# Fundraise presentation

January 2021

# Disclaimer

This document is being made available for information purposes only and does not constitute or form part of, and should not be construed as, an offer, invitation or inducement to purchase or subscribe for any securities or to enter into investment activity in any jurisdiction nor shall it or any part of it form the basis of, or be relied upon in connection with, any contract or commitment whatsoever nor in making any investment decision.

This document does not constitute either advice or a recommendation regarding any securities of the Company. Any person who is in any doubt about the subject matter of this document should consult an authorised person in their applicable jurisdiction. This document does not purport to contain all the information that a recipient may want or require in investigating the Company. Any party must rely upon his own inquiries and investigations.

Unless specifically attributed to another source, any targets, forecasts, estimates and projections contained in this document have been prepared by the management of the Company and involve elements of subjective judgement and analysis which may or may not be correct. In addition, certain statements contained in this document or in documents referred to in it are or may be forward-looking statements. Actual results may differ from those expressed in such statements, depending on a variety of factors. Any forward-looking information contained in this document has been prepared on the basis of a number of assumptions that may prove to be incorrect, and accordingly, actual results may vary.

The information set out herein (or the entire document itself) may be subject to updating, completion, revision and amendment and such information may change materially or even be permanently withdrawn. Accordingly, it must not be (in whole or in part) reproduced, distributed, stored or introduced into a retrieval system of any nature.

Neither the Company nor its advisers nor any of their respective directors or employees or any other person makes any representation or warranty, express or implied, as to the accuracy or completeness of the contents of this document. In particular, but without limitation, no representation or warranty is given as to the achievement or reasonableness of, and no reliance should be placed on, any assumptions, targets, forecasts, projections, estimates or prospects with regard to the anticipated future performance of the Company. No responsibility or liability is accepted by any such person for any errors, misstatements or omissions in this document or any other such document or information. The exclusions set out in this paragraph do not extend to an exclusion of liability for, or remedy in respect of, fraudulent misrepresentation. Neither the Company nor its respective advisers or any of their respective directors or employees nor any other person shall be obliged to provide the recipient with any further information or to update this document or correct any inaccuracies that become apparent.

This document has not been nor will be approved by an authorised person in accordance with section 21(2)(b) of the Financial Services and Markets Act 2000 and is accordingly only directed at (i) persons having professional experience in matters relating to investments, being investment professionals as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (“FPO”), (ii) persons falling within Article 43 of the FPO (including existing members of the Company), (iii) persons falling within Article 49(2)(a) to (d) of the FPO (including high net worth companies and unincorporated associations), (iv) (where lawful in the recipient's applicable jurisdiction) persons outside of the United Kingdom pursuant to Article 12(1)(b) of the FPO and/or (v) persons to whom communication may otherwise be lawfully made, (together “relevant persons”). This document must accordingly not be acted on or relied upon in any way by any persons who are not relevant persons. By accessing and reading this document, each recipient warrants, represents, acknowledges and agrees that it is a relevant person.

Neither this document nor anything contained herein shall form the basis of, be relied on or act as an inducement in connection with, any offer or commitment whatsoever and is not directed at, nor intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to local law or regulation or which would require any registration or licensing within such jurisdiction. In particular, this document and the information contained herein are not for publication or distribution to persons in the United States (within the meaning of Regulation S under the U.S. Securities Act of 1933, as amended) nor in Australia, Canada, Japan, the Republic of Ireland, the Republic of South Africa or any other jurisdiction where to do so may be prohibited. Recipients of, or persons otherwise accessing this document in, jurisdictions outside the United Kingdom should inform themselves about and observe any applicable legal requirements. Any failure to comply with these restrictions may constitute a violation of the laws of the relevant jurisdiction.

This document, and any matter or dispute (whether contractual or non-contractual) arising out of it, shall be governed and construed in accordance with English law and the English courts shall have exclusive jurisdiction in relation to any such matter or dispute.

# Summary

- Declared policy is to maintain a £2m ‘cash buffer’ on balance sheet:
  - To give confidence to blue chip customers and suppliers of financial robustness
  - To provide cover for economic cycles / slowdowns / increased working capital requirement

- Momentum was with the Company going into COVID – recovery expected during H2 2021, but timing is uncertain

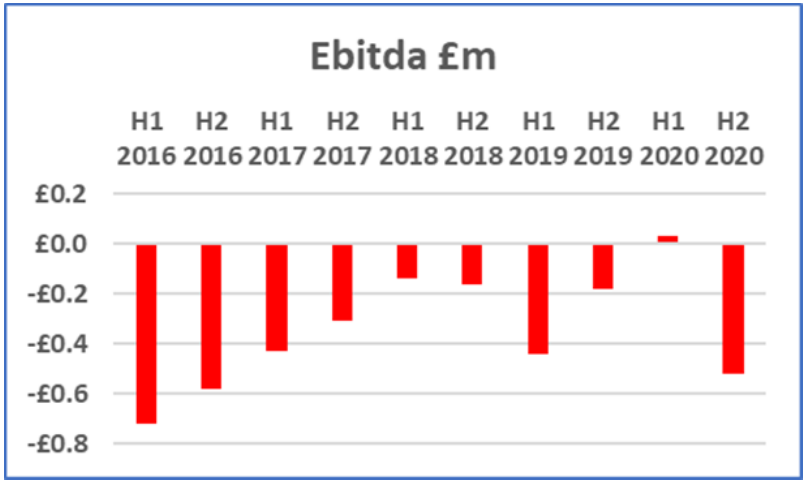
- Cash buffer will be heavily utilised in H1 2021 on “reasonable worst case”

