

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. It contains the resolutions to be voted on at the General Meeting of Pressure Technologies plc (“Pressure Technologies” or the “Company”) to be held on 2 December 2022. If you are in any doubt about the action you should take, you are recommended immediately to seek advice from your stockbroker, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) who specialises in advising on the acquisition of shares and other securities.

The Directors of Pressure Technologies, whose names appear on page 10 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

If you have sold or otherwise transferred all of your ordinary shares of 5 pence each in the capital of the Company (“**Ordinary Shares**”), please immediately forward this document to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. However, this document should not be distributed, forwarded or transmitted in or into the United States, Canada, Australia or Japan or any other jurisdiction if to do so would constitute a violation of the relevant laws of such jurisdiction. If you have sold or transferred only part of your holding of Ordinary Shares you should retain this document, and immediately consult the stockbroker, bank or other agent through whom the sale or transfer was effected. **This document should be read in conjunction with the Notice of General Meeting as set out at the end of this document. The whole text of this document should be read.**

Notice of a General Meeting of Pressure Technologies to be held at the offices of Singer Capital Markets, 1 Bartholomew Lane, London EC2N 1AX at 11.00 a.m. on 2 December 2022 is set out at the end of this document.

Pressure Technologies PLC

(incorporated in England and Wales with registered number 06135104)

**Proposed Placing of 7,097,708 New Ordinary Shares
at 30p per New Ordinary Share**

**Proposed Retail Offer of 502,292 New Ordinary Shares
at 30p per New Ordinary Share**

Admission of New Ordinary Shares and Notice of General Meeting

Nominated Adviser and Broker



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Notice of a General Meeting of the Company to be held at the offices of Singer Capital Markets, 1 Bartholomew Lane, London EC2N 2AX at 11.00 a.m. on 2 December 2022, is set out at the end of this document. The action to be taken by Shareholders in respect of the General Meeting is set out on page 16 of this Circular.

If you hold your Ordinary Shares in certificated form, you are strongly encouraged to deliver your Form of Proxy to Neville Registrars Limited at Neville House, Steelpark Road, Halesowen, B62 8HD or, alternatively, submit your proxy vote online at www.sharegateway.co.uk as soon as possible, but in any event so as to be received by no later than 11.00 a.m. on 30 November 2022 (or, in the case of an adjournment of the General Meeting, not later than 48 hours (excluding non-working days) before the time fixed for the holding of the adjourned meeting).

If you hold your Ordinary Shares in uncertificated form (that is, in CREST) you may vote using the CREST Proxy Voting service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes to the Notice of the General Meeting set out at the end of this Circular). Proxies submitted via CREST must be received by the Company's agent, Neville Registrars Limited (whose CREST ID is 7RA11) by no later than 11.00 a.m. on 30 November 2022 (or, in the case of an adjournment, not later than 48 hours (excluding non-working days) before the time fixed for the holding of the adjourned meeting).

A copy of this document will be made available on the Company's website, www.pressuretechnologies.com. Neither the content of the Company's website nor any website accessible by hyperlinks from or to the Company's website is incorporated in, or forms part of, this document.

FORWARD-LOOKING STATEMENTS

This document includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “envisages”, “estimates”, “anticipates”, “projects”, “expects”, “intends”, “may”, “will”, “could”, “seeks”, or “should” or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the Company’s and Directors’ current intentions, beliefs or expectations concerning, amongst other things, investment strategy, financing strategy, performance, results of operations, financial condition, liquidity, prospects, growth, strategies and the industry in which the Group operates.

By their nature, forward-looking statements involve risks (including unknown risks) and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not an assurance of future performance. The Company’s actual performance, results of operations, financial condition, liquidity and dividend policy and the development of the business sector in which the Group operates, may differ materially from those suggested by the forward-looking statements contained in this document. In addition, even if the Company’s performance, results of operations, financial condition, liquidity and dividend policy and the development of the industry in which the Group operates, are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this document may or may not occur.

Any forward-looking statement in this document reflect the Company’s current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the matters referred to above. Prospective investors should specifically consider the factors identified in this document which could cause actual results to differ before making an investment decision. Other than in accordance with the Company’s obligations under the AIM Rules for Companies, neither the Company nor Singer undertakes any obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

Neither the forward-looking statements nor the underlying assumptions have been verified or audited by any third party.

