed and provided by the Group which would render the Group's products and services uncompetitive.
Reliance on key personnel	The nature of the Group's business requires its employees in the engineering team to be highly skilled and experienced in their respective fields. Further, the Group's management team consists of individuals, in particular Alexander Wood (CEO), Roger Smith (Managing Director – Europe & MENA), Kieran Hope (ACE COO and founder) and Stefan McGreevy (CFO and Director elect) and certain other senior employees of the Group, who have significant knowledge of the Group's technology, products and well-established relationships with the Group's key customers, third party manufacturers and suppliers. The loss of key members of the management team or members of the engineering team, or any delay in their replacement, may adversely affect the Group's ability to implement its strategies and may also adversely affect the Group's future financial performance. Further to this, if the Group is unable to retain or motivate key personnel, hire qualified personnel, or maintain its corporate culture, the Group may not be able to successfully execute its business plans. The Group's performance and future success depends on its continuing ability to identify, hire, develop, motivate, and retain highly skilled personnel for all areas of the organisation, particularly design and engineering. This is particularly the case if the Combined Group is successful in winning significant new work including the current tender which is expected to require some additional personnel to carry out the work.
Launch and adoption of new and existing products	The development and release of new products, or the adoption of these new products may take longer than expected, may involve additional costs and/or may delay new revenue streams. New third-party technologies could prove more advanced and be developed in less time than the Group's new products. There is also risk that the Group's new products may not be well received or adopted by its customers as a result of various reasons including (amongst others) the new products not being well priced when compared to competing products or the new products lacking a strong feature that resonates with customers.

OFFER SUMMARY – KEY RISKS

BUSINESS RELATED RISKS (Continued)

Global and jurisdiction risk	The Group has operations in Australia, the United Kingdom, the United States and various other foreign jurisdictions and corporate and head office functions in Jersey, with the Group deriving revenue from operations in foreign countries. As a result the Group is exposed to fluctuations in currency exchange rates particularly in USD and CAD as compared to GBP, which are not managed by way of hedging at present. These fluctuations in currency, the introduction of foreign exchange controls which restrict or prohibit repatriation of funds, and technology export and import restrictions, prohibitions or delays may adversely impact the Group's operating and financial performance. The sale of products in foreign jurisdictions also exposes the Group to national trade laws, regulatory rules and regulations (where applicable) and failure to comply with any applicable law or regulatory requirement could result in penalties and enforcement action.
Manufacturing, supply and product liability risk	The Group may be subject to product liability claims if a defect in a product sold or supplied by the Group results in, or is alleged to have resulted in, personal injury or property damage. The Group's business model relies on third party suppliers to supply certain product components and also relies on third party manufacturers to manufacture the Group's products. Although the Group has policies and procedures in place to ensure its products are of a certain standard, there can be no assurance that manufacturing defects will not arise in the Group's products or that key components provided by third party suppliers may be defective.
Failure to realise benefits from research and development costs	Developing technology is expensive and the investment in the development of these product offerings often involves an extended period of time to achieve a return on investment. An important element of the Group's business strategy is to continue to make investments in innovation and related product opportunities. The Group believes that it must continue to dedicate resources to the Group's innovation efforts to develop technology product offerings in order to maintain the Group's competitive position. The Group may not, however, receive significant revenues from these investments for several years, or may not realise such benefits at all.
Insurance risk	While the Group currently has in place what it reasonably believes to be sufficient levels of insurance to cover general and product liability, directors' and officers' liability and workers compensation claims, there is a possibility that events may arise which are not covered by the Group's insurance policies. In the event of a successful claim being made against the Group, this may adversely impact the Group's reputation, result in payment of excesses incurred in defending claims, result in payment of any amount of liability that exceeds available insurance coverage and may increase future insurance premiums.

