Interim Results 2022

Chris Walters, Chief Executive
James Locking, Chief Financial Officer

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Pressure Technologies

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Agenda

1. Group Highlights

Group Highlights

INTERIM RESULTS

- Group: Revenue of £9.5 million (2021: £14.5 million) and adjusted operating loss* of £2.1 million (2021: £1.1 million adjusted operating profit)
- CSC: Revenue of £6.3 million (2021: £11.3 million) and an adjusted EBITDA** of £0.1 million (2021: £3.3 million) reflecting major defence contract placement and milestone phasing
- PMC: Revenue of £3.2 million (2021: £3.2 million) and a negative adjusted EBITDA** of £0.4 million (2021: negative adjusted EBITDA £0.6 million) reflecting oil and gas market conditions

** Adjusted operating (loss)/profit is operating loss before amortisation, impairments and other exceptional costs*
*** Adjusted EBITDA is operating (loss)/profit before depreciation, amortisation, impairments and other exceptional costs*

CHESTERFIELD SPECIAL CYLINDERS (CSC)

- Highest order book level for over five years at period end, driven by major defence contracts
- Hydrogen revenue over twelve months to period end reached £2.4 million (2021: £0.5 million)
- Integrity Management revenue almost doubled to £1.3 million (2021: £0.7 million)

PRECISION MACHINED COMPONENTS (PMC)

- Order book grew steadily during the period, reaching its highest level since August 2020
- Profitability strengthened at Roota Engineering, while recovery was slower at Al-Met
- Order intake continued to grow in the three-month period to the end of May 2022

OUTLOOK

- Strong second-half performance expected in CSC based on existing order book
- Continued improvement in oil and gas market outlook for PMC
- Group remains confident in meeting full-year market expectations

2.

Group Financial Results

Chesterfield Special Cylinders

Precision Machined Components

Banking Facilities & Net Debt Reconciliation

Group Financial Highlights

Revenue 34% down

£9.5m

2021: £14.5m

Gross profit

£2.1m

2021: £4.7m

Adjusted operating loss*

£(2.1)m

2021: £1.1m adjusted operating profit

Loss before taxation

£(2.3)m

2021: profit before taxation £0.2m

Reported basic loss per share

(6.0)p

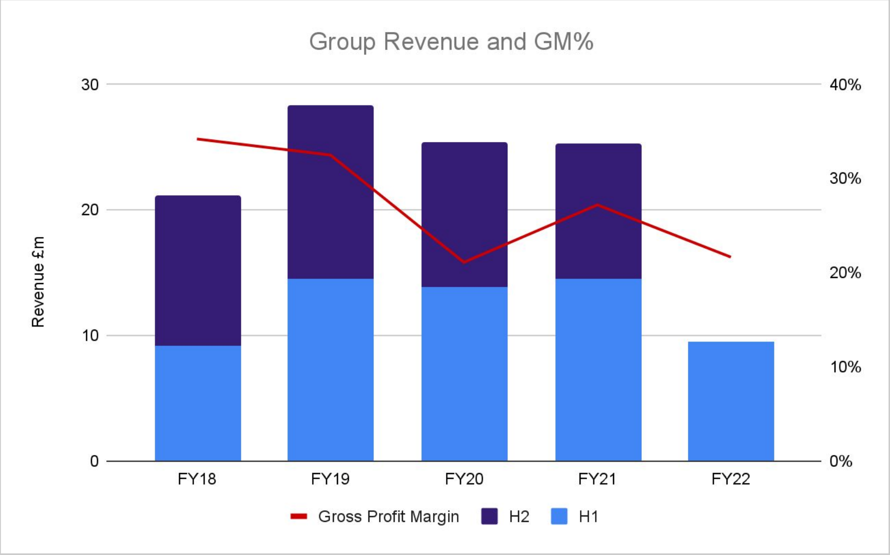
2021: earnings per share of 0.8p

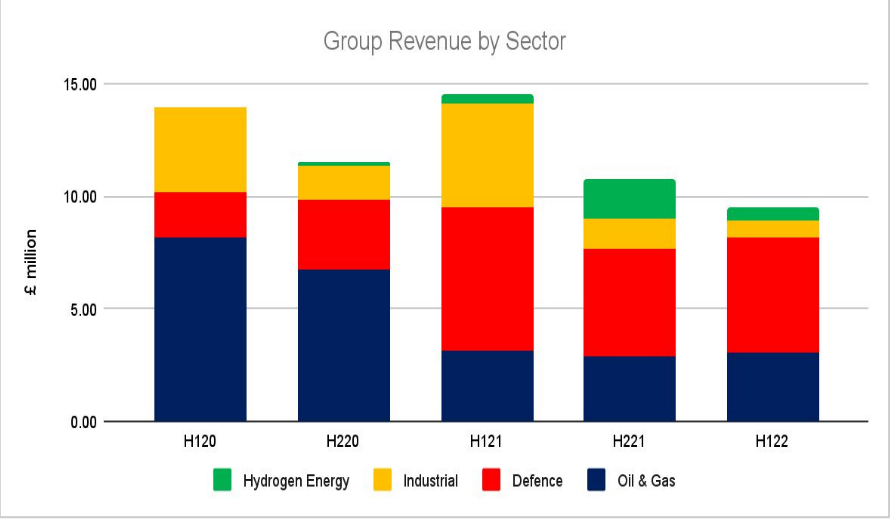
Net debt**

£5.4m

Oct 2021: £4.9m

** Adjusted operating (loss)/profit is operating (loss)/profit before amortisation, impairments and other exceptional costs*
*** Net debt includes gross borrowings, asset finance leases, right of use asset leases, less cash and cash equivalents*





