RNS Number : 1238H
Plexus Holdings Plc
18 March 2024

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

This announcement contains inside information.

18 March 2024

PLEXUS HOLDINGS PLC

("Plexus" or the "Company" or the "Group")

INTERIM RESULTS FOR THE 6 MONTHS TO 31 DECEMBER 2023

Plexus Holdings plc, the AIM quoted oil and gas engineering services business and owner of the proprietary POS-GRIP® method of wellhead engineering, announces its interim results for the six months to 31 December 2023.

FINANCIAL RESULTS

- Sales revenue £5,087k (2022: £709k)
- EBITDA £3,083k (2022: £1,098k loss)
- Operating profit £2,247k (2022: £2,018k loss)
- Profit before tax £2,219k (2022: £2,073k loss)
- Earnings per share 2.19p (2022: 2.06p loss)
- Cash of £0.83m (2022: £1.14m)
- Total assets of £22.5m (2022: £17.3m)
- Total liabilities of £7.8m (2022: £3.9m)

OPERATIONAL OVERVIEW

- August 2023 - the value of specialised subsea project application announced in March 2023 was increased from c.£5m to c.£8m.
- September 2023 - entered into loan agreements with a total value of £0.7m with Plexus' CEO Ben van Bilderbeek related entities.
- October 2023 - completion of Oceaneering Plug and Abandonment ('P&A') campaign originally announced in June 2022. Plexus Mud Containment System used sequentially on four different wells generated revenues of £0.85m, a 70% increase on original estimates.
- October 2023 - placing of 2,750,000 Treasury Shares raising gross proceeds of £0.55m.
- October 2023 - contract for a P&A project secured through licensor SLB for the rental of Exact adjustable wellhead system and Centric Mudline tooling for a leading North Sea operator.
- November 2023 - rental contract with a value of c. £0.18m awarded by Neptune Energy UK for Exact adjustable wellhead system and Centric Mudline Suspension equipment to allow the permanent abandonment of a UK North Sea well.
- December 2023 - placing of 2,200,495 Treasury Shares raising gross proceeds of £0.42m.
- December 2023 - further loan agreement with Ben van Bilderbeek related entities to raise £0.3m (in addition to the £0.7m September 2023 loan). The option attached to these loans was then exercised resulting in the sale of the Group's 49% investment in Kincardine Manufacturing Services Limited ('KMS') for £1m and the paydown of the associated loans.
- December 2023 - completed an agreement with SLB replacing an existing surface

- December 2023 - completed an agreement with SLB replacing an existing surface production wellhead licence (see RNSs dated 10.11.2020 and 16.12.2021) with a new licence with a wider field of use for a cash consideration to Plexus of US$5.2m.
- Post period end - February 2024 - £1m+ contract awarded to provide specialised equipment and services for multiple P&A activities in the North Sea.
- Post period end - February 2024 - announcement of the completion of a customer sponsored R&D project to develop a replacement Tubing Hanger Neck Seal ('HG-R') to upgrade and extend the field life of existing surface production wellheads by addressing a key industry challenge of the systemic failure of conventional annular seals.

TRADING UPDATE

The Company's performance for the first half of the financial year to 30 June 2024 ("FY24") is in line with management's expectations and the Board anticipates that the Company's performance for FY24 will be in line with current market forecasts.

Two significant events, one operational and one corporate, had a particularly positive impact on the Group's performance in the first half of FY24. Firstly, on 6 March 2023, the Company announced that Plexus had secured a £5m+ order for its proprietary POS-GRIP HG® wellhead equipment and sealing technology for a special subsea project application, and it was subsequently announced in August 2023 that the project value was likely to increase by £3m+, with the majority of this revenue to be recognised in the second half of FY24. Secondly, in December 2023 Plexus completed a further intellectual property ("IP") licencing agreement with SLB, which generated revenue US$5.2m (c.£4.08m) in the first half of FY24.