OFFER SUMMARY – KEY RISKS

SRJ

BUSINESS RELATED RISKS (Continued)

Health and safety risk	The Group will be subject to OH&S risks associated with operating within an environment of high-pressure gas and oil infrastructure with technology and machinery that are potentially dangerous. Incidents may not be sufficiently covered by the Group's insurance policies and may result in the Group being the subject to future claims. Defending such claims is costly and may result in the Group incurring significant costs, management time and reputational damage, any of which would be adverse to the Group's financial performance.
Territory risks in new and/or unfamiliar markets	The Group has operations in a number of overseas jurisdictions and is exposed to a range of different legal and regulatory regimes, including in new jurisdictions in which the Group is expanding its operations. As the Group expands its presence in new international jurisdictions, it is subject to the risks associated with doing business in regions that may have political, legal and economic instability or less sophisticated legal and regulatory systems and frameworks.
Jersey tax risks	As the Group's operations are moving towards a more global focus, there are two key tax risks from a Jersey perspective. Residence - the Group is currently tax resident in Jersey and liable to Jersey income tax at 0%. There is a risk that, as the Group's operations are moving more towards a global focus, the Group will become tax resident in another jurisdiction and not tax resident in Jersey which would give rise to a higher corporate income tax rate rather than 0%. As an example, with ACE's operations headquartered in the UK, alongside SRJ's UK based consulting team, the risk exists that the Group will become tax resident in the UK whose current rate of tax is 20%. Substance - certain Jersey tax resident companies, which have income from a relevant activity, to demonstrate they have substance in Jersey.

OFFER SUMMARY – KEY RISKS

BUSINESS RELATED RISKS (Continued)

Inability to develop products compatible with future energy technology	The Group may seek to expand into new energy markets in the future. However, there is a risk that the Group's current technology will not be fully compatible with these future energy infrastructures. Although the Group will likely invest in developing products that are compatible with any such future energy markets, there is a risk that competitors may develop products that are more compatible with these future energy infrastructures or may develop such products faster than the Group is able to. Not being able to compete or effectively compete in these new energy markets could adversely affect the Group's business and may have an adverse effect on the Group's operations and financial performance
Supply chain disruption risk	The Group's manufacturers source key components for the Group's solutions from third party suppliers. The Group does not have written contracts in place with any of these third party suppliers. The delivery of such components may be delayed, or a specific supplier may not be able to deliver at all, which may lead to a longer sales cycle or may force the Group to shift to another supplier. A disruption to supply of these products may adversely affect the Group's operating and financial performance
Territory risks in new and/or unfamiliar markets	The Group has operations in a number of overseas jurisdictions and is exposed to a range of different legal and regulatory regimes, including in new jurisdictions in which the Group is expanding its operations. As the Group expands its presence in new international jurisdictions, it is subject to the risks associated with doing business in regions that may have political, legal and economic instability or less sophisticated legal and regulatory systems and frameworks.
Uncertainty of revenue and lack of formal customer contracts	The Group does not have formal written contracts in place with the majority of its customers and the written customer contracts it does have in place are generally not long-term and do not contain minimum purchase requirements. Since the Group has no long-term written contracts with its customers, if the Group's relationship with any of its major customers deteriorate, or should any of these major customers not order products from the Group, then the Group's business and financial condition could be adversely impacted.

OFFER SUMMARY – KEY RISKS

ACQUISITION RELATED RISKS

The Acquisition will be subject to certain conditions including the Group obtaining shareholder approval to the issue of the consideration shares to vendors under the acquisition agreement and the Company undertaking an equity capital raising and receiving binding commitments from investors for a minimum of A$12 million. If any of these conditions precedent are not satisfied or waived in accordance with the acquisition agreement, this could delay or prevent the Acquisition from completing. Failure to complete the Acquisition could adversely impact the Company's future growth plans and financial performance.

Analysis of acquisition opportunity	The Company has undertaken financial, tax, legal and commercial analysis on ACE in order to determine its attractiveness to the Company and whether to acquire it. It is possible that despite such analysis and the best estimate assumptions made by the Company, the conclusions drawn are inaccurate or are not realised (including assumptions as to synergies from increased scale of the group following the ACE acquisition). To the extent that the actual results achieved by the acquisition of ACE are different to those indicated by the Company's analysis, there is a risk that the profitability and future earnings of the operations of the Group may be materially different from the profitability and earnings expected.
Integration risk	The acquisition of ACE involves the integration of ACE's business, which has previously operated independently to the Company. As a result there is a risk that the integration may be more complex than currently anticipated, encounter unexpected challenges or issues (including maintaining the current culture of the ACE business and the successful integration and reliance on ACE key personnel), take longer than expected, divert management attention or not deliver the expected benefits. Any of these factors could materially adversely affect the Group's financial performance.
Uncovered warranty and indemnity breaches	The Company may suffer a loss as a result of conduct of the vendors of ACE for which the representations, warranties and indemnities negotiated by the Company in its agreement to acquire ACE turn out to be inadequate in the circumstances. This could include the Company becoming liable for unknown liabilities. The warranty and indemnity protection that the Company has negotiated with the vendors of ACE are largely limited to warranties and indemnities being provided by the management vendors only with the liability of those management vendors limited to 60% of the purchase price for ACE. Any uncovered liability may adversely affect the financial performance or position of the Group post acquisition.