SOURCES

Various market data and forecasts used in this document have been obtained from independent industry sources. Where such information has been used, the source of such information has been identified. Neither the Company nor Singer has verified the data, statistics or information obtained from these sources and cannot give any guarantee of the accuracy or completeness of the data. Forecasts and other forward-looking information obtained from these sources are subject to the same qualifications risks and uncertainties as above.

BASIS ON WHICH INFORMATION IS PRESENTED

Various figures and percentages in the tables in this document, including financial information, have been rounded and accordingly may not total. As a result of this rounding, the totals of data presented in this document may vary slightly from the actual arithmetical totals of such data.

In this document, references to “pounds sterling”, “£”, “pence” and “p” are to the lawful currency of the United Kingdom.

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DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise:

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| “Act” | the Companies Act 2006 |
| “Admission” | admission of the New Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules |
| “AIM” | the market of that name operated by the London Stock Exchange |
| “AIM Rules” | the AIM Rules for Companies and the AIM Rules for Nominated Advisers, as applicable |
| “AIM Rules for Companies” | the rules for AIM companies published by the London Stock Exchange, as amended or re-issued from time to time |
| “AIM Rules for Nominated Advisers” | the rules for nominated advisers to AIM companies published by the London Stock Exchange, as amended or re-issued from time to time |
| “Articles” | the articles of association of the Company |
| “Board” or “Directors” | the directors of the Company |
| “Broker” | Singer Capital Markets Securities Limited |
| “Business Day” | a day (other than Saturday or Sunday) on which banks are generally open for business in London |
| “Certificated” or “in certificated form” | the description of a share or other security which is not in uncertificated form (that is, not in CREST) |
| “Closing Price” | the closing middle market quotation of an Ordinary Share as derived from the AIM Appendix to the Daily Official List of the London Stock Exchange |
| “Company” or “Pressure Technologies” | Pressure Technologies PLC, a company incorporated in England and Wales with registration number 06135104 with its registered office at Meadowhall Road, Sheffield, England, S9 1BT |
| “CREST” | the computerised settlement system, facilitating the paperless settlement of trades and the holding of uncertificated shares administered by Euroclear UK & International Limited, the operator of CREST |
| “CREST Regulations” | the Uncertificated Securities Regulations 2001 of the UK (SI 2001/3755) |
| “Enlarged Share Capital” | the enlarged share capital of the Company following Admission, comprising the Existing Ordinary Shares and the New Ordinary Shares |
| “Existing Ordinary Shares” | the Ordinary Shares in issue as at the date of this document |
| “FCA” | the United Kingdom Financial Conduct Authority |
| “Form of Proxy” | the form of proxy accompanying this document for use by Shareholders in connection with the General Meeting |

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|------------------------------------|--|
| “FSMA” | the UK Financial Services and Markets Act 2000 (as amended) including any regulations made pursuant thereto |
| “Fundraising” | the Placing and the Retail Offer |
| “General Meeting” or “GM” | the general meeting of the Company which has been convened for 11.00 a.m. on 2 December 2022, notice of which is set out at the end of this document |
| “Group” | the Company and its subsidiary undertakings |
| “Independent Director” | James Locking, being the director independent of the Fundraising |
| “Intermediaries” | any financial intermediary appointed by the Company in connection with the Retail Offer and “Intermediary” shall mean any one of them |
| “Intermediary Agreement” | the agreements entered between each of the Intermediaries, the Company and Peel Hunt LLP containing terms and conditions in relation to the Retail Offer |
| “Issue Price” | 30 pence per New Ordinary Share |
| “London Stock Exchange” | London Stock Exchange plc |
| “New Ordinary Shares” | the Placing Shares and Retail Shares |
| “Official List” | the official list of the FCA |
| “Ordinary Shares” | ordinary shares in the share capital of the Company each with a par value of 5p |
| “Placing” | the conditional placing of the Placing Shares by Singer at the Issue Price pursuant to the Placing Agreement |
| “Placing Agreement” | the conditional agreement dated 15 November 2022 between Singer and the Company relating to the Placing |
| “Placing Shares” | the 7,097,708 new Ordinary Shares to be issued by the Company pursuant to the Placing |
| “Prospectus Rules” | the prospectus rules made by the FCA pursuant to the section 73A of the FSMA |
| “Registrar” | Neville Registrars Limited, registrars to the Company |
| “Resolutions” | the resolutions set out in the notice of General Meeting |
| “Retail Offer” | the conditional offer of Retail Shares made to retail investors that are existing Shareholders on the REX portal by the Company through the Intermediaries on the basis of the terms and conditions set out in the Retail Offer Announcement |
| “Retail Offer Announcement” | the announcement dated 15 November 2022 giving details, <i>inter alia</i> , of the Retail Offer |
| “Retail Shares” | the 502,292 new Ordinary Shares proposed to be issued by the Company pursuant to the Retail Offer |
| “REX” | the Retail Capital Markets ‘REX’ portal, a platform owned and operated by Peel Hunt LLP |