Group Financial Results - Profit and Loss

Pressure Technologies

	H122 £m	H121 £m	FY21 £m
Revenue	**9.5**	14.5	25.3
Chesterfield Special Cylinders Division	**6.3**	11.3	18.9
Precision Machined Component Division	**3.2**	3.2	6.4
Gross profit	**2.1**	4.7	6.7
Adjusted operating (loss)/profit	**(2.1)**	1.1	(0.7)
Chesterfield Special Cylinders Division	**(0.3)**	3.0	2.8
Precision Machined Components Division	**(0.8)**	(1.0)	(1.6)
Group and Central costs	**(1.0)**	(0.9)	(1.9)
Exceptional items	**-**	(0.7)	(3.0)
Operating (loss)/profit	**(2.1)**	0.4	(3.7)
(Loss)/profit before taxation	**(2.3)**	0.2	(4.2)
(LPS)/EPS basic (pence)	**(6.0)**	0.8	(12.0)
(LPS)/EPS adjusted (pence)	**(5.7)**	2.9	(2.2)
Dividend (pence)	**nil**	nil	nil

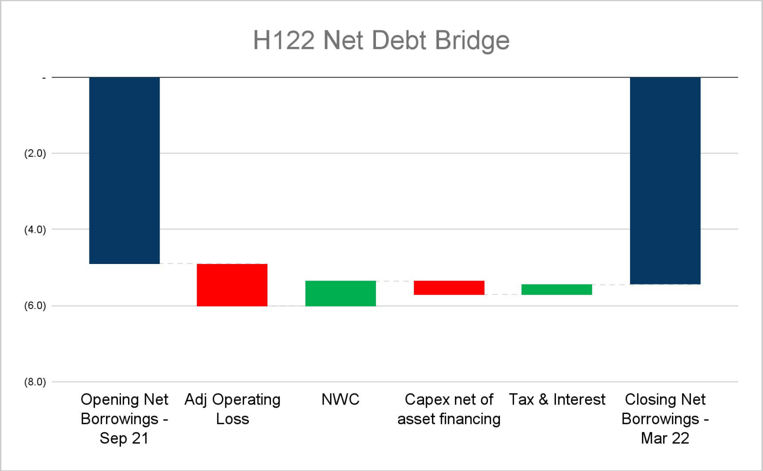
Adjusted operating loss for the period reflects timing of defence contract placement and milestone phasing in CSC and continued weak PMC trading performance in the first half

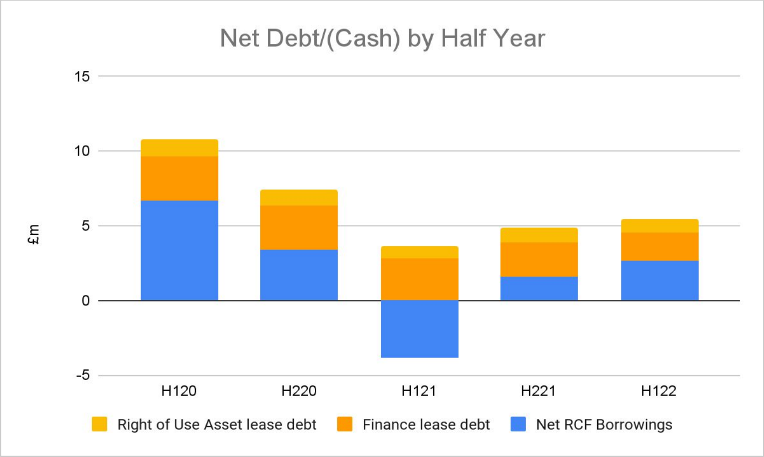
Lower CSC revenue and margin driven mainly by defence contract activity and milestones that will benefit the second half of the year

PMC revenue and margin still impacted by difficult oil and gas market conditions, but order intake and enquiries are increasing and key OEM customers are reporting an improving outlook later in 2022

Group Financial Results - Balance Sheet

	H122 £m	FY21 £m	H121 £m
Intangible Assets	**0.2**	0.1	0.2
Tangible fixed assets	**11.7**	12.1	13.8
Right of use assets	**0.8**	1.0	0.8
Tangible Assets	**12.5**	13.1	14.6
Assets held for sale	**-**	0.2	0.4
Net Working Capital (NWC)	**7.6**	8.3	6.0
Long-term Liabilities	**(0.1)**	(0.2)	(0.4)
Tax Asset/(Provision)	**0.5**	0.5	(0.3)
RCF facility drawn borrowing	**(4.0)**	(4.8)	(4.8)
Cash and cash equivalents	**1.3**	3.2	8.6
Asset finance and right of use asset lease debt	**(2.7)**	(3.3)	(3.6)
Total Net (Debt)/Cash	**(5.4)**	(4.9)	0.2
Net Assets	**15.3**	17.1	20.7