The Company continues to pursue a pipeline of opportunities, particularly in the rental exploration from Jack-up rigs and P&A sectors with new and existing customers and maintains an active R&D strategy which continues to result in additional Plexus products to add to the Company's extensive equipment suite.

Chief Executive Ben van Bilderbeek said: *"While the shift to sustainable energy is underway, oil and gas ('O&G') remain vital to the global energy mix, albeit with a growing emphasis on efficiency, safety, and environmental responsibility. Accordingly, Plexus is positioned to play a pivotal role in this revived industry given its ability to prevent and mitigate wellhead related methane leaks at O&G sites.*

"The recent IP license agreement with SLB clearly underscores the value of our proprietary technology. Beyond endorsing Plexus' Leak-Free technology with its integral "HG®" metal seal solution, we believe the expanded collaboration with SLB will help raise our profile in the industry as we look to position our technology as a future industry standard for wellhead design and associated products. Other positives include providing Plexus with access to SLB valves and trees on a project-by-project basis, which enables us to offer more comprehensive packaged solutions and will enhance our responsiveness to customer needs.

"Furthermore, the SLB agreement injected $5.2m of cash which will be used to support the accelerated growth of our core historical market, the jack-up exploration rental wellhead and associated mudline hanger sales business, a sector we have re-entered in collaboration with SLB with our Exact and Centric equipment designs. In addition to the SLB transaction, the successful placing of two tranches of treasury shares, and the divestment of a non-core asset in December 2023, a 49% shareholding in Kincardine Manufacturing Services Limited, has significantly strengthened our balance sheet.

"Our timing to enter and focus on the P&A sector is proving well judged, as an increasing number of aging wells now require decommissioning. Demand for Plexus' P&A related technology, recognised for its role in safe and eco-friendly well closure, is building as highlighted by recent contract wins with several leading North Sea operators.

"Looking ahead, Plexus remains committed to advancing its POS-GRIP friction-grip engineering methodology to align with the energy sector's increased focus on sustainability and regulatory compliance, especially in relation to reducing methane emissions and anticipates broader adoption of our technology across the value chain."

CHAIRMAN'S STATEMENT

Business Progress and Operating Review

The six-month period to 31 December 2023 has been critical for Plexus and has resulted in positive operational and corporate developments that have significantly increased shareholder value.

We were delighted to announce post period end a new IP Licence Agreement with SLB on 2 January 2024, clearly demonstrating the inherent value of our IP, and potentially helping us build our profile in the surface production wellhead domain. Furthermore, the partnership enables Plexus to offer comprehensive packaged solutions, whilst also providing us with a US$5.2 million cash injection that will in part be allocated towards bolstering rental inventory for our historical core jack-up exploration rental wellhead and associated mudline hanger sales business, a sector we have re-entered in collaboration with SLB.

A key development area for us is the P&A sector, which is experiencing rapid growth as ageing O&G wells reach the end of their productive lives. In the UK North Sea alone, the Offshore Energies UK suggests 283 active O&G fields will cease production by 2030, and that more than 1,000 North Sea wells will be plugged and abandoned by 2027. Our P&A related technology is gaining increasing recognition in this sector for its proven capabilities to support the safe and environmentally responsible decommissioning of these wells.

During the period, we announced several contracts in the P&A space including one for a leading North Sea operator utilising the Exact and Centric technology specifically designed to provide the safest and quickest tieback and drilling solutions for both P&A wells and appraisal wells. Similarly, we were awarded a contract with Neptune Energy to allow the permanent abandonment of a UK North Sea well, with operations planned to commence and complete during Q2 2024. These were subsequently followed post period end in February 2024 by a contract with a value in excess of £1m to provide specialised equipment and services for multiple P&A activities in the Dutch sector of the North Sea, and we hope to secure further P&A contracts over the coming months.

Other important news announced during the period included an increase in the value of a specialised rental contract project including leak proof metal to metal HG seals in a subsea environment from c.£5 million to c.£8 million. We anticipate that this is unlikely to be the last time that the value of a project increases given the complexities that often arise.