| | |
|--|--|
| “Securities Act” | the United States Securities Acts of 1933, as amended, and the rules and regulations promulgated thereunder |
| “Shareholders” | holders of the Ordinary Shares from time to time |
| “Singer” | Singer Capital Markets Advisory LLP, acting as nominated adviser and Singer Capital Markets Securities Limited, acting as bookrunner and broker to the Company (as the context requires) for the purposes of the AIM Rules, and where the context allows, its affiliates |
| “£” or “Sterling” | pounds sterling, the lawful currency from time to time of the United Kingdom |
| “uncertificated” or “uncertificated form” | recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which may be transferred by of CREST |
| “United Kingdom” or “UK” | the United Kingdom of Great Britain and Northern Ireland |

EXPECTED TIMETABLE

Placing and Retail Offer Timetable

| | |
|--|---|
| Publication of the Circular | 16 November 2022 |
| Latest time and date for receipt of Forms of Proxy and CREST proxy instructions | 11.00 a.m. on 30 November 2022 |
| General Meeting | 11.00 a.m. on 2 December 2022 |
| Admission and dealings in the New Ordinary Shares expected to commence on AIM | 8.00 a.m. on 6 December 2022 |
| Where applicable, expected date for CREST accounts to be credited in respect of the New Ordinary Shares in uncertificated form | As soon as possible after 8.00 a.m. on 6 December 2022 |
| Where applicable, expected date for despatch of definitive share certificates for New Ordinary Shares in certificated form | Week commencing 12 December 2022 |

Notes:

1. Each of the times and dates above are indicative only and are subject to change. If any of the above times and/or dates change, the revised times and/or dates will be notified by the Company to Shareholders by announcement through a regulatory information service.
2. All of the above times refer to London time unless otherwise stated.

PLACING AND RETAIL OFFER STATISTICS

| | |
|---|-----------------|
| Issue Price | 30 pence |
| Number of Existing Ordinary Shares | 31,067,163 |
| New Ordinary Shares to be issued pursuant to the Placing | 7,097,708 |
| New Ordinary Shares to be issued pursuant to the Retail Offer | 502,292 |
| Enlarged Share Capital immediately following the Fundraising | 38,667,163 |
| Percentage of Enlarged Share Capital represented by the New Ordinary Shares (approximate) | 19.65 per cent. |
| Gross proceeds of the Fundraising at the Issue Price | £2.28 million |
| Net Proceeds of the Fundraising (approximate) | £2.09 million |
| ISIN | GB00B1XFKR57 |
| TIDM | PRES |
| SEDOL | B1XFKR57 |

DIRECTORS, COMPANY SECRETARY AND ADVISERS

| | |
|---|---|
| Directors | Nick Salmon – <i>Non-Executive Chairman</i> Chris Walters – <i>Chief Executive</i> James Locking – <i>Chief Financial Officer</i> Tim Cooper – <i>Non-Executive Director</i> Mike Butterworth – <i>Non-Executive Director</i> |
| Company Secretary | Haddleton & Co Limited Windsor House Cornwall Road Harrogate HG1 2PW |
| Registered Office | Meadowhall Road Sheffield England S9 1BT |
| Nominated Adviser | Singer Capital Markets Advisory LLP One Bartholomew Lane London EC2N 2AX |
| Broker to the Company | Singer Capital Markets Securities Limited One Bartholomew Lane London EC2N 2AX |
| Solicitors to the Company | Knights Commercial House 14 Commercial Street Sheffield S1 2AT |
| Solicitors to the Nominated Adviser and Broker | Fieldfisher LLP Riverbank House 2 Swan Lane London EC4R 3TT |
| Registrars | Neville Registrars Limited Neville House Steelpark Road Halesowen B62 8HD |

PART I: LETTER FROM THE CHAIRMAN OF PRESSURE TECHNOLOGIES PLC

(registered in England and Wales with company number 06135104)

Directors:

Nick Salmon – *Non-Executive Chairman*
Chris Walters – *Chief Executive*
James Locking – *Chief Financial Officer*
Tim Cooper – *Non-Executive Director*
Mike Butterworth – *Non-Executive Director*