OFFER SUMMARY – KEY RISKS

ACQUISITION RELATED RISKS (continued)

Completion risks of planned acquisitions	As part of its growth strategy, the Group may make further acquisitions of complementary businesses or enter into strategic alliances with third parties. The Group may from time to time, in accordance with its disclosure requirements, announce that it has entered into non-binding or other initial negotiations or arrangements in relation to such acquisitions. Any such future potential transactions are accompanied by the risk that the transaction does not complete, the parties never enter into a legally binding acquisition agreement, negotiations stall or cease all together and other such completion risks associated with preliminary and non-binding acquisition arrangements. This may impact the Group's growth strategy.

OFFER SUMMARY – KEY RISKS

SRJ

GENERAL INVESTMENT RISKS

Exposure to general economic and financial market conditions	General domestic and global economic conditions may adversely impact the price of the Company's CDIs for reasons outside the Company's control. This includes credit conditions, increases in unemployment rates, negative consumer and business sentiment and an increase in interest rates, amongst other factors. There is a risk that the CDIs may trade on the ASX at a price below the issue price of the CDIs under the Offer for a wide variety of reasons, not all of them related to the financial performance of the Company.
Share price fluctuations	As the Company is a publicly listed company, the Company is subject to general market risk that is inherent in all securities listed on a stock exchange. This may result in fluctuations in the Company's CDI price that are not explained by the Company's fundamental operations and activities. Some of the factors which may adversely impact the price of the CDIs include, but are not limited to, the number of potential buyers or sellers of CDIs on the ASX at any given time, fluctuations in the domestic and international markets for listed securities, general economic conditions, the nature of the markets in which the Company operates and general operational and business risks.

OFFER SUMMARY – INTERNATIONAL OFFER RESTRICTIONS

SRJ

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). Accordingly, this document may not be distributed, and the CDIs may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the CDIs has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to CDIs that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted CDIs may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Jersey

The CDIs may be offered and sold only to a limited number of identifiable investors, including existing shareholders of the Company, in Jersey. No offer to subscribe for such securities will be made to the public in Jersey.

Singapore

This document and any other materials relating to the CDIs have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of CDIs, may not be issued, circulated or distributed, nor may the CDIs be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the "SFA") or another exemption under the SFA.

This document has been given to you on the basis that you are an "institutional investor" or an "accredited investor" (as such terms are defined in the SFA). If you are not such an investor, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the CDIs being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire CDIs. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

OFFER SUMMARY – INTERNATIONAL OFFER RESTRICTIONS

SRJ

United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the CDIs.

The CDIs may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the CDIs has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated ("relevant persons"). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (New Zealand) (the "FMC Act").

The CDIs are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

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APPENDIX

FINANCIAL INFORMATION OVERVIEW

The Financial Information of the Combined Group includes the following:

a. Historical Financial Information for the financial years ended 31 December 2021 (FY21A), 31 December 2022 (FY22A) and 31 December 2023 (FY23A);
b. the Statement of Financial Position as at 31 December 2023; and
c. the Forecast Financial Information for the financial year ending 31 December 2024 (FY24F).

The Statutory Financial Information and the Pro Forma Financial Information are together referred to as the Financial Information.

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	Statutory Financial Information	Pro Forma Financial Information
Historical Financial Information	Statutory Historical Financial Information comprises the following: • Statutory historical profit & loss for FY21A, FY22A and FY23A; and • Statutory consolidated historical statement of financial position as at 31 December 2023 (Statutory Historical Statement of Financial Position).	Pro Forma Historical Financial Information comprises the following: • Pro forma historical profit & loss for FY21A, FY22A and FY23A; and • Pro forma consolidated historical statement of financial position as at 31 December 2023 (Pro Forma Historical Statement of Financial Position).
Forecast Financial Information	Statutory Forecast Financial Information comprises the following: • Statutory forecast profit & loss for FY24F.	Pro Forma Forecast Financial Information comprises the following: • Pro forma forecast profit & loss for FY24F.