During the period, the Company also sold its non-core 49% holding in KMS for £1m which resulted in the pay down of loans that had been secured on the shares.

Key functions that support our operations are Human Resources, Quality Health and Safety, Information Technology and Engineering through the generation of Intellectual Property.

The Company maintains its Competency Management System through an internally developed system 'Competency@Plexus' ('C@P'). This is monitored and accredited by OPITO, the training and qualifications standards board. The annual monitoring audit was successfully conducted in November 2023, where full accreditation was maintained with no findings raised by the auditor. Since outright approval was achieved, and as the system continues to demonstrate it is robust and well-established, the reduced site audit frequency of every 15 - 24 months has been retained.

Health and Safety remains at the centre of Plexus' culture. The Group is fully committed to continually improving safety standards, and the safety culture across the business and its people. This is reflected in the business being once again lost time injury ('LTI') free this year. Plexus passed its eighth anniversary of this milestone in September 2023.

In September 2023 Plexus undertook a surveillance audit with API for API Q1/ISO 9001 and an annual audit with LRQA for ISO 45001 in November 2023. No major findings were raised in either audit, resulting in continued certification. Therefore, Plexus continues to comply with the requirements of API Q1/ISO 9001 and ISO 45001 standards while retaining their API 6A and 17D Licences. These accreditations demonstrate Plexus' capability and determination to operate to the highest standards, and this will assist in gaining new work.

Plexus has been able to rely on robust IT and security systems, including its self-written ERP system, which are constantly under review for improvement.

We continue to develop our suite of IP both through patent protection, know-how, and ongoing research and development. An example of such initiatives was the announcement in February regarding the completion of a tubing hanger neck seal replacement product launch. Capitalised R&D salary costs for the six months ended 31 December 2023 was £215k.

Interim Results
Plexus' results for the six months to December 2023 demonstrate the key progress that has been made during the period in relation to organic and corporate activities. These activities reflect the Group's ongoing investment in and support for its strategy of growing both Plexus' existing and new revenue streams with licencing partners.

During the period, Plexus has raised funds to support ongoing operations and R&D activities through various fund-raising initiatives. These include the sale of the shares held in treasury generating a total net cash inflow of £0.97m, and the Group's sale of its 49% investment in KMS generating net proceeds of £0.98m.

Revenue for the six-month period ended 31 December 2023 increased to £5.09m, compared to the previous year's figure of £0.71m. This significant 617% increase is driven by the recently announced licensing agreement with SLB generating revenues of £4.08m ($5.2m).

Administrative expenses for the six months to December 2023 are in line with the prior year at £2.64m (2022: £2.64m). Personnel numbers, including non-executive board members are also broadly in line with the prior year at 38 (2022: 36). Future growth in employee numbers is anticipated, driven by expected expansion in operational activities.

The Group has reported a profit of £2.22m in the period, compared to loss in the prior year of £2.07m. As noted above, profit for the six-month period has been driven by the new SLB licensing agreement which generated revenue of £4.08m. The profit comes after absorbing depreciation and amortisation costs of circa £0.84m.

Also included in the statement of comprehensive income is the gain on sale on the disposal of the associate 49% shareholding in KMS undertaking of £0.08m.

The Group has not provided for a charge to UK Corporation Tax at the prevailing rate of 25%. This is consistent with the prior year.

Basic earnings per share for the period was 2.19p per share, which compares to a 2.06p loss per share for the same period last year.

The balance sheet continues to remain strong, with the current level of intangible and tangible property, plant, and equipment asset values at £8.52m and £2.3m respectively, illustrating the amount of cumulative investment that has been made in the business. Total asset values at the end of the period stood at £22.5m compared to £17.3m in the prior year.

As at 31 December 2023, the Group had cash and cash equivalents of £0.83m and no bank borrowings. Post period end the $5.2m due from the SLB licencing agreement was received in January 2024.