Registered Office:

Meadowhall Road
Sheffield
England
S9 1BT

16 November 2022

Dear Shareholder

Proposed Placing of 7,097,708 New Ordinary Shares at 30 pence per New Ordinary Share

Proposed Retail Offer of 502,292 New Ordinary Shares at 30 pence per New Ordinary Share

Admission of the New Ordinary Shares to trading on AIM and Notice of General Meeting

1. INTRODUCTION

The Company announced on 15 November 2022 that it had conditionally raised £2.28 million (before expenses) via the issue of a total of 7,600,000 New Ordinary Shares in the Company pursuant to the Placing and Retail Offer. The Issue Price of 30 pence per New Ordinary Share represents a discount of 6.25 per cent. to the closing mid-market price of an Ordinary Share of 32 pence on 14 November 2022, being the Business Day prior to announcement of the Placing and Retail Offer.

The purpose of this document is to further explain the background to and reasons for the Fundraising and why the Directors consider the Fundraising to be in the best interests of the Company and its Shareholders as a whole and why the Directors unanimously recommend that you vote in favour of the Resolutions to be proposed at the General Meeting, notice of which is set out at the end of this document.

The contents of this letter are important and I would urge you to read it carefully and to complete, sign and return the enclosed Form of Proxy in accordance with the instructions given on it and in the paragraph below headed "Action to be Taken", as soon as possible and in any event by no later than 11.00 a.m. on 30 November 2022.

Shareholders should be aware that if the Resolutions are not approved at the General Meeting, the Placing and Retail Offer will not proceed and the Company will not receive the proceeds of either the Placing or the Retail Offer. If this were to happen, the Directors would immediately have to re-evaluate the strategy and outlook of the Group. Shareholders are therefore urged to vote in favour of the Resolutions, which the Directors consider to be in the best interests of Shareholders and the Company as a whole.

2. BACKGROUND AND REASONS FOR THE FUNDRAISING

Pressure Technologies is a UK designer and manufacturer of high-integrity, safety-critical components and systems serving global supply chains in oil and gas, defence, industrial gases and hydrogen energy markets. The Group creates value for its customers by enhancing the performance of their safety-critical supply chains and advancing safety and reliability in demanding environments through technology, high-quality engineering and the skills of its people.

The Group is comprised of two business divisions:

- Chesterfield Special Cylinders ("**CSC**"), which designs and manufactures high-pressure gas containment systems and provides through-life integrity management services ("Integrity Management") for safety-critical applications in defence, oil and gas, industrial and hydrogen energy markets; and
- the Precision Machined Components ("**PMC**") division, which comprises Roota Engineering, Martract and Al-Met brands with highly competitive lead times, highly specialised precision engineering skills and a blue chip customer base in the global oil and gas market.

On 27 September 2022, the Company announced a trading update for the 52 week period ended on 1 October 2022 (“FY22”). Although the second half of the financial year was expected to deliver an adjusted operating profit, trading within the Group was below the Board’s expectations despite a strong order book in the CSC division and recovering demand within the PMC division.

Within CSC, major defence projects were impacted by a combination of customer delays, supply chain disruption and the unplanned outage of key equipment, delaying significant revenue into the first half of FY23. Similarly, several Integrity Management deployments planned for the second half have been delayed by customers into the 52 week period ending 30 September 2023 (“FY23”) and beyond. Input costs from raw materials and energy-intensive processes increased significantly throughout the year, further impacting margins where the costs could not be recovered through price escalations and permitted contract variations within the period.

In PMC, there was an unexpected temporary slowdown in order placement from oil and gas customers over the summer period, which recovered later in the fourth quarter of FY22. Together with supply chain delays and cost increases, the temporary slowdown resulted in lower revenue and a significantly greater adjusted operating loss than anticipated for the full year.

A significant refinancing project was due to complete in September 2022, which was expected to replace the Company’s existing £2.4 million Lloyds Bank (the trading name for Bank of Scotland plc) revolving credit facility with an asset-backed credit facility of £6.0 million, providing increased headroom and flexibility to the Group to achieve its strategic objectives. This was interrupted due to the Group’s disappointing trading performance in the fourth quarter of FY22.

As a result of the expected adjusted operating loss for the full year FY22 and interruption to the refinancing project, the Board entered into discussions with Lloyds Bank as it anticipated it would not be able to meet the requirements of the two existing financial covenants contained within the existing facility. Ernst & Young LLP continues to support the Group’s review of funding options in order to replace the Lloyds Bank facility with new arrangements that will provide the Group with increased facility headroom.