The Statutory historical profit & loss has been derived from the following:

a. Audited historical consolidated financial statements of SRJ for FY21A, FY22A and FY23A; and
b. Audited historical financial statements of ACE for FY21A, FY22A and FY23A.

The Statutory forecast profit & loss for FY24F has been derived from the following:

a. Management's forecast of SRJ for 12 months ended 31 December 2024 (FY24F), including actual performance to 30 April 2024 with regard to up to date trading to the date of this presentation; and
b. 4 months impact of ACE financial performance given proposed acquisition completion date of 20 August 2024.

The Pro forma historical and forecast profit & loss is based on:

a. combined financial performance of SRJ and ACE businesses for the full financial year; and
b. Pro forma adjustments as detailed on Page 53.

BASIS OF PREPARATION OF FORECAST INFORMATION

The Forecast Financial Information is based on various specific and general assumptions.. In preparing the Forecast Financial Information, SRJ has undertaken an analysis of historical performance and applied assumptions where appropriate in order to forecast future performance in FY24F.

SRJ believes that it has prepared the Forecast Financial Information with due care and attention and considers all assumptions, when taken as a whole to be reasonable at the time of preparing the forecasts. However, actual results are likely to vary from those forecast and any variation may be materially positive or negative.

The assumptions on which the Forecast Financial Information is based are, by their nature, subject to significant uncertainties and contingencies, many of which are outside the control of SRJ and its Directors and management, and are not reliably predictable. Accordingly, none of SRJ, its Directors or any other person can give any assurance that the Forecast Financial Information or any prospective statement contained in this document will be achieved. Events and outcomes might differ in amount and timing from the assumptions, with a material consequential impact on the Forecast Financial Information.

The assumptions set out below should be read in conjunction with the sensitivity analysis presented on Page 54 and the risk factors set out in Section 6 of this document.

General assumptions

In preparing the Forecast Financial Information, the following general Directors' best estimate assumptions have been adopted:

- No material change in the competitive operating environment in which the Combined Group operates;
- No significant deviation from current market expectations in the geographies in which the Combined Group operates and the economic conditions relevant to the Combined Group;
- No material changes in any government legislation or regulation (including tax legislation), or government policy that has a material impact on financial performance or cash flows, financial position, accounting policies, or licensing agreements of Combined Group;
- No changes in current tax legislation in jurisdictions where the Combined Group operates;
- No material changes in key personnel and the Combined Group maintains its ability to recruit and retain the personnel required to support future growth;
- No material changes in applicable UKGAAP or other mandatory professional reporting requirements which have a material effect on the Combined Group's financial performance, financial position, accounting policies, financial reporting or disclosure during the Forecast Period;
- No material industry disturbances, environmental costs, contingent liabilities or legal claims will arise or be settled to the detriment of the Combined Group;
- No material acquisitions, divestments, restructuring or investments other than as set out in, or contemplated by, this document;
- No material fine, penalty, dispute, litigation or other contingent liabilities arise or are settled to the detriment of the Combined Group;
- No material changes to the Combined Group's corporate or funding structure other than as set out in, or contemplated by, this document;
- No material disruptions to the continuity of operations of Combined Group nor other material changes in its business activities;
- No material change in the Combined Group's corporate or capital structure other than the transactions contemplated under this document;
- No material amendment to or termination of any material agreement, contract or agreement other than as set out in, or contemplated by, this document;
- None of the risks listed in Section 6 eventuate, or if they do, none of them has a material adverse impact on the operations of the Combined Group; and
- The Acquisition completes and the proceeds of the Offer are received in accordance with the timetable set out in the Key Dates section of this document.

Specific assumptions

The SRJ and ACE forecast is predicated off a pipeline of known (or secured) work and unsecured work, comprising, P100, P-80 opportunities and other unsecured opportunities. P-80 opportunities relate to known work where there is a high degree of certainty on the timing and scope. Other unsecured opportunities can include opportunities which are expected to convert to secured work, though the timing is yet unknown.

The FY24F forecast assumes largely consistent COGS profile to historical levels, with gross margins similar to historical levels.

The overhead cost base of the Combined Group is to be largely fixed, with increase in Combined Group revenues improving EBITDA on that basis.

