



Interim Results

Six months to 30 June 2020

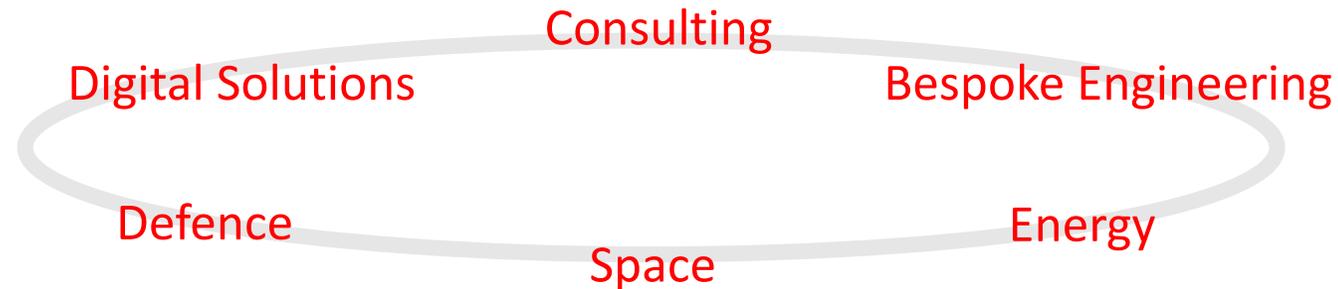
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20/10/2020

About TP Group

A Services and Technology Group working to make the world more secure, sustainable and resilient.



- c.450 people in six European countries
- Managed business operations through Covid-19
- Strong core business in high value sectors



- Advanced discussions re disposal of TPG Engineering Ltd. – considered a discontinued operation for reporting
- Transformational growth opportunities
 - Mission-critical artificial intelligence (AI)
 - Clean air/energy consulting and solutions

H1 Highlights

Sustained operations
through COVID-19
lockdown



- Strong closing net cash position and order book
- Qualified sales pipeline >£150m
- Extended our framework contract in space mission support, taking €18m in orders plus further €9m in July
- First AI development contract in the energy sector (UAE)
- 2 year, £5m extension to defence consulting contract
- Existing technology adapted to produce ultra-pure oxygen and hydrogen solutions

Financial Highlights – continued operations

Group revenue	Adj. operating profit ¹	Group order intake	Group closing order book	Net closing cash
£27.5m	£1.4m	£35.2m	£64.4m	£6.8m
H1 2019: £20.6m	H1 2019: £2.3m	H1 2019: £31.1m	31 Dec 2019: £56.8m	31 Dec 2019: £6.6m

- Revenue grew 33% - normalising for full six months for Sapienza (two months in H1 2019), organic growth was £2.6m (13%)
- Adjusted operating profit driven by adverse efficiency effects of COVID-19 restrictions, change in the revenue mix and investment in the business of c. £0.5m additional over prior year
- Order intake grew 13%, a strong performance, overcoming commercial constraints arising through the COVID-19 pandemic
- Order book increase provides good visibility and continuity for the business
- Net closing cash, which excludes the £7.0m facility drawdown, reflects strong working capital performance
- Drawdown of the £7.0m bank facility held to mitigate any impacts caused by COVID-19 disruption and to fund £2.5m initial consideration for acquisition of Osprey Consulting in August 2020

TP Group at a glance

TP Group is a global leader in consulting, digital solutions and engineering services across the full lifecycle of defence, space and energy programmes.



Defence

Security forces around the world operating on land, sea, in the air and in space rely on complex, mission-critical systems that are specified, provided and supported by TP Group.



Space

Institutional and commercial organisations working on scientific, exploratory, environmental and communications services use TP Group's technology and services through the life of their missions.



Energy

Traditional and emerging energy providers use TP Group's expertise and equipment to perform safely and efficiently, and to explore options for renewable and sustainable power.

Osprey acquisition

Highly complementary
with significant growth
potential



- Completed August 25
 - Funded from existing cash facilities
 - Earnings accretive in year ending December 2021
- Consulting business – 40 staff in the UK
 - Safety and mission critical air space management and regulation
 - Civil and military aviation, space, renewable energy and urban air mobility markets
- Synergy and cross-selling opportunities
 - Europe, space, autonomous aviation, safety consulting

Consulting – sample projects

Specialist services in analysis, cost engineering, procurement, business and technical transformation.



Green energy solutions for UK Government

Baselining the fossil fuel requirement for a UK Government department.