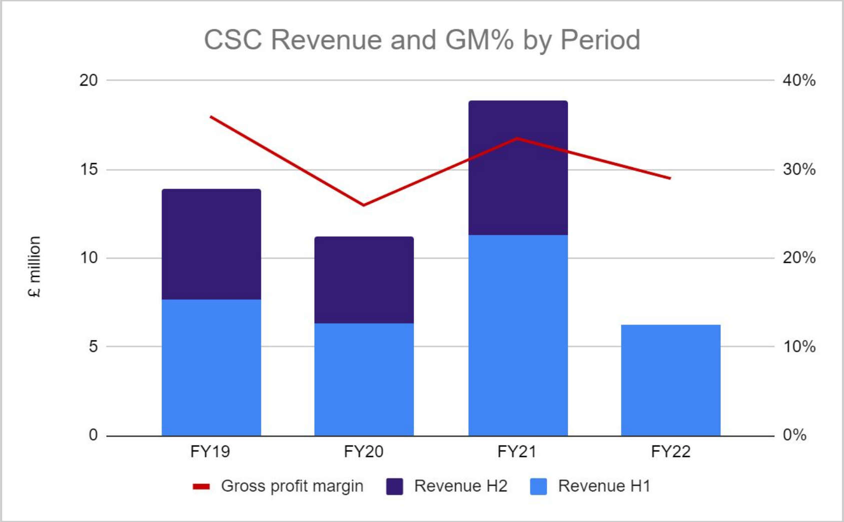


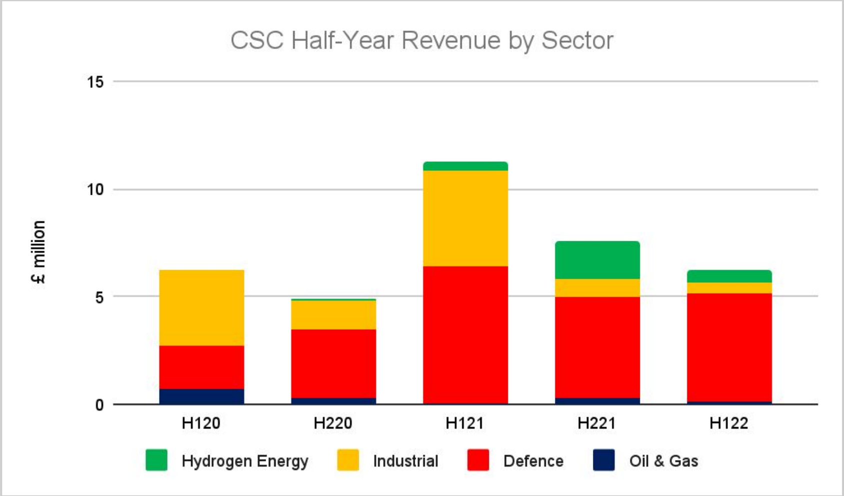


Chesterfield Special Cylinders - Financial Results

Revenue 44% down to **£6.3m** 2021: £11.3m	Gross profit **£1.8m** 2021: £4.6m
Adjusted operating loss* **£(0.3)m** 2021: adjusted operating profit £3.0m	Gross profit margin **29%** 2021: 41%
Return on revenue **-4%** 2021: 26%	Orderbook at March 2022 **£14.6m** March 2021: £8.0m

** Adjusted operating (loss)/profit is operating (loss)/profit before amortisation, impairments and other exceptional costs*