In addition to pursuing refinancing opportunities, the Board is also exploring other longer term opportunities that will secure sufficient funding to progress its strategic priorities particularly within CSC and the hydrogen energy sector. These initiatives include divesting of non-core activities and the sale and leaseback of freehold property to strengthen the Group’s balance sheet and cash position. To match the scale of the Group after the anticipated non-core divestment, the Group commenced restructuring of centralised overhead functions in October 2022, which is anticipated to reduce the Group’s cost base from January 2023.

The terms of the existing Lloyds Bank facility of £2.4 million have been extended to 31 March 2024 and the September 2022 covenant tests have been waived. However, the Board considers that additional short-term working capital of a minimum of £2.0 million is required provide increased liquidity and greater flexibility to support the Group’s strategic investment in CSC, for delivery of existing contracts and to capitalise on growth opportunities in Integrity Management services and in hydrogen storage and transportation. In order to address the Group’s short term funding requirements, the Board is undertaking the Fundraising, whilst longer-term funding opportunities are progressed.

Use of proceeds

The net proceeds of £2.09 million of the Fundraising will be used to support the Group’s short term working capital requirements, alongside strengthening the balance sheet whilst longer term financing opportunities are progressed. The use of proceeds is as follows:

- Provide working capital headroom to support material purchases and other supplier payments for existing defence, offshore and hydrogen contracts, which are expected to be delivered in 2023;
- Provide a bridge to profitable, cash-generative trading and the commencement of major defence contracts in FY23; and
- Strengthen the Group’s balance sheet

3. CURRENT TRADING AND OUTLOOK

Chesterfield Special Cylinders

As previously announced, progress on major defence contracts in the fourth quarter of FY22 was impacted by a combination of unexpected customer delays, supply chain disruption and the unplanned outage of key equipment, delaying significant revenue into the first half of FY23. Similarly, several Integrity Management deployments planned for the second half of the financial year were delayed by customers into FY23 and beyond. Additionally, input costs from raw materials and energy-intensive processes increased significantly throughout the year, further impacting margins where the costs could not be recovered through price escalations and permitted contract variations within the period.

In addition, and subsequent to the trading update issued on 27 September 2022, major defence contract margins for prior periods FY17 to FY21 have been reassessed and a potential downward adjustment of c.£0.5 million to FY22 operating profit has been identified. The Group is in discussion with its auditors, Grant Thornton UK LLP, regarding the appropriate accounting treatment of this historic contract margin adjustment.

As a result, CSC is expected, subject to external audit, to report revenues for FY22 of approximately £18.0 million (FY21: £18.9 million) and an operating profit of approximately £1.8 million (FY21: £2.8 million) pre exceptional items and the FY17 to FY21 contract margin adjustment.

CSC has a positive outlook supported by an order book of £6.6 million, major defence contract placements expected in the first quarter, and a strong pipeline of defence contracts, Integrity Management deployments and hydrogen storage and transportation projects. The Group is also well placed to benefit from the increase in demand for hydrogen energy storage and transport solutions, with green hydrogen generation in the UK and Europe providing further opportunities for the Group, particularly in anticipated demand for new build hydrogen road trailer demand.

In addition, CSC has the opportunity to mitigate input cost pressures through planned procurement and pricing strategies, operational efficiencies and contract variations.

Precision Machined Components

Despite a temporary slowdown in order placement from oil and gas customers over the summer period, which impacted PMC's trading performance in the fourth quarter of FY22, a strong order intake of £3.0 million underpins the opening order book for FY23 of £3.3 million. PMC is expected, subject to external audit, to report revenues for FY22 of approximately £7.4 million (FY21: £6.4 million) and an operating loss of £1.2 million (FY21 £1.6 million) pre exceptional items.

PMC's customers continue to forecast continued recovery in demand for specialised components for oil and gas exploration and production projects which is expected to benefit the business in FY23. The Board expects PMC to return to profitable trading in the second quarter of FY23.

Group Trading and Outlook

The results for the first half of the year, which were announced on 28 June 2022, indicated an operating loss of £2.1 million pre exceptional items for the first half, but with a much stronger performance expected for the second half of the year, on the basis of a strong order book in CSC and an expected recovery in order intake in PMC. However, second-half performance was significantly below that anticipated and the Group is now expecting, subject to external audit, to report a full-year operating loss of approximately £1.4 million (FY21: £0.7 million) pre exceptional items and FY17 to FY21 contract margin adjustment in CSC.

