



Press Release

14 December 2021

SRJ Technologies Group plc (ARBN 642 229 856) (ASX: SRJ) (SRJ or the Company) today announced that it has executed a share purchase agreement (SPA) to acquire 100% of the issued share capital of UK based company, STATS (UK) Limited (STATS).

The consideration payable by the Company to STATS shareholders will comprise a combination of SRJ shares (traded on the ASX) and cash. The transaction has an implied value of approximately A\$133.8 million (£73.1 million) based on a share price of SRJ of A\$0.50 per share. The Company will undertake an offer of shares to raise A\$142 million (£77.6m) to fund the cash component of the purchase price for STATS and provide working capital for the Combined Group post-completion. The Company has appointed Morgans Corporate Limited to lead manage and underwrite the offer.

The acquisition combines a market leading, global energy business with SRJ's portfolio of disruptive technologies that are well positioned to capitalise on global energy market growth and the transition to green energy. The closing of the transaction is expected in the first quarter of calendar year 2022, subject to the satisfaction of certain closing conditions.

STATS, a market leader in the provision of innovative, technology-led pressurised pipeline integrity solutions, including its BISEP® and Tecno Plug® products, will accelerate SRJ's strategic priorities in the asset integrity market.

SRJ will leverage the global presence of STATS to exploit cross-selling opportunities of SRJ's disruptive products and technologies, whilst also looking to capture the significant growth opportunities in the energy transition sector with its broader range of asset integrity solutions.

"The two groups share a similar DNA that is driven by a solutions-led approach to our client's asset integrity issues" said Leigh Howarth, CEO of STATS. "We are truly excited by the prospect of this next stage in STATS growth, not only to offer additional innovative solutions to our clients, but to do it with a trusted and capable SRJ team."

"SRJ has acquired STATS for our market leading technology, our established global reach, excellent customer base and experienced and highly skilled staff. With its ASX listing and access to capital markets, this gives the combined businesses the platform to invest in strategic locations and product solutions that are yet to be developed to their full potential, offering job security and career enhancement for all."

"We are fully aligned with SRJ's purpose and aspirations, and together we will continue to support our clients with safe, reliable and technically superior solutions and continuous innovation."

For SRJ, this transaction presents an attractive opportunity to achieve market acceleration by expanding global client relationships and locations, supported by opportunities presented by an energy industry in transition.

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“SRJ’s vision is to become a global leader in asset integrity solutions for the energy industry, and this transaction will add value, differentiation and scale to SRJ” said Alexander Wood, CEO of SRJ. “It will drive long-term growth with meaningful revenue synergy opportunities whilst delivering a highly responsive, solutions-led service to our clients”.

Leigh Howarth, will join SRJ’s Board of Directors upon completion of the transaction whilst continuing to act as CEO of the STATS operations. Pete Duguid, Chairman and founder of STATS, will remain with the business providing strategic direction, particularly in relation to key business development activities in North America.

The announcement can be found in the investor section of the SRJ corporate website (www.srj-technologies.com) or under the Announcements section of the ASX website (ASX Ticker: SRJ).

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