COMBINED GROUP PROFIT & LOSS

Combined Group Statutory Historical Profit and Loss represented in in Great British Pound

Combined Group aggregated income statement - FY21A

£'000	SRJ audited	ACE audited	Combined Group
Revenue	371	479	850
Cost of sales	(116)	(258)	(374)
Gross profit	**255**	**221**	**476**
Employee overheads	(2,666)	(409)	(3,075)
Other overheads	(1,752)	(181)	(1,932)
Other income	(48)	387	339
EBITDA	(4,210)	18	(4,192)
Depreciation & amortisation	(178)	(93)	(271)
EBIT	**(4,389)**	**(75)**	**(4,463)**
Finance costs	(2)	(48)	(50)
Forex gain/ (loss)	(132)	-	(132)
NPBT	**(4,522)**	**(123)**	**(4,645)**
Income tax expense	130	28	158
NPAT	(4,392)	(95)	(4,487)

Combined Group Statutory historical income statement - FY22A

£'000	SRJ audited	ACE audited	Combined Group
Revenue	932	894	1,826
Cost of sales	(392)	(288)	(679)
Gross profit	**541**	**607**	**1,147**
Employee overheads	(2,392)	(344)	(2,736)
Other overheads	(1,224)	(192)	(1,416)
Other income	30	80	110
EBITDA	(3,045)	150	(2,895)
Depreciation & amortisation	(216)	(101)	(317)
EBIT	**(3,261)**	**50**	**(3,212)**
Finance costs	(3)	(46)	(48)
Forex gain/ (loss)	6	-	6
NPBT	**(3,258)**	**4**	**(3,254)**
Income tax expense	35	4	39
NPAT	(3,223)	8	(3,215)

Combined Group Statutory historical income statement - FY23A

£'000	SRJ audited	ACE audited	Combined Group
Revenue	1,561	1,466	3,027
Cost of sales	(259)	(391)	(650)
Gross profit	**1,302**	**1,074**	**2,376**
Employee overheads	(1,336)	(354)	(1,690)
Other overheads	(1,084)	(358)	(1,442)
Other income	43	24	67
EBITDA	(1,075)	386	(689)
Depreciation & amortisation	(136)	(110)	(246)
EBIT	**(1,211)**	**276**	**(935)**
Finance costs	(105)	(36)	(141)
Forex gain/ (loss)	(11)	-	(11)
NPBT	**(1,326)**	**240**	**(1,086)**
Income tax expense	40	22	62
NPAT	(1,286)	262	(1,024)

COMBINED GROUP PROFIT AND LOSS

SRJ

Combined Group Pro Forma Profit and Loss represented in in Great British Pound

£'000	FY21A Pro forma	FY22A Pro forma	FY23A Pro forma	FY24F Pro forma	FY24F Statutory
Revenue	850	1,826	3,027	6,406	4,732
Cost of sales	(374)	(679)	(650)	(1,425)	(997)
Gross profit	**476**	**1,147**	**2,376**	**4,981**	**3,734**
Employee overheads	(2,184)	(2,105)	(1,716)	(2,067)	(1,550)
Other overheads	(850)	(876)	(1,035)	(1,239)	(1,092)
Overheads	(3,034)	(2,981)	(2,751)	(3,306)	(2,642)
Other income	339	110	67	-	-
EBITDA	**(2,219)**	**(1,724)**	**(308)**	**1,675**	**1,092**
Depreciation & amortisation	(1,159)	(1,204)	(1,133)	(1,226)	(506)
EBIT	**(3,378)**	**(2,929)**	**(1,441)**	**449**	**587**
Finance costs	(50)	(48)	(1)	(24)	(16)
Forex gain/ (loss)	(132)	6	(11)	(53)	(53)
NPBT	**(3,559)**	**(2,971)**	**(1,453)**	**372**	**518**
Income tax expense	(335)	(253)	(33)	(186)	(141)
NPAT	**(3,895)**	**(3,224)**	**(1,487)**	**186**	**377**

Notes

1. Pro forma financials for the historical and forecast period assume Combined financial performance of SRJ and ACE businesses for the full financial year.
2. Statutory FY24F financials assumes completion of the acquisition of ACE on 20 August 2024.
3. Refer to Page 49-50 for the basis of preparation of the Combined Group Pro Forma Historical and Forecast Financial Information
4. Refer to Page 53 for further details on Pro forma adjustments.

