

Plexus Holdings PLC / Index: AIM / Epic: POS / Sector: Oil equipment & services



1 March 2023

Plexus Holdings PLC ('Plexus' or 'the Company')

Burnside House Property Update

Plexus Holdings PLC, the AIM quoted oil and gas engineering services business and owner of the proprietary POS-GRIP® friction-grip method of wellhead engineering, known for its safety, time and cost saving capabilities, is pleased to provide an update on the Company's arrangements with its Burnside House property in Aberdeen.

Following the sale of the Company's POS-GRIP® exploration rental wellhead business to TechnipFMC ('TFMC') in 2018, Plexus consolidated its staff and operations at Burnside House, Dyce, Aberdeen. As part of this transaction, TFMC took a three-year lease on Plexus' other main building, Plexus House, Dyce, Aberdeen. Following the expiry of the lease with TMFC in 2021, Plexus was left with additional space which was not required for its day-to-day operations and decided to consolidate its own operations at Plexus House. In order to control costs and operate the business as efficiently as possible, Plexus has recently completed a sub-lease of Burnside House to a third party for a period of 15 years, at an initial rent of £76,146 per annum for the first four years rising to £215,000 per annum for the next three years, following which a review will take place to adjust the annual rental payment to an open market rate. Plexus' title to Burnside House is a ground lease which expires in 2076 (the "Leasehold Interest") and requires the leaseholder to pay ground rent on an annual basis.

Related Party Transaction

Alongside the Company's agreement to sub-let Burnside House, the Company carried out an assessment to establish if it would be possible to sell the Leasehold Interest to a third party, in order to accelerate receipt of the cash. As it was deemed not possible to conclude such a transaction with an external party on acceptable terms in a timely manner, the Company has agreed to sell the Leasehold Interest, along with all associated leasehold liabilities, to Burnside House Limited (the "Transaction"), a private company which has been established for the purpose of the Transaction and is owned by Ben van Bilderbeek, CEO of Plexus, and certain members of Mr van Bilderbeek's family, including his spouse.

Burnside House Limited will pay as consideration £1.05 million in cash to Plexus (the "Consideration") upon completion, which will be used to strengthen Plexus' working capital position.

The terms of the Transaction, including the Consideration, have been reviewed as part of an independent evaluation carried out on behalf of the Board by an external property adviser.

The Transaction is deemed to be a related party transaction for the purposes of the AIM Rules for Companies. The independent Directors (being all directors other than Ben van Bilderbeek) consider, having consulted with the Company's nominated adviser, Cenkos Securities plc, that the terms of the Transaction are fair and reasonable insofar as the Company's shareholders are concerned.

****ENDS****

For further information please visit www.plexusplc.com or contact:

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Plexus Holdings plc (AIM: POS)

Plexus is an IP led company focussed on establishing its patented leak-proof POS-GRIP® wellhead and associated equipment as the go-to technology for energy markets whilst making a genuine contribution to the oil and gas industry's ESG and NetZero goals by championing "through the BOP" (Blow-out Preventer) designs, and lifetime leak-proof HG® metal-to-metal sealing systems. Having protected the environment for many years through these technological innovations, the Company was awarded the London Stock Exchange's Green Economy Mark in July 2021 and continues to place emphasis on its ability to reduce harmful methane emissions and unnecessary maintenance and intervention costs.

Headquartered in Aberdeen, the Company has provided leak-free wellhead performance in over 400 wells worldwide and worked with an array of blue-chip oil and gas company clients. As well as generating direct revenues from securing orders for surface production wellheads particularly in the UK and European North Sea regions, the Company has several licencing/collaboration agreements with major partners including FMC Technologies, which is a subsidiary of TechnipFMC and Cameron, a Schlumberger Group company. Cameron has a non-exclusive licence to use the POS-GRIP and HG® metal-to-metal seal method of wellhead engineering for the development of conventional and unconventional oil and gas surface wellheads, and Plexus entered into a Cooperation Agreement, which enabled Plexus to return to the Jack-up Exploration (Adjustable) Wellhead rental business for 'through the BOP' jack-up applications, where Cameron will help to provide Plexus with sales leads and market insight through a formal Sales Advisory Board.

Plexus' current suite of products and applications include: "HG" wellheads, which combine POS-GRIP technology with gas tight leak free metal-to-metal sealing; the Python® subsea wellhead, developed in a Joint Industry Project with several industry leaders; the POS-SET™ Connector for the de-commissioning and abandonment market; and Tersus-PCT, an innovative HP/HT tie back connector product. Having proved the superior uniquely enabling qualities of POS-GRIP Technology, Plexus is now also focused on establishing its technology and equipment in other markets such as Plug and Abandonment de-commissioning, carbon capture, gas storage, hydrogen and geothermal where it can play an important role in reducing harmful methane emission risks as operators strive to deliver on ESG commitments and NetZero goals in a safe and cost-effective way.

For more information visit: <https://www.plexusplc.com/>

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