Despite the disappointing trading performance in FY22, the Board is confident in underlying market opportunities and expects a return to profitability and positive cash generation in FY23. The positive outlook for the Group in the medium and longer term is underpinned by a strong defence orderbook and pipeline, the completion of projects deferred from FY22, improving order placement in PMC and exciting opportunities in hydrogen storage and transportation.

4. THE PLACING

The Company is proposing to raise a approximately £2.13 million before expenses by the issue of the Placing Shares at 30 pence per new Ordinary Share to certain existing Shareholders and new investors. The Placing Shares represent 22.85 per cent. of the existing issued share capital of the Company and will, when issued, rank *pari passu* with the existing Ordinary Shares in the Company.

Institutional and other investors have conditionally agreed to subscribe for the Placing Shares at the Issue Price. The Placing has not been underwritten. The issue of the Placing Shares is conditional, *inter alia*, upon the approval by Shareholders of the Resolutions numbered one and two to be sought at the General Meeting convened for 2 December 2022 and upon Admission becoming effective on 6 December 2022 (or such later date as the Company and the Singer may agree).

On 15 November 2022, the Company and Singer entered into the Placing Agreement pursuant to which Singer agreed, subject to certain conditions, to procure subscribers for the Placing Shares at the Issue Price. The Placing Agreement contains provisions entitling Singer to terminate the Placing (and the arrangements associated with it), at any time prior to Admission in certain circumstances. If this right is exercised, the Placing will lapse, any monies received in respect of the Placing will be returned to the applicants without interest and Admission will not occur.

The Company has agreed to pay Singer upon Admission a placing commission and all other costs and expenses of, or in connection with, the Placing, plus any VAT thereon. The Placing Agreement contains warranties from the Company in favour of Singer in relation to, *inter alia*, the accuracy of the information in this document and other matters relating to the Group and its businesses. In addition, the Company has agreed to indemnify Singer in customary terms in relation to certain liabilities it may incur in respect of the Placing.

Singer has the right to terminate the Placing Agreement in certain circumstances prior to Admission, in particular in the event of a material breach of the warranties given to the Singer in the Placing Agreement, the failure of the Company to comply with any of its obligations under the Placing Agreement or the occurrence of an adverse change in (amongst other things) national or international financial or political conditions (which in the opinion of Singer will or is likely to be prejudicial to the Group or to the Placing and Admission).

5. DETAILS OF THE RETAIL OFFER

The Company values its retail shareholder base and believes that it is appropriate to provide its existing retail Shareholders resident in the United Kingdom the opportunity to participate in the Retail Offer. The Retail Offer, which closed on 15 November 2022, was open to existing retail shareholders via 'REX' Intermediaries and conditionally raised approximately £0.15 million (before fees and expenses) through the issue of the Retail Shares. The Retail Offer remains conditional on, *inter alia*, the Placing becoming unconditional and not having been terminated, and Admission.

Each Intermediary has entered into an Intermediary Agreement, which regulates, *inter alia*, the conduct of the Retail Offer on market standard terms and provides for the payment of a commission and/or fee to the Intermediary if such Intermediary elects to receive a commission and/or fee. Pursuant to the terms and conditions in the Intermediary Agreement, in making an application, each Intermediary will also be required to give certain representations and warranties. The Company has also agreed to pay certain fees and commissions to Peel Hunt LLP as co-ordinator in respect of the Retail Offer and a fee to Singer in respect of the introduction made by them to Peel Hunt LLP.

The Retail Offer was not underwritten and was offered in the United Kingdom under the exemption against the need to publish a prospectus approved by the FCA in section 86(1)(e) of FSMA. The Retail Offer was not made into any jurisdiction other than the United Kingdom.

6. RELATED PARTY TRANSACTIONS

The following Directors are participating in the Placing at the Issue Price:

| <i>Director</i> | <i>At the date of this document</i> | | <i>Immediately following Admission</i> | |
|------------------|---------------------------------------|---|--|---|
| | <i>Number of Ordinary Shares held</i> | <i>Number of New Ordinary Shares subscribed for</i> | <i>Number of Ordinary Shares held</i> | <i>Percentage of Enlarged Share Capital</i> |
| Nick Salmon | – | 100,000 | 100,000 | 0.26% |
| Chris Walters | 84,667 | 33,333 | 118,000 | 0.31% |
| Tim Cooper | 11,666 | 33,333 | 44,999 | 0.12% |
| Mike Butterworth | 80,800 | 33,333 | 114,133 | 0.30% |

Schroders Investment Management (“Schroders”), Harwood Capital (“Harwood”) and Peter Gyllenhammar AB (“Gyllenhammar”), each a substantial shareholder of the Company (as defined in the AIM Rules), have conditionally subscribed for 2,333,333, 3,333,333 and 1,000,000 Placing Shares at the Issue Price, respectively.