PRO FORMA ADJUSTMENTS TO THE P&L

SRJ

Pro forma adjustments summary

£'000	Ref	FY21A	FY22A	FY23A	FY24F
Statutory NPAT/ (NLAT)		**(4,392)**	**(3,223)**	**(1,286)**	**377**
NPAT impact of ACE acq.	DP-01	(95)	8	262	263
Professional fees (Capital raising costs)	DP-02	1,082	540	407	192
Tax effected capital raising costs	DP-02a	(271)	(135)	(102)	(48)
Amortisation of goodwill	DP-03	(888)	(888)	(888)	(592)
Share based payments addback	DP-04	917	657	-	-
Tax effect of share payments addback	DP-04a	(229)	(164)	-	-
Converitible note interest addback	DP-05	0	-	140	6
Incremental Director fees	DP-06	(26)	(26)	(26)	(17)
Tax effect on director fees	DP-06a	7	7	7	4
Total DD NPAT pro formas		**497**	**(1)**	**(200)**	**(191)**
Pro forma NPAT/ (NLAT)		**(3,895)**	**(3,224)**	**(1,487)**	**186**

Note:
1. Statutory NPAT/ (NLAT) represents the standalone SRJ NLAT for the Historical Period – FY21A, FY22A, FY23A and comprises ACE's NPAT/ (NLAT) from date of proposed acquisition being 20 August 2024.
2. Unless stated otherwise, all numbers have been presented in reporting currency, £'000.

- NPAT impact of ACE refers to the impact of financial performance of ACE for the period from FY21A up to completion of the proposed acquisition being 20 August 2024. This has been allocated across each of the income statement line items.
- Add back of professional fees including legal and accounting due diligence costs, as well as corporate advisor fees and listing costs which are expensed through the P&L.
- Add back of share based payment expense which was expensed through the P&L.
- Amortisation of goodwill resulting from acquisition of ACE over 10 years in accordance with UK GAAP.
- Tax effect of pro forma adjustments refers to the inherent tax effect of the above adjustments at a UK corporate tax rate of 25%.
- Incremental director fees to be incurred on a go-forward basis.

SENSITIVITIES TO FY24F

Sensitivity summary

£'000	Impact on FY24F Pro forma EBITDA Base	Impact	Sensitised	Impact on FY24F Pro forma Revenue Base	Impact	Sensitised
Revenue						
+ 5%	1,675	84	1,759	6,406	320	6,726
- 5%	1,675	(84)	1,592	6,406	(320)	6,086
Gross profit margin						
+ 5%	1,675	320	276			
- 5%	1,675	(320)	(365)			
Operating expenses						
+ 5%	1,675	(165)	(208)			
- 5%	1,675	165	119			
Revenue shift (Dec 2024 into FY25)						
Impact of revenue shift	1,675	(326)	1,350	6,406	(1,245)	5,161
Revenue shift (not securing large ACE tender)						
Impact of revenue shift	1,675	(341)	1,334	6,406	(1,303)	5,103

Note:
1. The Forecast Financial information is based on a number of estimates and assumptions as described on Page 50. These estimates and assumptions are subject to business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Combined Group, the Directors and Management. These estimates are also based on assumptions with respect to future business decisions, which are subject to change.
2. Set out above is a summary of the sensitivities of the FY24F Forecast Financial Information relating to the Combined Group business to changes in a number of key variables. The changes in the key variables as set out in the sensitivity analysis are not intended to be indicative of the complete range of variations that may be experienced.
3. Care should be taken in interpreting these sensitivities. In order to illustrate the likely impact on the Forecast Financial Information, the estimated impact of changes in each of the assumptions has been calculated in isolation from changes in other assumptions and assumes a full year impact. In practice, changes in assumptions may offset each other or be additive, and it is likely that Combined Group's management would respond to any changes to seek to minimise the net effect on Combined Group's revenue and EBITDA.
4. For the purposes of the analysis above, the effect of the changes in key assumptions is based on the FY24F Combined Group pro forma forecast EBITDA and revenue of £1.7 million and £6.4 million respectively.

- In determining the impact of the changes in assumptions made to sales revenue and EBITDA, we note the these amounts have been quantified by assuming:
  - adjusting the forecast revenue by +/- 5%
  - adjusting the forecast GM% by +/- 5%; and
  - adjusting the forecast operating expense by +/- 5%.
  - shifting December 2024 revenue into FY25
  - impact of not securing a large ACE tender, noting that we have not considered the offsetting impact of other opportunities in the sales pipeline that may eventuate to mitigate this impact.