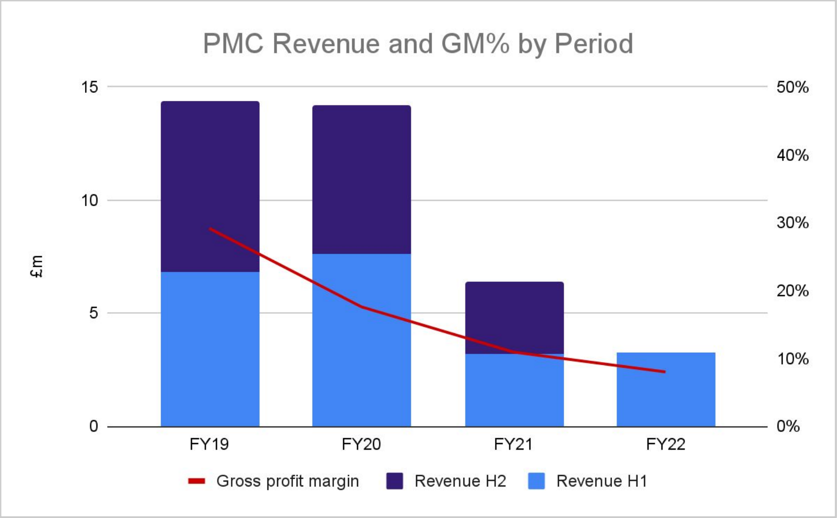


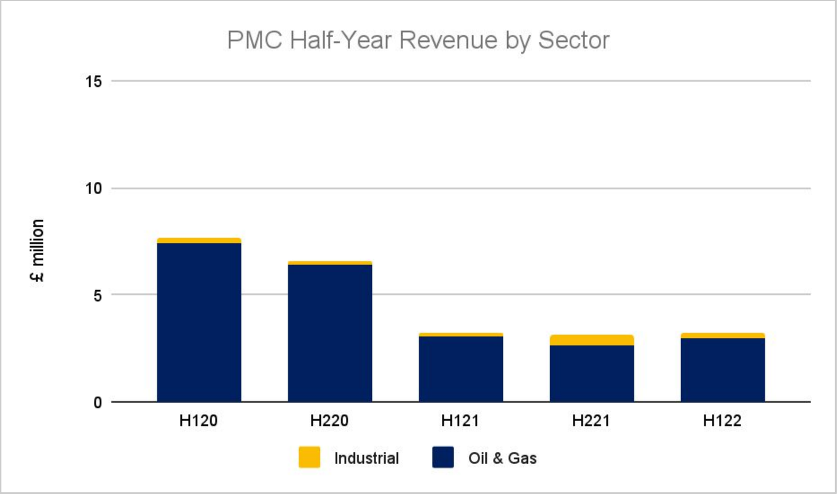
Precision Machined Components - Financial Results

Pressure Technologies

Revenue unchanged £3.2m 2021: £3.2m	Gross profit £0.3m 2021: £0.1m
Adjusted operating loss* £(0.8)m 2021: adjusted operating loss £(1.0)m	Gross profit margin 8% 2021: 3%
Return on revenue -25% 2021: -28%	Orderbook at March 2022 £2.2m March 2021: £1.6m

** Adjusted operating loss is operating loss before amortisation, impairments and other exceptional costs*





Banking Facilities & Net Debt Reconciliation

LLOYDS BANK REVOLVING CREDIT FACILITY

- £4.0 million fully drawn
- Extended to September 2023

FINANCIAL COVENANTS FROM SEPTEMBER 2022:

- Leverage test
  - Net Debt to Adjusted EBITDA < 3.0 times
- Interest cover test
  - Adjusted EBITDA to Net Interest > 4.0 times
- Covenants tested quarterly using rolling 12 months trailing EBITDA & Net Interest

Net Debt	**£m**
Cash and Cash Equivalents	1.3
Bank Borrowings	(4.0)
Asset Finance Leases	(1.9)
Right of Use Asset Leases	(0.8)
Net Debt - 2 April 2022	(5.4)

3.

Chesterfield Special Cylinders

Highlights

Hydrogen Energy

Integrity Management Services

Chesterfield Special Cylinders | Highlights

First-half performance reflects timing of major defence contract placement and milestone phasing. Strong second-half underpinned by record orderbook and high-value defence contracts

FIRST-HALF PERFORMANCE & STRATEGIC PROGRESS

- Timing of major defence contract placement and the phasing of contract milestones resulted in a first-half revenue of £6.3 million (2021: £11.3 million).
- Order book at the end of the period reached its highest level for over five years, with further high-value defence orders placed in the first two months of the second half
- Hydrogen project revenue over the twelve-month period to 2 April 2022 was significantly higher at £2.4 million (twelve-month period to 3 April 2021: £0.5 million)
- Integrity Management and factory cylinder reconditioning services increased during the period, delivering revenue of £1.3 million (2021: £0.7 million)

OUTLOOK

- Strong second-half performance expected for CSC, with revenue of more than £11.0 million already in the orderbook for delivery by the end of September 2022
- The pipeline of hydrogen energy opportunities continues to develop, with order intake from this exciting market expected to grow significantly into 2023 and beyond
- Enquiries increasing for large-scale green hydrogen ground storage and for hydrogen road trailers in the UK and Europe, orders expected to grow significantly into 2023

Hydrogen Energy - Orders, Enquiries, Developments

Orders and enquiries for static and mobile hydrogen storage systems growing. Increasing demand for transportation of hydrogen, where CSC is well positioned

ORDER PLACEMENT SLOWER IN THE FIRST HALF, STRONGER IN THE SECOND HALF

- First-half pause in order placement with delayed investment decisions due to uncertain economic climate, increasing material prices and supply chain disruption
- Orders placed by key customers Shell, Haskel and McPhy focused on 500 bar medium pressure storage for refuelling station projects in Europe

ENQUIRY LEVELS CONTINUE TO RISE FOR APPLICATIONS ACROSS THE SUPPLY CHAIN

- Increasing enquiries from UK, Europe, Australia and New Zealand for storage and transport of hydrogen for mobility and decarbonisation projects at higher pressures
- New hydrogen producers and consumers are seeking solutions for the the offtake, storage and transport of green hydrogen between the electrolyser and point of use
- CSC is well positioned to provide electrolyser ground storage, transportable storage and offtake ground storage for refuelling or industrial decarbonisation applications

PRODUCT DEVELOPMENT TO MEET THE RANGE OF SOLUTIONS IN DEMAND

- Steel and composite road trailer solutions in development to meet demand for road transport and flexible short-term alternatives to static ground storage
- High-pressure ground storage up to 1,000 bar and transportable storage up to 500 bar are in demand and driving further product development focus to extend product range

Hydrogen Energy - Refuelling Station Projects

First-half developments reflect continued transition to commercial hydrogen refuelling for UK and European mobility projects