Investigating the feasibility of solutions to reduce demand and alternative energy sources.

Part of the Government drive towards net-zero carbon emissions targets.



Digital transformation for strategic communications

Defining the business and technology change required to enable a £4Bn tactical communication programme to adopt an agile acquisition approach.

An embedded team working at the heart of military communications.



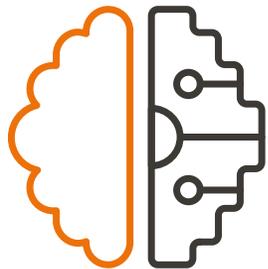
Critical satellite programme

Providing multi-disciplinary support for the UK MoD's multi-£Bn SKYNET programme.

Working on secure, long-range communications for the armed forces and UK allies through a constellation of satellites and ground stations, and management of ground terminal infrastructure.

Digital Solutions – sample projects

AI and advanced software to solve complex problems in dynamic and changing environments.



Optimising UAE energy assets

In the energy sector, TP Group is working with upstream producers in the UAE to apply AI and optimise the availability of critical resources, and therefore productivity.



Verifying mission-critical helicopter fleet software

TP Group undertakes independent verification & validation of the mission and safety-critical tactical processor software for all variants of the Lynx/Wildcat helicopter fleet.

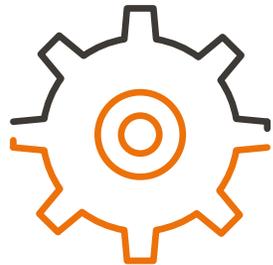


Delivering a digital platform for the ESA

TP Group delivers a proven digital platform for Programme and Product Management, Eclipse, to the European Space sector using agile principles and methodologies.

Bespoke Engineering – sample projects

Safe, clean and resilient solutions to meet your most pressing challenges.



Renewable solutions

Hydrogen is an emerging source of clean fuel, and removal of carbon dioxide from the atmosphere is a key part of the global journey to net-zero atmosphere contamination. TP group has repurposed electrolyser technology to produce ultra-clean hydrogen for fuel or oxygen for medical use.



Mobile computing

Advanced systems that are fitted into vehicles and mobile facilities to provide local computing, data management and communications whatever the field of operations. Robust and resilient to withstand the harshest operating conditions.



Deep sea life support

Crew of nuclear and conventional submarines can live and work for long periods underwater because TP Group provides equipment to generate oxygen from seawater and to remove carbon dioxide and other contaminants from the enclosed atmosphere on board.

Market dynamics

Autonomy – taking people out of harm’s way with intelligent solutions to eliminate dull, dirty or dangerous tasks.

US security budget

- Five-eyes intelligence and security
- Electrification of the Navy
- Autonomy

Artemis and other space programmes

- >\$20Bn budget
- Manned space exploration
- Complementary private sector missions

Commitment to UK security

- Maritime
- Information and communications
- Autonomy

Clean environment – systems to provide clean energy or to clean up conventional energy emissions as part of global “net-zero” emissions targets.