The participations of the above Directors, Schroders, Harwood and Gyllenhammar each constitute related party transactions under Rule 13 of the AIM Rules. The Independent Director, having consulted with Singer Capital Markets, the Company’s nominated adviser, considers that the respective participations in the Placing detailed above are fair and reasonable in so far as the Shareholders are concerned.

7. BOARD CHANGES

The Board announced earlier today that James Locking intends to step down from his role as Chief Financial Officer of the Company. James will remain on the Board until 3 February 2023 and will support the Group in ensuring the completion of ongoing projects, including the FY22 Audit, and a smooth transition.

The Board would like to thank James Locking for his contribution and service to the business over the past four years and wishes him every success for the future. A recruitment process for James’ replacement has commenced.

8. GENERAL MEETING

A notice of a General Meeting to be held at the offices of Singer Capital Markets, at 11.00 a.m. on 2 December 2022 is set out at the end of this document. At this meeting two resolutions will be proposed:

- (a) the first resolution is an ordinary resolution to grant a new authority and power to the Directors to permit them to allot relevant securities up to an aggregate nominal amount of £380,000; and
- (b) the second resolution, which is a special resolution, is to grant the Directors the authority to allot the New Ordinary Shares pursuant to the Fundraising on a non-pre-emptive basis; and

Currently there are no UK Government restrictions on public gatherings and therefore we are inviting Shareholders to attend the General Meeting in person. If circumstances should change materially before the date of the General Meeting, we may adapt our proposed arrangements, working in accordance with UK Government guidelines and mindful of public health concerns. If there are material changes, we will provide updates as early as possible before the date of the General Meeting through a Regulatory Information Service and the Company’s website at www.pressuretechnologies.com. Shareholders are advised to check the Company’s website regularly for updates.

9. FURTHER INFORMATION

Further copies of this document can be downloaded from the Company’s website at www.pressuretechnologies.com. Shareholders’ attention is drawn to the remainder of this document.

10. ACTION TO BE TAKEN

You are strongly encouraged to vote electronically or to return a Form of Proxy in accordance with the instructions printed thereon. To be valid, the enclosed Form or Proxy should be returned as soon as possible but, in any event, so as to be received by Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD by no later than 11.00 a.m. on 30 November 2022 (or, in the case of an adjournment, no later than 48 hours (excluding non-working days) before the time fixed for the holding of the adjourned meeting). As an alternative to returning a hard copy Form of Proxy, you may submit your Proxy electronically at www.sharegateway.co.uk by using your Personal Proxy Registration Code as shown on the Form of Proxy. The same voting deadline of 11.00 a.m. on 30 November 2022 applies (or, in the case of an adjournment, no later than 48 hours (excluding non-working days) before the time fixed for the holding of the adjourned meeting).

If you hold your shares in the Company in uncertificated form (that is, in CREST) you may vote using the CREST Proxy Voting service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes to the Notice of the General Meeting set out at the end of this Circular). Proxies submitted via CREST must be received by the Company's agent, Neville Registrars Limited (whose CREST ID is 7RA11) by no later than 11.00 a.m. on 30 November 2022 (or, in the case of an adjournment, not later than 48 hours (excluding non-working days) before the time fixed for the holding of the adjourned meeting).

RECOMMENDATION

The Directors consider the Fundraising to be in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors unanimously recommend Shareholders to vote in favour of the Resolutions to be proposed at the General Meeting, as they intend to do in respect of their beneficial holdings amount to, in aggregate, 177,133 Ordinary Shares, representing approximately 0.57 per cent. of the existing issued Ordinary Share capital of the Company.

Yours faithfully

Nick Salmon

Non-Executive Chairman

NOTICE OF GENERAL MEETING

PRESSURE TECHNOLOGIES PLC

(registered in England and Wales number 06135104)

NOTICE IS HEREBY GIVEN that a General Meeting of the Company will be held at the offices of Singer Capital Markets at 11.00 a.m. on 2 December 2022 for the purposes of considering and, if thought fit, passing the following resolutions of which resolution 1 will be proposed as an ordinary resolution and resolution 2 will be proposed as a special resolution.