CUSTOMER & SUPPLIER RELATIONSHIPS, FORECAST VISIBILITY

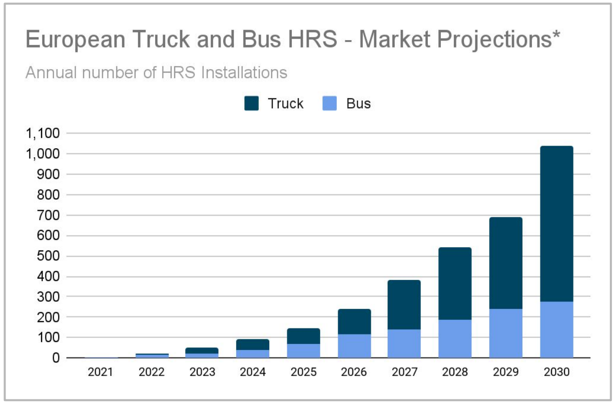
- Key customers sharing more detail of longer-term hydrogen refuelling station (HRS) forecasts for heavy-duty truck and bus applications
- Forecasts enable planning of capabilities, manufacturing capacity and steel tube supply through partnerships with Tenaris and Vallourec

KEY CUSTOMERS REPORT INVESTMENT IN MANUFACTURING CAPACITY

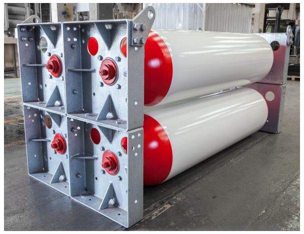
- McPhy working on the development of new Grenoble-based Gigafactory, following site acquisition in Spring 2022
- Haskel implementing 200% capacity increase in HRS production at its Sunderland, UK site and similar site development in Rouen, France

WORKING WITH CUSTOMERS ON STANDARDISED PRODUCTS & TERMS

- Standardised product designs and modular assemblies allow customers to quickly develop HRS layouts and production plans
- Security of long-term supply is increasingly important to customers, driving demand for strategic supply agreements and commercial terms



** Market projections by Pressure Technologies based on: (1) Element Energy HRS Market Report for CSC (2021) validated by HyEnergy, (2) National Implementation Plan, Hydrogen Refuelling Infrastructure Belgium. Waterstofnet (2015), (3) FCE Buses - Potential for Sustainable Public Transport, Roland Berger for FCH JU (2018) and (4) Hydrogen, Enabling a Zero Emission Europe: Technology Roadmaps, Hydrogen Europe (2018)*



Hydrogen Energy - Outlook for Green Hydrogen

UK and EU Commission announcements drive expectations of accelerated adoption of hydrogen by 2030, supported also by UK BEIS and EU IPCEI competitions for project funding

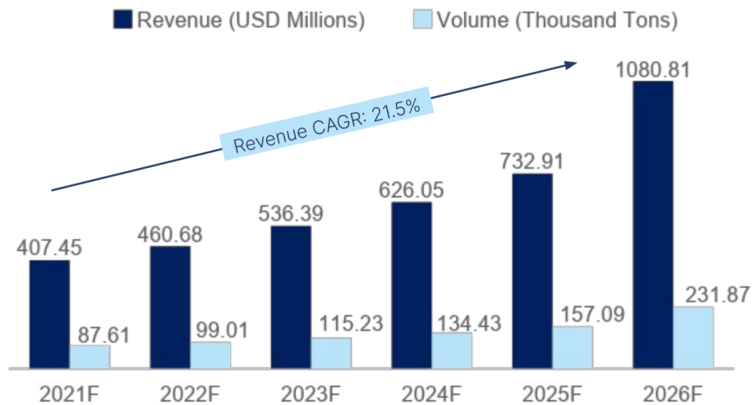
INCREASED AMBITIONS FOR GREEN HYDROGEN

- Ambition for UK green hydrogen production from 5GW to 10GW (British Energy Security Strategy, 6 April 2022)
- EU Commission announced REPowerEU (18 May 2022) in response to Russian threat, accelerating hydrogen projects:
    - target of 10m tonnes domestic renewable hydrogen production and further 10m tonnes imported by 2030 to replace natural gas, coal and oil, especially from Russia
    - earlier completion of assessment of IPCEI projects (Important Projects of Common European Interest) by summer 2022
    - Another €200 million set aside for research to support hydrogen production and infrastructure development

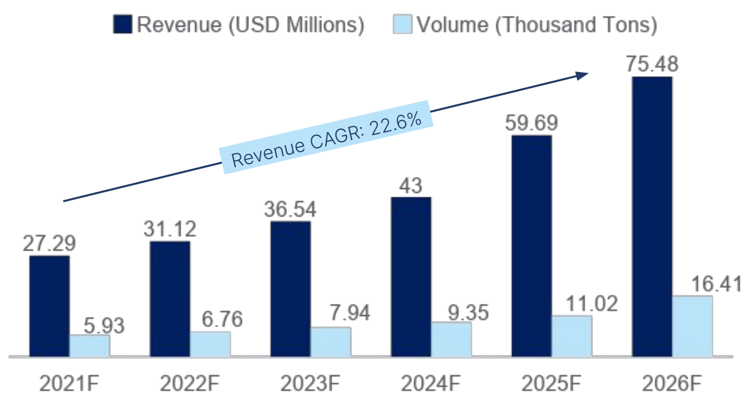
INDUSTRIAL DECARBONISATION DRIVES COLLABORATION & FUNDING OPPORTUNITIES

- CSC collaborating with energy and industrial companies to submit bids for UK BEIS funding reflecting end-end storage solutions for SME industrial decarbonisation