- A “top up” fundraise under our existing 10% headroom authority now
  - Company is currently in good financial health and this is a prudent measure
  - Provides comfort to auditors regarding “going concern”
  - Debt and alternative financing options are either not available in the immediate term or offered on grossly unattractive terms
  - All Directors intend to support, with total participation of £100k

# Pre-COVID momentum

Strong sales growth before COVID disruption


Ebitda positive in H1 2020 before COVID disruption




- Overall trajectory very positive - FY20 was on track for record sales and being ebitda positive
- H1 2021 turnover projected to be similar to H2 2020
- Projections for H2 2021 are more positive, but high degree of uncertainty as to timing of recovery in oil & gas

# Why now?

Financial position:

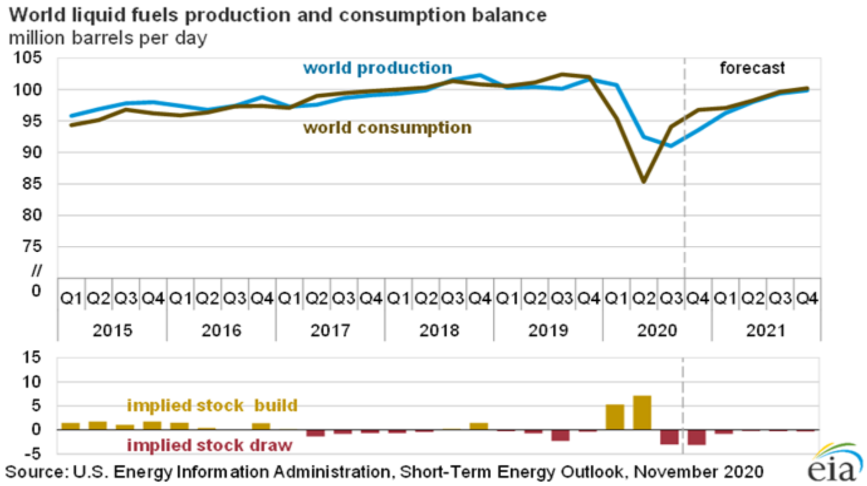
- Cash at bank at 31 December 2020 was £1.75m
- Reduced spending and some prudent mitigating measures in place to reduce cash burn
- Auditors will look at the cash projection to at least February 2022 when signing-off the Group's statutory accounts
  - Extra funds will provide reassurance, underpinning a 'clean' audit report
- The timing of recovery in demand is very uncertain and we need to avoid a 'going concern' problem with the auditors, and the risks that a qualified audit report may present
- Cash will continue to be consumed until recovery is well established, albeit at a conservative and cost conscious way

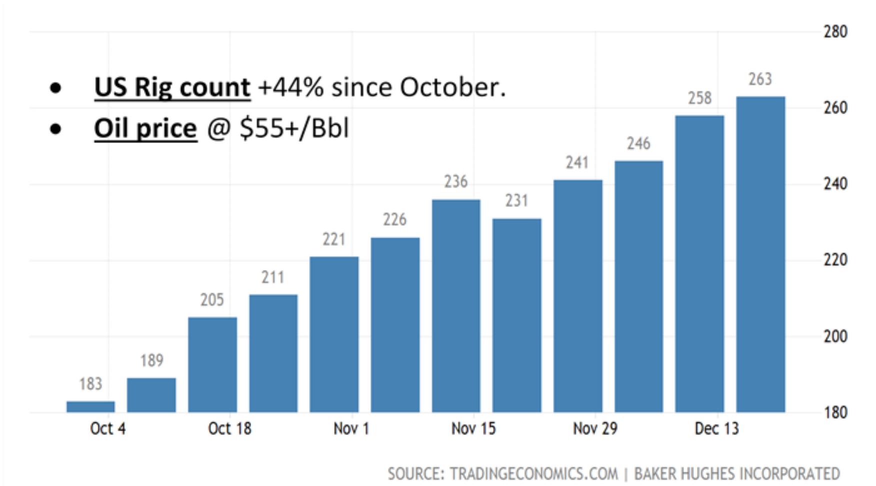
Demand issues:

- Well documented COVID impact on customer demand
- Overall turnover reduced by c.50% in H2 2020 and so far in H1 2021 by a similar amount. Decline is predominantly the COVID effect from the Oil & Gas sector
- Timing of recovery uncertain- no forecasts yet from any of the major companies
- Whilst a recovery could be in place by late spring/early summer, this largely depends on factors outside of the Company's control. Therefore it is prudent to plan for the worst case

# Oil & Gas market

- Oil & Gas industry historically accounts for c.60% of sales
- Whilst the Company is diversifying sales mix away from a reliance on Oil & Gas it remains an important part of the business
- Confident that business will return to at least previous levels
  - Many new applications coming on stream
  - Consumption is beginning to rise to pre COVID levels with no sign of new 'COVID waves' impacting the rebound




Latest US Rig count at 15 Jan: 287