ORDINARY RESOLUTION

1. That, in accordance with section 551 of the Companies Act 2006 (“**Act**”), the directors of the Company (the “**Directors**”), in addition to all previous authorities granted to the Directors, be generally and unconditionally authorised to exercise all the powers of the Company to allot shares in the Company, and grant rights to subscribe for up to an aggregate nominal amount of £380,000 (within the meaning of sections 551(3) and (6) of the said Act), in connection with the Fundraising (as such term is defined and detailed in the circular to the Company’s shareholders dated 16 November 2022 of which this notice forms part). This power, unless renewed, extended, varied or revoked by the Company in general meeting, shall expire 90 days after passing of this resolution save that the Company may before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the directors may allot the relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

SPECIAL RESOLUTION

2. That, subject to and conditional upon the passing of resolution 1 and in addition to all previous authorities granted to the Directors, in accordance with section 570 of the Act, the Directors be generally empowered to allot equity securities (as defined in section 560(1) of the Act) which are the subject of the authority conferred by that resolution as if section 561 of the Act did not apply to such allotment, provided that this power shall be limited to the allotment of equity securities up to an aggregate nominal amount of £380,000, in connection with the Fundraising as detailed in the circular to shareholders of the Company dated 16 November 2022. This power, unless renewed, extended, varied or revoked by the Company in general meeting, shall expire 90 days after passing of this resolution save that the Company may before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the directors may allot the relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

By order of the Board

Haddleton & Co Limited

Secretary

Registered Office

Meadowhall Road, Sheffield, England, S9 1BT

NOTES

1. Members are entitled to appoint a proxy to exercise all or any of their rights to vote on their behalf at the meeting and at any adjournment of it. A proxy need not be a member of the Company. A member may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. If a proxy appointment is submitted without indicating how the proxy should vote on any resolution, the proxy will exercise his discretion as to whether and, if so, how he votes.
2. To be effective, you are strongly encouraged to vote electronically or to return a Form of Proxy in accordance with the instructions printed thereon. To be valid, the enclosed Form or Proxy should be returned as soon as possible but, in any event, so as to be received by Neville Registrars Limited, Neville House, Steelpark Road, Halesowen B62 8HD no later than 11.00 a.m. on 30 November 2022 (or, in the case of an adjournment, no later than 48 hours (excluding non-working days) before the time fixed for the holding of the adjourned meeting). As an alternative to returning a hard copy Form of Proxy, you may submit your Proxy electronically at www.sharegateway.co.uk by using your Personal Proxy Registration Code as shown on the Form of Proxy. The same voting deadline of 11.00 a.m. on 30 November 2022 applies (or, in the case of an adjournment, no later than 48 hours (excluding non-working days) before the time fixed for the holding of the adjourned meeting).
3. A vote withheld option is available to enable you to instruct your proxy not to vote on any particular resolution, however, it should be noted that a vote withheld in this way is not a 'vote' in law and will not be counted in the calculation of the proportion of the votes 'for' and 'against' a resolution.
4. Pursuant to Regulation 41 of The Uncertificated Securities Regulations 2001 and paragraph 18(c) of The Companies Act 2006 (Consequential Amendments) (Uncertificated Securities) Order 2009, the Company specifies that only those members registered on the Company's register of members 48 hours before the time of the meeting shall be entitled to vote at the meeting. In calculating the period of 48 hours mentioned above no account shall be taken of any part of a day that is not a working day. Subsequent changes to entries on the register after this time shall be disregarded in determining the rights of any persons to attend or vote at the meeting.
5. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders' appear in the company's register of members in respect of the joint holding (the first-named being the most senior).
6. If a member submits more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
7. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for this meeting by using the procedures described in the CREST manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. Please note the following:
 - 7.1 In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST proxy instruction') must be properly authenticated in accordance with Euroclear UK & International Limited's specifications and must contain the information required for such instructions, as described in the CREST manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent, Neville Registrars Limited (whose CREST ID is 7RA11) by the latest time(s) for receipt of proxy appointments specified in this notice. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST application host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
 - 7.2 CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & International Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST proxy instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred in particular to those sections of the CREST manual concerning practical limitations of the CREST system and timings.
 - 7.3 The Company may treat as invalid a CREST proxy instruction in the circumstances set out in regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
 - 7.4 Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