Outlook
Plexus maintains its commitment to advancing its POS-GRIP friction-grip engineering methodology for O&G applications and beyond. The endorsement of our technology by industry giants such as SLB and TechnipFMC, which are integrating our "Friction-Grip" method into their product portfolios, instils confidence in the belief that exploration and production operators will increasingly embrace Plexus' POS-GRIP technology in the coming years.

At a macro level, while the momentum toward sustainable energy is growing, the transition will likely be gradual and complex. In the meantime, O&G will continue to be essential energy sources for many years to come, albeit with an increasing emphasis on efficiency combined with environmental stewardship particularly in relation to reducing methane emissions. Overall, market demand, especially for natural gas remains the key factor in the growth of the sector, driven by a growing world population, economic developments, and related activities. In addition, the world is increasingly using energy intensive technologies, such as online artificial intelligence search applications, which, as recently highlighted by BP CEO Murray Auchincloss, consume about ten times the energy of a standard browser search, and predicts that this will trigger a global surge in gas demand.

For such reasons your Board believes that Plexus' technology stands as a pivotal solution particularly regarding the mitigation of methane leaks at the wellhead. Methane, a potent greenhouse gas, is now regarding the mitigation of methane leaks at the wellhead. Methane, a potent greenhouse gas, is now recognised as posing significant environmental concerns due to its contribution to climate change. By utilising our wellhead and related equipment HG sealing technology, O&G companies can both enhance operational efficiency and mitigate methane leaks, thereby reducing their environmental footprint and complying with regulatory requirements.

With this background, and as the O&G industry continues to evolve, Plexus is poised for sustained expansion, offering innovative solutions that enhance efficiency, safety, and environmental performance from exploration through to the end of a well's life. This is anticipated to translate into increased value for shareholders.

J Jeffrey Thrall
Non-Executive Chairman
15 March 2024

Plexus Holdings Plc
Unaudited Interim Consolidated Statement of Comprehensive Income
For the Six Months Ended 31 December 2023

	Six months to 31 December 2023 £'000	Six months to 31 December 2022 £'000	Year to 30 June 2023 £'000
Revenue	5,087	709	1,487
Cost of sales	(203)	(91)	(400)
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Gross profit	4,884	618	1,087
Administrative expenses	(2,637)	(2,636)	(5,348)
Operating profit / (loss)	2,247	(2,018)	(4,261)
Finance income	1	4	7
Finance costs	(112)	(40)	(175)
Other income	-	38	69
Remeasurement of financial instrument	-	(122)	-
Share in profit of associate	-	115	182
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Non-recurring items			
Gain on sale of associate undertaking	83	-	-
Fair-value adjustment on asset held for sale (note 11)	-	(50)	(50)
Profit / (loss) before taxation	2,219	(2,073)	(4,228)
Income tax credit (note 6)	-	-	213
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Profit / (loss) for year	2,219	(2,073)	(4,015)
Other comprehensive income	-	-	-
	-------	-------	-------
Total comprehensive Income / (loss) for the year attributable to the owners of the parent	2,219	(2,073)	(4,015)
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Profit / (loss) per share (note 7)			
Basic	2.19p	(2.06p)	(4.00p)
Diluted	2.19p	(2.06p)	(4.00p)

Unaudited Interim Consolidated Statement of Financial Position
As at 31 December 2023

	31 December 2023 £'000	31 December 2022 £'000	30 June 2023 £'000
ASSETS			
Goodwill	767	767	767
Intangible assets	8,517	8,948	8,731
Property, plant and equipment (note 10)	2,283	779	1,404
Investment in associate	-	838	-