Environmental reform in Europe – CO₂ and H₂ strategies

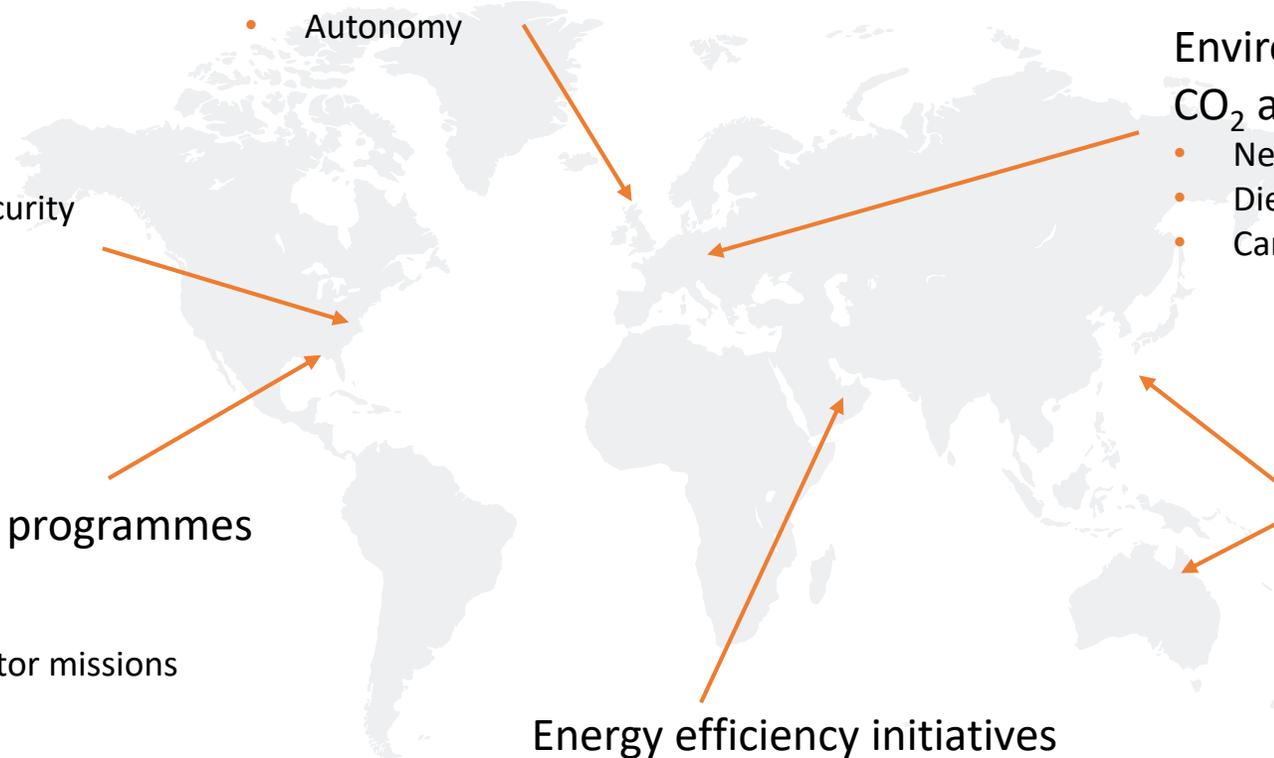
- Net-zero targets
- Diesel replacement in transport
- Carbon capture, use and storage

South China Sea tensions increasing naval activity

- New build submarines
- Refurbish existing vessels
- Autonomy

Energy efficiency initiatives

- Decarbonisation of production
- AI decision support in capital-intensive production



Strategic vision

A scalable, global consulting and digital business, active in mission-critical systems



We have built a growing consulting business from a standing start in 2016 to be almost half the Group's business in 2019.

- Consulting and Digital Solutions are readily scalable, flexible and responsive to changes in business conditions
- Engineering solutions offer an option to build in-house or prime-contract the delivery by others
 - System engineering and integration
 - Digital controls, simulations, digital twins
 - Project and programme management
- Consulting is proven and growing fast, Digital Solutions broke through in 2019 and will follow, with increasingly sophisticated Engineering solutions underpinning the delivery
- Acquisition of Osprey contributes to this transformation