KEY TERMS AND CONDITIONS OF SHARE PURCHASE AGREEMENT

SRJ

Term	Summary
Acquisition consideration	Under the terms of the SPA the agreed purchase price is GBP15 million (~A$28.8m) subject to customary working capital and net debt adjustments comprising a cash payment of GBP£4.5 million (~A$8.64m) and the issue of 175,249,279 CDIs representing GBP£10.5 million at a deemed issue price of A$0.115 per CDI
Conditions precedent to completion	Completion of the Acquisition Agreement will be subject to a number of conditions precedent, being: • the Company obtaining the following shareholder approvals in relation to the Offer and the Acquisition: o approval to issue the Consideration Shares for the purposes of ASX Listing Rule 7.1; o approval to issue the New CDIs under the Offer for the purposes of Listing Rule 7.1; and o approval to increase the authorised share capital of the Company; • the Company receiving binding commitments for New CDIs under the Offer for at least $12 million (less any Lead Manager expenses and other costs and expenses) and the underwriting agreement not being terminated; • no material adverse change having occurred with respect to ACE prior to completion; and • SRJ notifying and seeking approval of the Acquisition under the National Security and Investments Act 2021 (UK).
Retention and escrow	An amount of $100,000 of cash consideration is deferred (12 months deferral) and all Consideration Shares are held in escrow for a period of 6 to 24 months from the date of issue, with the retention amount and cash proceeds on a sale of escrowed Consideration Shares, to be used to satisfy claims made by SRJ under the Acquisition Agreement.
Purchase price adjustment and Additional Consideration Shares (if any)	The Acquisition Agreement contains customary working capital and net debt adjustments to the purchase price such that if there is positive adjustment in favour of the sellers, additional Consideration Shares will be issued (Additional Consideration Shares) and if there is a negative adjustment in favour of the Company, the sellers must make a payment to the Company. If Additional Consideration Shares are to be issued, the number of such CDIs is to be calculated in accordance with the formula in clause 6.7 of the SPA, which is summarised below: Number of Additional Consideration Shares = PA / IP PA = amount by which the purchase price is to be adjusted in favour of the sellers; PI = the higher of the trading price of the Company's CDIs as at the close of trade on ASX immediately preceding (a) the day the completion accounts and final purchase price were agreed (b) the day on which the Consideration Shares were issued to the Sellers, and (c) the completion date under the Acquisition Agreement.
Completion and pre-completion conduct	For the period up to completion of the Acquisition, the Sellers must carry on the business in all material respects in the ordinary course. The Sellers are subject to customary restrictions and undertakings in respect of their pre-completion conduct.
Representations and warranties	Certain Sellers (the Warrantors) give customary representations and warranties relating to the business and the assets, which are subject to customary exclusions, time limits and financial thresholds, other than the liability of the Warrantors which is limited to 60% of the purchase price for ACE. All Sellers give customary representations and warranties relating to title to their shares in ACE and other fundamental matters.
Long stop date	The Acquisition Agreement will terminate if all conditions precedent are not satisfied or waived by 31 August 2024.

Note 1: Unless stated otherwise, all numbers have been converted from reporting currency, GBP to AUD at an exchange rate of 1.92

SUMMARY OF OPTIONS

Type of Option	Summary
Adviser Options	10,000,000 options (5,000,000 Adviser Options to be issued to the Joint Lead Managers and 5,000,000 Adviser Options to be issued to the Corporate Adviser) which vest immediately, are exercisable for 2 years after issue at an exercise price of a 20% premium to the price of CDIs under the Placement. If any Adviser Option is exercised within the 12 months after issue, an equivalent "piggyback" option will be granted to the applicable option holder. These options vest immediately on issue, are exercisable at a 50% premium over the exercise price of the initial Adviser Options and will expire 24 months post-issue.
Capital Raising Options	7,000,000 options to be issued to the Joint Lead Managers with 1 option granted for every $2 of proceeds raised under the Placement, which vest immediately, are exercisable for 3 years after issue at an exercise price of a 20% premium to the price of CDIs under the Placement.
Management Share Options	9,750,000 Share Options to be issued to certain Directors and management of SRJ under the applicable Company incentive plan, which vest immediately with no further performance hurdles and are exercisable for 2 years at an exercise price of $0.115. Any CDIs issued on exercise of Share Options prior to the 2-year anniversary, will be escrowed for the balance of that 2-year period.