Right of use asset	486	876	638
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Total non-current assets	12,053	12,208	11,540
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Asset held for sale (note11)	-	1,050	905
Corporation tax	-	-	153
Inventories	2,528	2,109	2,265
Trade and other receivables	7,129	805	2,318
Cash and cash equivalents	833	1,142	1,449
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Total current assets	10.490	5,106	7,090
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TOTAL ASSETS	22,543	17,314	18,630
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EQUITY AND LIABILITIES			
Called up share capital (note 12)	1,054	1,054	1,054
Shares held in treasury	-	(2,500)	(2,500)
Share based payments reserve	674	674	674
Retained earnings	12,977	14,234	12,292
Total equity attributable to equity holders of the parent	14,705	13,462	11,520
Convertible loans (note 13)	1,798	1,576	1,702
Lease liabilities	280	782	428
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Total non-current liabilities	2,078	2,358	2,130
Trade and other payables	5,444	1,056	4,647
Derivative financial instrument	-	122	-
Lease liabilities	316	316	333
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Total current liabilities	5,760	1,494	4,980
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Total liabilities	7,838	3,852	7,110
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TOTAL EQUITY AND LIABILITIES	22,543	17,314	18,630
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Unaudited Interim Statement of Change in Equity

For the Six Months Ended 31 December 2023

	Called Up Share Capital	Shares Held in Treasury	Share Based Payments Reserve	Retained Earnings	Total
Balance as at 30 June 2022	1,054	(2,500)	674	16,307	15,535
Total comprehensive loss for the year	-	-	-	(4,015)	(4,015)
	-------	-------	-------	------	------
Balance as at 30 June 2023	1,054	(2,500)	674	12,292	11,520
Total comprehensive income for the period	-	-	-	2,219	2,219
Sale of shares held in treasury	-	966	-	-	966
Loss on sales share held in treasury	-	1,534	-	(1,534)	-
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Balance as at 31 December 2023	1,054	-	674	12,977	14,705
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Unaudited Interim Statement of Cash Flows

For the Six months ended 31 December 2023

	Six months to 31 December 2023	Six months to 31 December 2022	Year to 30 June 2023

	£ 000's	£ 000's	£ 000's
Cash flows from operating activities			
Loss before tax	2,219	(2,073)	(4,228)
Adjustments for:			
Depreciation, amortisation and impairment charges	836	768	1,560
Redemption premium on convertible loans	-	-	152
Gain on sale on disposal of associate undertaking	(83)	-	-
Remeasurement of financial instrument	-	122	-
Fair value adjustment of on financial assets	-	1	1
Fair value adjustment on asset held for sale	-	50	50
Share in profit of associate	-	(115)	(182)
Other income	-	(38)	(69)
Investment income	(1)	(4)	(7)
Interest expense	106	40	23
Changes in working capital:			
Increase in inventories	(263)	(715)	(871)
(Increase) / decrease in trade and other receivables	(4,811)	166	(1,347)
Increase / (decrease) in trade and other payables	797	(189)	3,401
Cash used in operating activities	(1,200)	(1,987)	(1,517)
Net income taxes received	153	-	80
Net cash used in operating activities	(1,047)	(1,987)	(1,437)
Cash flows from investing activities			
Funds divested in financial instruments	-	100	102
Other income	-	38	50
Purchase of intangible assets	(271)	(256)	(516)
Interest and investment income received	1	4	7
Purchase of property, plant and equipment	(1,078)	(102)	(890)
Net proceeds from sale of associate undertaking	987	-	-
Net proceeds from of sale of property, plant and equipment	-	-	1,052
Net used from investing activities	(361)	(216)	(195)
Cash flows from financing activities			
Proceeds from sale of treasury shares	966	-	-
Repayment of banking facility	-	(3,958)	(3,958)
Repayments of lease liability	(174)	(87)	(347)
Convertible loan funding received	-	1,550	1,550
Interest paid	-	-	(4)
Net cash inflow / (outflow) from financing activities	792	(2,495)	(2,759)
Net decrease in cash and cash equivalents	(616)	(4,698)	(4,391)
Cash and cash equivalents at brought forward	1,449	5,840	5,840
Cash and cash equivalents carried forward	833	1,142	1,449

Notes to the Interim Report December 2023

1. This interim financial information does not constitute statutory accounts as defined in section 435 of the Companies Act 2006 and is unaudited.