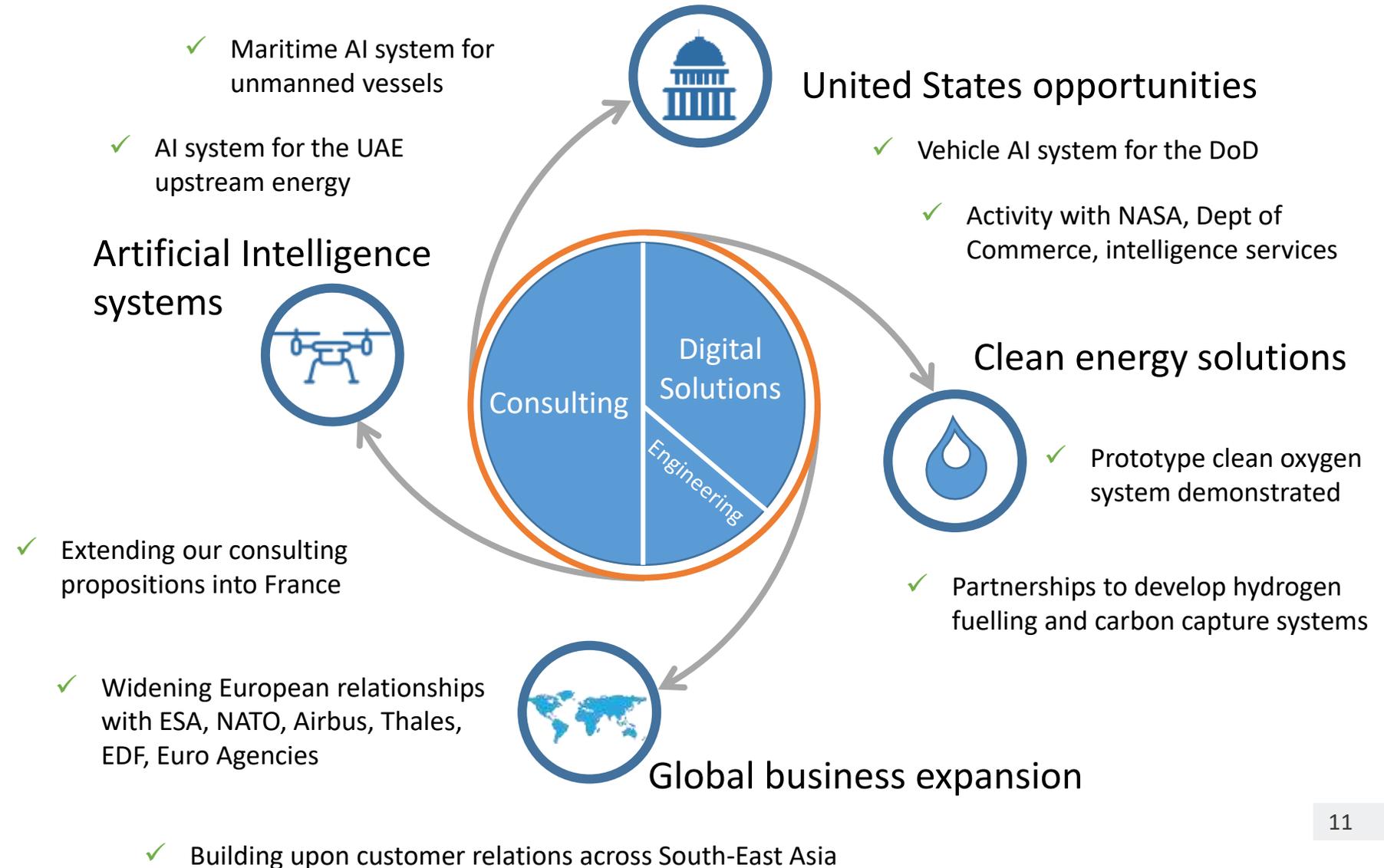
Internal business investment

Building upon the core business through a combination of investing to grow and acquiring to extend.

>£2.6m

in cash and resources invested in last 18 months

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Clean Hydrogen solutions

“In transport, hydrogen is a promising option where electrification is difficult – local city buses, commercial fleets or specific parts of the rail network.”

EU Hydrogen Strategy, July 2020

“The time is right to tap into hydrogen’s potential to play a key role in a clean, secure and affordable energy future.”

IEA Report to G20, June 2019

Renewable hydrogen electrolyzers in the EU

2020 --> 1GW

2024 --> 6GW

2030 --> 40GW

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TP Group is at the heart of developing practical, safe refuelling hub solutions:



Aircraft – Zeroavia proposes smaller aircraft with clean, low-cost operations from more small airstrips



UK Government removing diesel trains from the network by 2040 – Eversholt; Porterbrook running trials; Alstom plans >100 in Germany



Wrightbus plans 3,000 buses in service by 2024

All need a safe, available fuel supply at the base location.

Autonomous vehicles

“Algorithm-driven autonomous drones will be game changers.”

Toptal market analysis

UberElevate planning

1000

pilot-less journeys per hour through a single urban skyport.



US DoD 2020 budget request for autonomous projects

\$3.7bn

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Unmanned vehicles have become established and usage will continue to grow – the next step is to make them truly autonomous to open new opportunities for more complex missions and multi-vehicle swarming:



Urban air mobility – next generation of unmanned passenger journeys, short-haul delivery, inspection, law-enforcement



Surface maritime – sea trials in progress with the Royal Navy



Subsea autonomy – increasing use for security, survey and monitoring

Consultancy, software and systems at the heart of safe, reliable and regulated unmanned and autonomous activity.

Outlook

A resilient core business and increasing capabilities in growth markets give us confidence in TP Group's potential and ongoing success.

Significant and continued investment in new and emerging technologies and solutions, and carefully considered strategic acquisitions.

- Well positioned for future growth
 - A strong core business with top-tier global customers
 - Responsive to global insecurity in environment, defence and health
 - Emerging presence in high-growth activities such as AI and clean technology
- Plans to:
 - Invest in our existing business capabilities to protect our underlying performance and add capabilities through selected acquisitions
 - Mobilise our propositions in additional market sectors such as private space activities
 - Extend our reach into new geographies such as the United States and South East Asia