SUMMARY OF UNDERWRITING AGREEMENT

The Company has entered into an Underwriting Agreement with the Joint Lead Managers who have agreed to manage and underwrite the Offer up to the Underwritten Amount, being A$11.1 million. The Company is required to pay the Joint Lead Managers the following fees for the performance of their services under the Underwriting Agreement, to be split evenly between the Joint Lead Managers:

- a management fee of 4.0% of the proceeds raised; and
- a selling / underwriting fee of 2.0% of the proceeds raised.

Further, under the terms of the Underwriting Agreement and in consideration for their services, the Company will also grant to the Joint Lead Managers (to be split evenly between the Joint Lead Managers):

- 5,000,000 options (**Advisor Options**); and
- 7,000,000 options (**Capital Raising Options**).

Terms of these options are set out on slide 56.

The Company must also reimburse the Joint Lead Managers for their reasonably incurred expenses, including legal costs, out-of-pocket expenses, stamp duty, transfer taxes, withholding taxes (or similar) incurred in relation to the Offer. The Underwriting Agreement contains customary representations, warranties and indemnities in favour of the Joint Lead Managers.

The obligations of the Joint Lead Managers under the Underwriting Agreement are conditional on the satisfaction or waiver of customary and typical conditions for an agreement of this nature, including the following conditions (but not limited to – and in summary form only):

- **Shareholder Approvals**: the Company obtaining shareholder approval at a general meeting to the issue of the Consideration Shares and the Placement CDIs for the purposes of ASX Listing Rule 7.1, and shareholders approving an increase in the Company's authorised share capital; and
- **Acquisition becoming unconditional**: the conditions precedent contained in the Acquisition agreement being satisfied (or if possible, waived).

A Joint Lead Manager may terminate the agreement without cost or liability on the occurrence of certain events, including (but not limited to – and in summary form only) if:

- the Company ceases to be admitted on the official list of the ASX or the CDIs are suspended from trading on, or cease to be quoted on the ASX;
- the Company withdraws all or any part of the Offer or the Company withdraws the Prospectus;

SUMMARY OF UNDERWRITING AGREEMENT (cont.)

- ASIC or any government agency commences, or gives notice of intention to commence, a hearing or investigation in relation to the Offer;
- the Company is insolvent or there is an act or omission, or a circumstance arises, which is likely to result in the Company becoming insolvent;
- any event specified in the timetable is delayed by more than 3 business days without the prior written approval of the Joint Lead Managers;
- the certificate which is required to be furnished by the Company under the Underwriting Agreement is not furnished when required;
- the Acquisition agreement after its execution, is terminated, withdrawn, rescinded, withdrawn or revoked; or
- the price of West Texas Intermediate Crude Oil (WTI), as published by the New York Mercantile Exchange, falls by 10% or more at any time from its level at market close on the business day immediately preceding the date of this agreement.

A Joint Lead Manager may also terminate the Underwriting Agreement and be released from their obligations under it on the occurrence of certain events where they have reasonable and bona fide grounds to believe that the event has, or is likely to have, a material adverse effect on the success of, the ability of the Joint Lead Manager to market or sub-underwrite, or settle, the Offer; or has given or could reasonably be expected to give rise to a contravention by, or a liability of, the Joint Lead Manager under any law or regulation, including (but not limited to – and in summary form only) if:

- a material adverse change in the Group occurs;
- the Company engages in misleading or deceptive conduct in connection with making the Offer;
- a default by the Company occurs in the performance of any of its obligations under the Underwriting Agreement;
- a representation or warranty included in the Underwriting Agreement by the Company was or is not true or correct when given or taken to be given or becomes untrue or incorrect;
- trading in all securities quoted or listed on the ASX, NZX, the Hong Kong Stock Exchange, the Singapore Stock Exchange, the London Stock Exchange, the Toronto Stock Exchange or the New York Stock Exchange is suspended or limited in a material respect for one day (or a sustained and substantial part of one day); or
- there is a general moratorium on commercial banking activities in the United States of America, Australia, New Zealand, the United Kingdom, Jersey, the People's Republic of China or any member state of the European Union or the North Atlantic Treaty Organisation is declared by the relevant central banking authority in any of those countries or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries.

The Joint Lead Managers may appoint sub-underwriters at their discretion.