   The comparative figures for the financial year ended 30 June 2023 are not the Company's statutory accounts for that financial year. Those accounts have been reported on by the company's auditors, Crowe U.K. LLP, and delivered to the registrar of companies. The report of the auditors was (i) unqualified, (ii) included a material uncertainty as the going-concern assumption was subject to additional funding (iii) did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

   The interim financial information is compliant with IAS 34 - Interim Financial Reporting.

2. Except as described below the accounting policies applied in these interim financial statements are the

2. Except as described below the accounting policies applied in these interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 30 June 2023 and which are also expected to apply for 30 June 2024.

   There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting. The Directors' have assessed the impact of these standards and do not expect any significant impact to the Group on their adoption. The Group financial statements are presented in sterling and all values are rounded to the nearest thousand pounds except where otherwise indicated.

3. This interim report was approved by the board of directors on 15 March 2024.

4. The directors do not recommend payment of an interim dividend in relation to this reporting period.

5. There were no other gains or losses to be recognised in the financial period other than those reflected in the Statement of Comprehensive Income.

6. No corporation tax provision has been provided for the six months ended 31 December 2023 (2022: nil). As a result, there is no effective rate of tax for the six months ended 31 December 2023 (2022: 0%).

7. Basic earnings per share are based on the weighted average of ordinary shares in issue during the half-year of 101,107,831 (2022: 100,435,744).

8. The Group derives revenue from the sale of its POS-GRIP friction-grip technology and associated products, and licence income derived from its various licensing agreements. These income streams are all derived from the utilisation of the technology which the Group believes is its only segment. Business activity is not subject to seasonal fluctuations.

9. The company accounts for convertible loans having regard to the specific terms of the instrument. The company considers the instrument to be made up of a host instrument that it is measured at amortised cost and a derivative forward contract that is recognised at fair value through the profit and loss account. The company has elected to account for the two elements separately rather than assign a fair value to the instrument as a whole. The redemption premium is recognised over the life of the instrument and an accelerated charge will be recognised if a conversion event occurs prior to the end of the term.

10. Property plant and equipment

	Buildings £000	Tenant Improvements £000	Equipment £000	Assets under construction £000	Motor vehicles £000	Total £000
Cost						
As at 30 June 2022	685	844	5,360	-	17	6,906
Additions	-	15	123	752	-	890
Transfers	-	-	367	(367)	-	-
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As at 30 June 2023	685	859	5,850	385	17	7,796
Additions	-		127	951	-	1,078
Transfers	-	-	548	(548)	-	-
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As at 31 December 2023	685	859	6,525	788	17	8,874
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Depreciation						
As at 30 June 2022	685	606	4,779	-	15	6,085
Charge for the year	-	74	231	-	2	307
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As at 30 June 2023	685	680	5,010	-	17	6,392
Charge for the year	-	38	161	-	-	199
On disposals	-	-	-	-	-	-
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As at 31 December 2023	685	718	5,171	-	17	6,591

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Net book value						
As at 31 December 2023	-	141	1,354	788	-	2,283
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As at 30 June 2023	-	179	840	385	-	1,404
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11. Asset held for sale

	6 months to December 2023 £'000	Year ended 30 June 2023 £'000
Cost	-	-
Accumulated depreciation	-	-
	-----	-----
Reclassified from investment in associate	-	905
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Fair value	-	905
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During the prior year the Directors were committed to a plan to sell the Group's investment in associate this along with the other recognition criteria included within "IFRS 5, Non-current assets held for sale and discontinued operations" including the asset being available for immediate sale in its present condition and the sale is considered to be highly probable meant the asset had been presented as an asset held for sale.

The sale of the associate undertaking completed in December 2023.

