

Trading Update and Contract

Highlights:

- **Progress on Strategic Contracts** - SRJ Technologies, along with its subsidiary ACE, is actively negotiating high-value contracts, including fleet-wide inspection services, though delays have affected forecasted revenue timing. The company anticipates major contract awards by late FY24 or early FY25.
- **FPSO Inspection Project Award** - ACE is set to begin the first phase of an asset inspection project on a Floating Production Storage and Offloading (FPSO) unit
- **Emissions Monitoring Milestone** - ACE completed its third emissions monitoring scope and earned 'Super-User' (pre-qualified to use emissions tech approved by client) status, positioning it for substantial contract opportunities in emissions monitoring across the UK, Europe, and Malaysia.
- **Strong Pipeline and Market Positioning** - SRJ's risk-weighted pipeline is valued at £40 million. With proven efficiency, class certifications, and a track record in challenging environments, SRJ and ACE are well-positioned to secure long-term contracts and maintain a competitive edge.

SRJ Technologies Group Plc (ASX: SRJ) ("SRJ" or "the Company") reports continued progress on its strong and growing sales pipeline, with active engagement in negotiations for high-value, strategic contracts. While the timing of certain contract awards has been delayed, impacting the previously forecasted revenue recognition (see ASX announcement dated 24 July 2024), nothing has been lost and the Board and Management remains confident that SRJ, along with its subsidiary Air Control Entech (ACE), is well positioned to secure these contracts.

The contracts currently under negotiation and/or tender, including a comprehensive fleet-wide advanced inspection services scope, involve intricate discussions and extended decision-making processes. As a result, key contract awards, including the fleet-wide inspection scope, are now anticipated towards the end of FY24 or early FY25. The Company is in the process of revising and quantifying its financial outlook, with updated forecasts and guidance to be provided in November as contract negotiations progress and project timing and revenue recognition is solidified.

Notably, ACE has been advised that it will be awarded the first phase of an asset inspection project on a Floating Production Storage and Offloading (FPSO) unit for Energean Israel Limited for a total potential value of circa £750,000 (A\$1.46m).

The project is expected to progress in three phases, initial mobilisation of equipment and personnel to expedite urgent advanced inspections (~£100,000 (A\$195,000, further work scope issued once mobilised (~£100,000 (A\$195,000) expected to occur in FY24) and then upon successful completion of these class inspections equipment to remain on asset for

further work to be undertaken in FY25 (~£550,000 (A\$1,072,000)).

In addition, ACE has successfully completed its third paid emissions monitoring scope. Whilst these completed scopes are immaterial, upon completion it was awarded 'Super-User' (pre-qualified to use emissions tech approved by client) status positioning the Company for material contract opportunities. This work enables direct contract negotiations to continue for further emissions monitoring work across a range of further opportunities in the UK, Europe, and Malaysia. This milestone not only underscores SRJ's leadership in emissions monitoring but also reinforces its strategy to secure long-term, high-value contracts in critical markets.

These opportunities are a direct result of ACE's proven track record in the North Sea, its recognised class certifications, and the Company's ability to conduct inspections with reduced personnel on vessels. This approach is specifically designed to enhance safety, increase efficiency, and lower costs, enabling clients to achieve superior operational outcomes. ACE's consistent delivery of effective solutions, even in the most challenging environments, continues to differentiate SRJ and its subsidiary, ACE, from competitors, further strengthening their market position.

Although the delays in contract awards will affect the timing of revenue recognition for the current financial year, SRJ remains confident that the underlying contracts will be secured. Additionally, the Company's pipeline now holds a risk-weighted value of approximately £40 million, with £25 million attributed to ACE and £15 million to other SRJ-led opportunities. These contracts are at various stages of negotiation, and SRJ is well positioned to win them, thanks to the strength of its solutions, certifications, and strategic positioning in the market. However, the Company's pipeline is forward-looking and subject to risks and uncertainties. There is no guarantee that these contracts will be finalised, that the projected values will be realised or any certainty around the timing of such contract wins. The Company does not have a sufficient reliable sample of historical rates of conversion of its sales pipeline.

– Ends –

This announcement has been authorised for release by the Board.

FOR FURTHER INFORMATION PLEASE CONTACT**Alexander Wood**

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SRJ delivers a range of asset integrity products, consulting services and solutions to the energy and maritime industries.

Remote inspection services are provided utilising advanced robotics and custom UAV technologies. SRJ's specialised consulting services and range of containment management solutions enable customers to assure the integrity of new and ageing assets subject to ever more demanding regulatory pressures.

By providing advanced robotic and UAV systems, ACE (an SRJ Group company) is revolutionising asset inspection in terms of minimising human risk and providing accurate and repeatable inspection data. ACE is able to inspect the previously un-inspectable, delivering asset integrity assurance and management to the Energy and Marine industries. ACE has achieved accreditation with all the major Marine Class Societies.

SRJ's consulting expertise covers all areas of the asset integrity management value chain. Understanding the integrity risks our customers face generates high margin revenues and provides visibility of future product/solution needs particularly as assets degrade with age but require safe and efficient life extension.

SRJ's range of asset integrity products and solutions have gained industry approval across the energy sector and are now in use across the world. SRJ's products are designed to maintain and assure the integrity of pressure containment systems and therefore play an important role in the overall integrity of operating facilities.

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

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