Global Green Hydrogen Market Revenues (USD Million) & Volume (Thousand Tons), 2016- 2026F[1]



The UK Green Hydrogen Market Revenues (USD Million) & Volume (Thousand Tons) 2016-2026F[1]



[1]Source - EY Parthenon & MarkNtel Advisors, Global Green Hydrogen Market Research Report (2021-2026)

Integrity Management Services

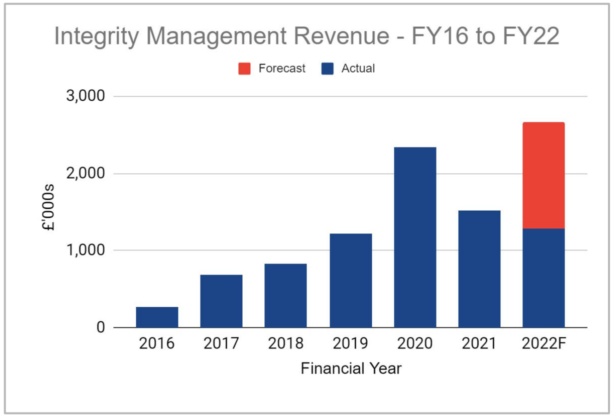
Demand for Integrity Management and factory cylinder reconditioning services grew steadily during the period, with increased field deployments scheduled for the second half of the year

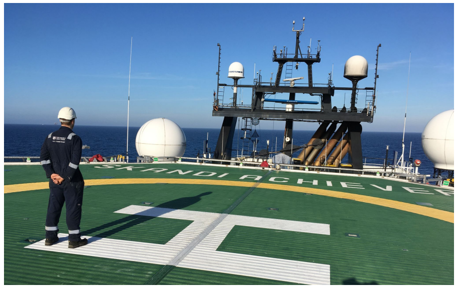
FOCUS FOR GROWTH OF INTEGRITY MANAGEMENT SERVICES

- Inspection, testing and recertification of high-pressure systems represent a key business growth area for CSC
- Strong growth since services established in 2016
- Expected to exceed 10% of revenue in FY22
- Experts provide risk-based support on maintenance schedules and life-extension programmes, helping to improve safety and performance

KEY MARKETS

- Authorised by UK MoD for in-service submarine and surface ship inspection and refit programmes
- Currently 75% of revenue from defence projects
- Diversifying into markets for offshore oil and gas, diving support, offshore cranes, onshore industrial and nuclear gas storage systems





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Precision Machined Components

Highlights

Precision Machined Components| Highlights

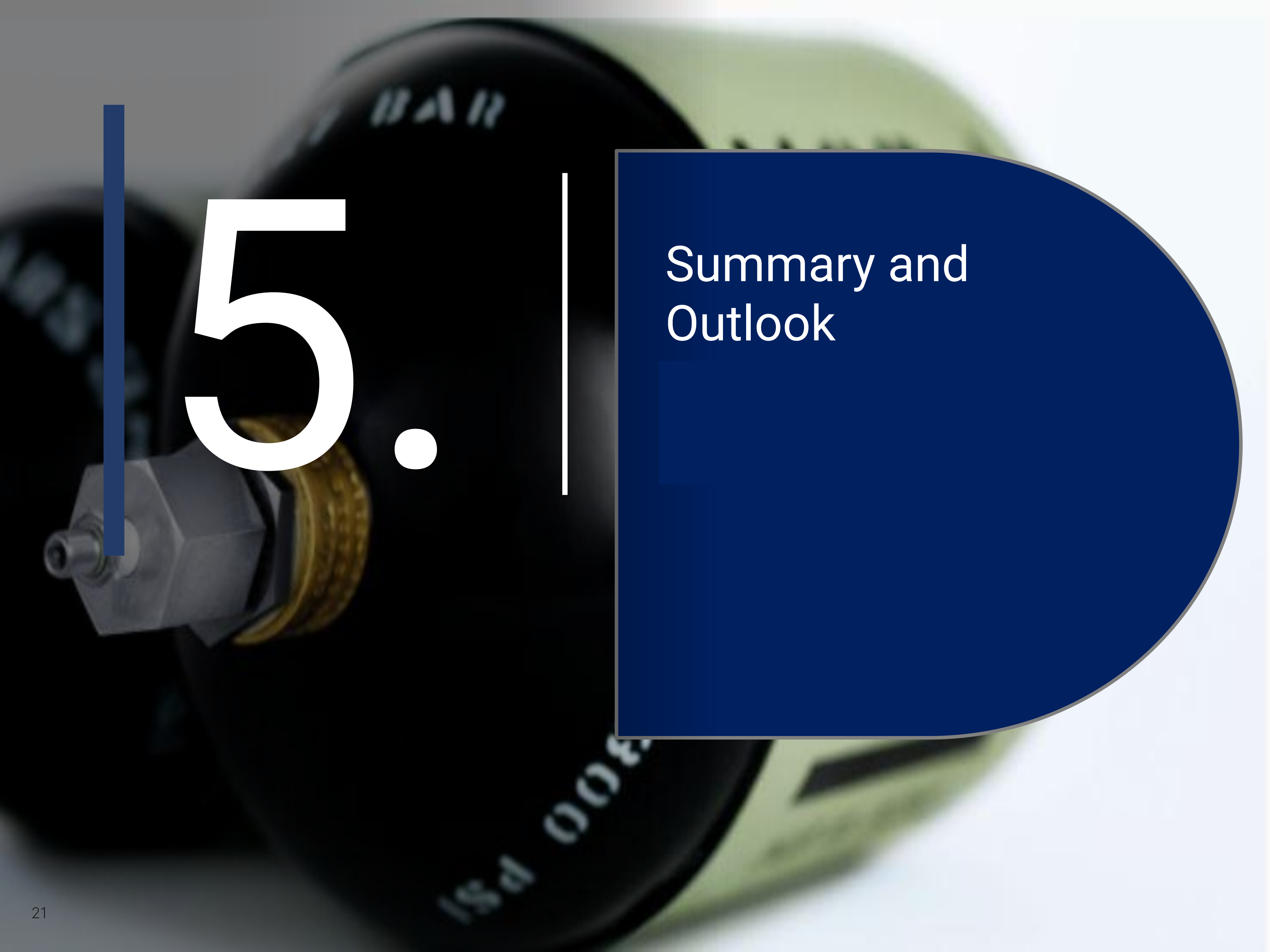
Demand is expected to grow further as all major OEM customers report a strengthening oil and gas market outlook through the second half of 2022 and beyond