12. Share Capital

	Six months to 31 December 2023 £'000	Six months to 31 December 2022 £'000	Year to 30 June 2023 £'000
Authorised:			
Equity: 110,000,000 (June 2023 & Dec 2023: 110,000,000) Ordinary shares of 1p each	**1,100**	1,100	1,100
Allotted, called up and fully paid:	-----	-----	-----
Equity: 105,386,239 (June 2023 & Dec 2023: 105,386,239)	1,054	1,054	1,054
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During the 6 month period, the Group sold the shares held in treasury.

13. Convertible loans

	£'000
Non-current liabilities	
Convertible loan notes issued	1,550
Redemption premium	152

Fair value at 30 June 2023	1,702
Redemption premium	96

Fair value at 31 December 2023	1,798

In October 2022 Plexus raised £1,550,000 through the issue of 1,550,000 convertible loan notes. The loan notes are non-interest bearing and have a maturity date being 24 months after issue.

The loan notes can be settled in cash, with an additional 20% redemption interest on the principal amount or converted into new shares where the principal amount will be settled at a 20% discount to the share price paid by investors in a qualifying financing even. The 20% discount noted about equates to a 25% premium on the principal amount. Therefore, a redemption premium of £387,500 will be recognised over the two-year term. At the reporting date finance costs include £96k in relation to the accrued redemption premium.

14. Subsequent Event

In February 2024 the Company agreed to redeem loan notes with an aggregate value of £849,992, through a cash payment of the principal amount plus interest of an amount equal to 20% of the principal amount, in accordance with the terms of the Loan Notes, which resulted in a total cash payment to Noteholders of £1,019,990.40. After the redemption of these Loan Notes, there are a total of 700,008 Loan Notes outstanding.

****ENDS****

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

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Notes to Editors
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 ('O&G') 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 O&G company clients. As well as generating direct revenues from securing orders for surface production wellheads in the UK and European North Sea regions, the Company has several licencing/collaboration agreements with major partners including SLB and TechnipFMC.

Notably, the agreement with SLB was expanded in December 2023 (see RNS 2.1.2024) for a cash consideration payable to Plexus of US$5.2m to enable SLB to use certain POS-GRIP technology including HG® seal technology for standard surface wellhead applications for all pressure and size ranges on a worldwide basis. The in-perpetuity royalty free licence scope includes O&G surface production and storage applications, as well as CO_2 storage ('CCS') and hydrogen storage, and water and cuttings injection. The Agreement also includes a non-exclusive licence to SLB for Adjustable Surface Production Wellheads, and HG Trees with the potential to generate royalties for Plexus from such special applications of the POS-GRIP technology. Plexus may also quote customers for SLB Valves and Trees combined with Plexus wellheads on a project basis subject to SLB approval where a full package of equipment is required. Plexus retains the original IP, and the intention is that Plexus continues to operate in the surface production wellhead sector on a limited basis, as an innovative and specialised wellhead equipment supplier, whilst also pursuing opportunities in exploration rental wellheads from Jack-up rigs, subsea, connectors (such as metal sealing HP/HT Tie-Back applications), P&A, special applications, geothermal, hydrogen and all non-oil and gas applications.

The Company also has a separate exploration wellhead equipment related licensing arrangement with SLB subsidiary Cameron, which has enabled Plexus to re-enter the Jack-up Exploration (Adjustable) Rental Wellhead market, with Cameron providing manufacturing support and assisting in sales leads generation in return for a licence royalty fee.

Plexus' current suite of products include Exact-15 exploration rental wellheads, Adjustable HG surface production 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 P&A market; and Tersus-PCT, an innovative HP/HT tie back connector product.

Having proved the superior uniquely enabling qualities of POS-GRIP Technology both organically and with licencees, Plexus is now focused on establishing its technology and related equipment in other markets and sectors both in the UKCS, ECS and around the world where the directors believe it can play an important role in reducing harmful fugitive 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/