FIRST-HALF PERFORMANCE & STRATEGIC PROGRESS

- Revenue of £3.2 million (2021: £3.2 million) reflected the challenging trading conditions in the oil and gas market
- Divisional order book grew during first half to the highest level since August 2020
- Profitability strengthened at Roota Engineering, while recovery of demand slower at Al-Met
- Order intake for three months to May 2022 was £2.2 million (three months to February 2022: £1.7 million)

OUTLOOK

- Customers, Cameron, Baker Hughes, Aker, Expro, Halliburton and Schlumberger forecasting demand recovery through remainder of 2022 and beyond
- Improving customer sentiment and outlook has been supported by increasing enquiry levels and order placement
- Recovery of orders, extension of scope for existing customers and the acquisition of new customers are encouraging
- Return to profitability is forecast for Al-Met and the division by the end of the first quarter in FY23



5. Summary and Outlook

Summary & Outlook

Strong second-half underpinned by record orderbook in Chesterfield Special Cylinders and recovering oil and gas market in Precision Machined Components

CHESTERFIELD SPECIAL CYLINDERS

- Strong second-half performance expected, with revenue of more than £11.0 million already in the orderbook for delivery by the end of September 2022
- Second-half revenue driven by high-value defence contract milestones, Integrity Management deployments and hydrogen energy projects
- Enquiries increasing for large-scale green hydrogen ground storage facilities and road trailers

PRECISION MACHINED COMPONENTS

- Recovery of order intake levels expected to continue throughout the second half
- OEM customers report a stronger oil and gas market outlook
- Division expected to return to profitability by the end of the first quarter FY23

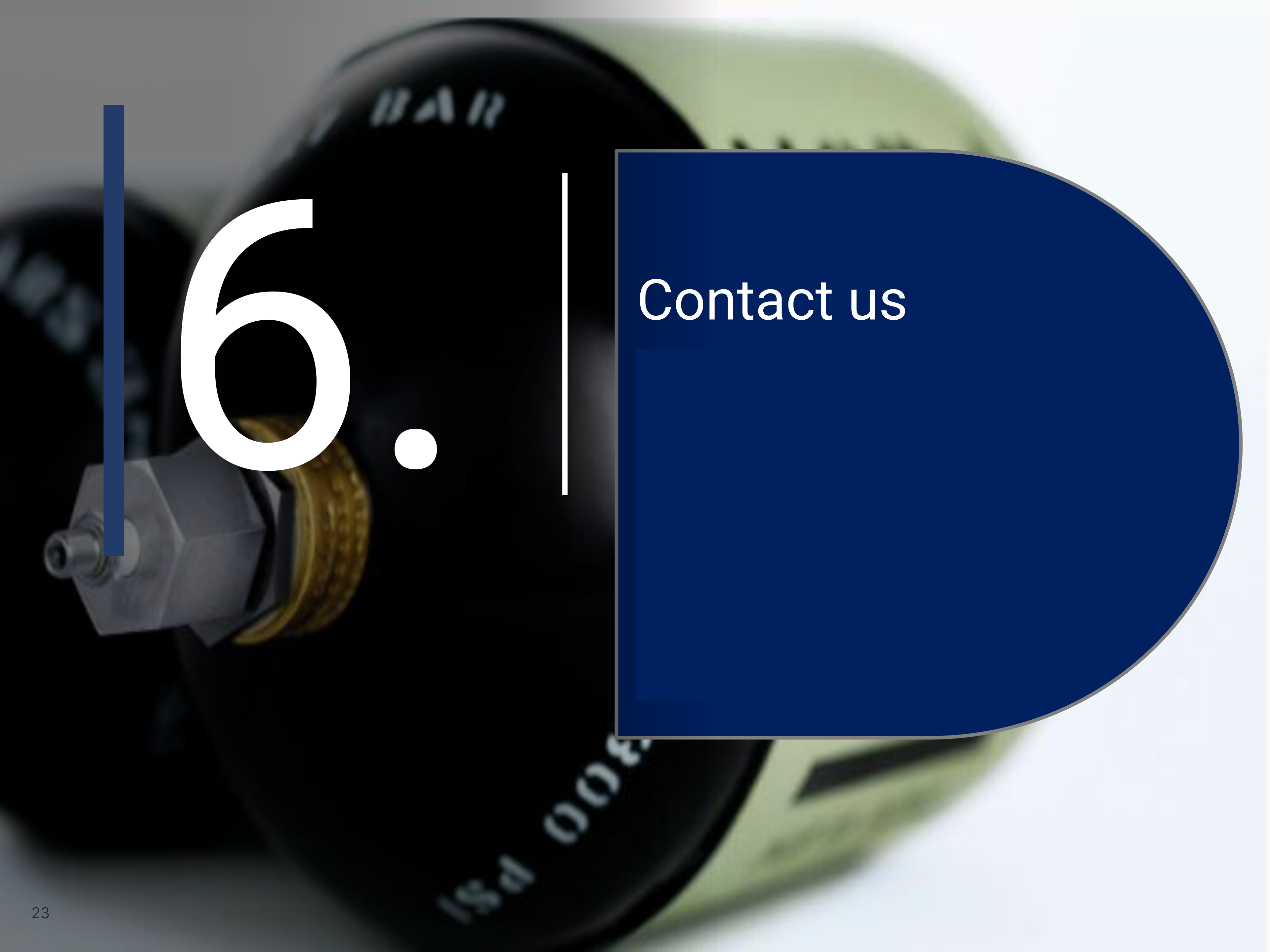
GROUP

- Notwithstanding the current economic climate and cost-inflationary pressures, the Board is excited about future opportunities for the Group and remains confident in meeting full-year market expectations

Defence

Hydrogen Energy

Oil & Gas



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Pressure Technologies plc | LinkedIn

0333 015 0710

www.pressuretechnologies.co.uk

PressureTechnologies@houston.co.uk

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Appendix

Group Overview

History & Key Milestones

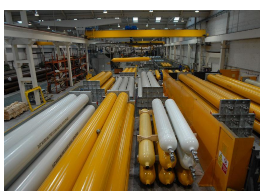
Group Overview

Pressure Technologies

Leading UK designer and manufacturer of safety-critical components and systems serving global supply chains in defence, oil and gas, industrial and hydrogen energy markets

Chesterfield Special Cylinders (CSC)

- Established in 1897
- Safety-critical gas containment systems
- Global defence, oil and gas, industrial customers
- Growing inspection and recertification services
- Increasing presence in hydrogen energy market

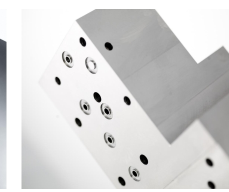




BAE SYSTEMS
ROLLS ROYCE
McPhy
Haskel
NAVAL GROUP
edf
BALLARD
babcock
PLUG POWER
BOC
ITM POWER Energy Storage | Clean Fuel

Precision Machined Components (PMC)

- Al-Met, Roota and Martract brands
- Highly specialised precision components
- Complex, safety-critical applications
- Global oil and gas OEM customer base
- Opportunities for end market diversification





Schlumberger
HALLIBURTON
BAKER HUGHES a GE company
TechnipFMC
EXPRO
MI SWACO
CAMERON A Schlumberger Company
OXFORD FLOW

History & Key Milestones

- **1897** – The Universal Weldless Steel Tube Company Limited is formed in London
- **1906** – Chesterfield Tube Company Limited acquires The Universal Weldless Steel Tube Company Limited
- **2004/5** – John Hayward (former Chief Executive of Pressure Technologies) leads an MBO of Chesterfield Tube Company Limited, renaming the business Chesterfield Special Cylinders and relocates the business to Sheffield
- **2007** – Pressure Technologies plc is established and listed on AIM
- **2010** – Acquisition of Al-Met, specialist in complex flow control parts. Al-Met was the founding business of the PMC division
- **2010** – Acquisition of Hydratron Ltd, an Engineering Products specialist
- **2014/5** – Acquisition of Greenlane Biogas, an international player in the biogas upgrading market
- **2014/5** – Acquisition of Roota in 2014 and Quadscot in 2015 , experts in complex bespoke components and second and third businesses within the PMC division at Pressure Technologies
- **2017** – Acquisition of Martract, the fourth business to join the PMC division.
- **2018/19** – Hydratron in 2018 & Greenlane Biogas in 2019 spun out via strategic sales
- **2020** – Quadscot site closed in June 2020 and orderbook consolidated into Roota's operations