



KBC Advanced Technologies plc

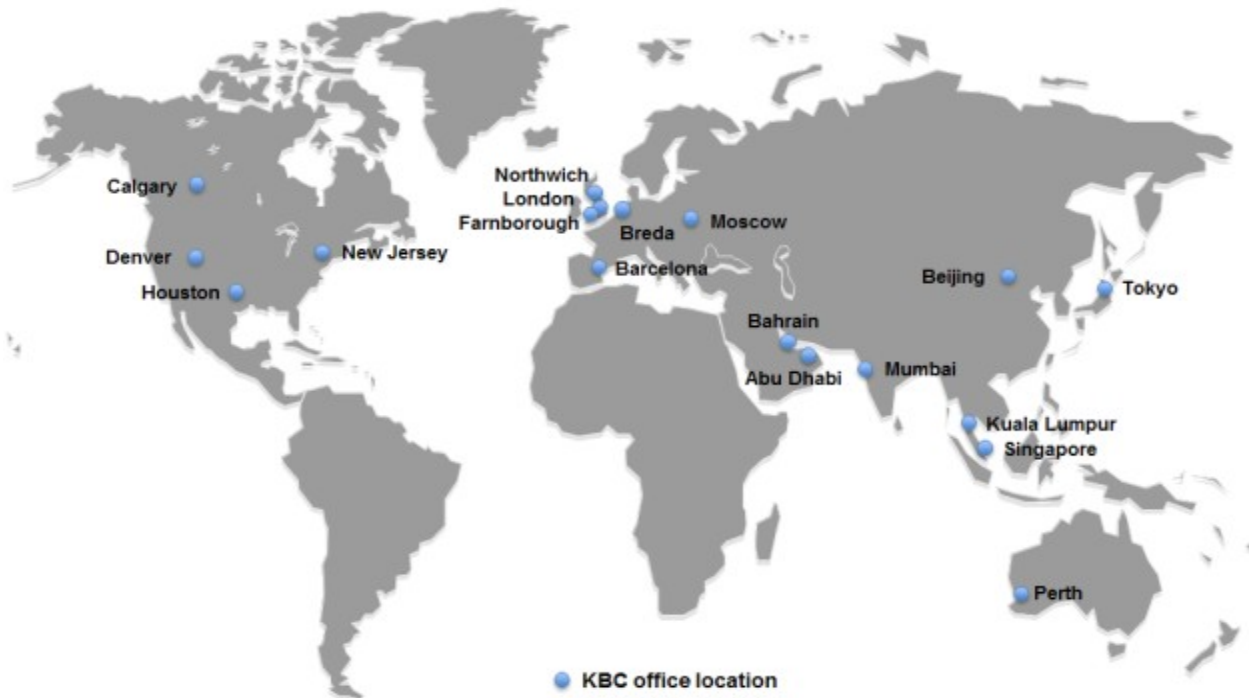
Innovators & Investors Forum, 3rd February 2015

Andrew Howell– Chief Executive Officer

SVP Operational Excellence – Jason Durst

KBC corporate profile

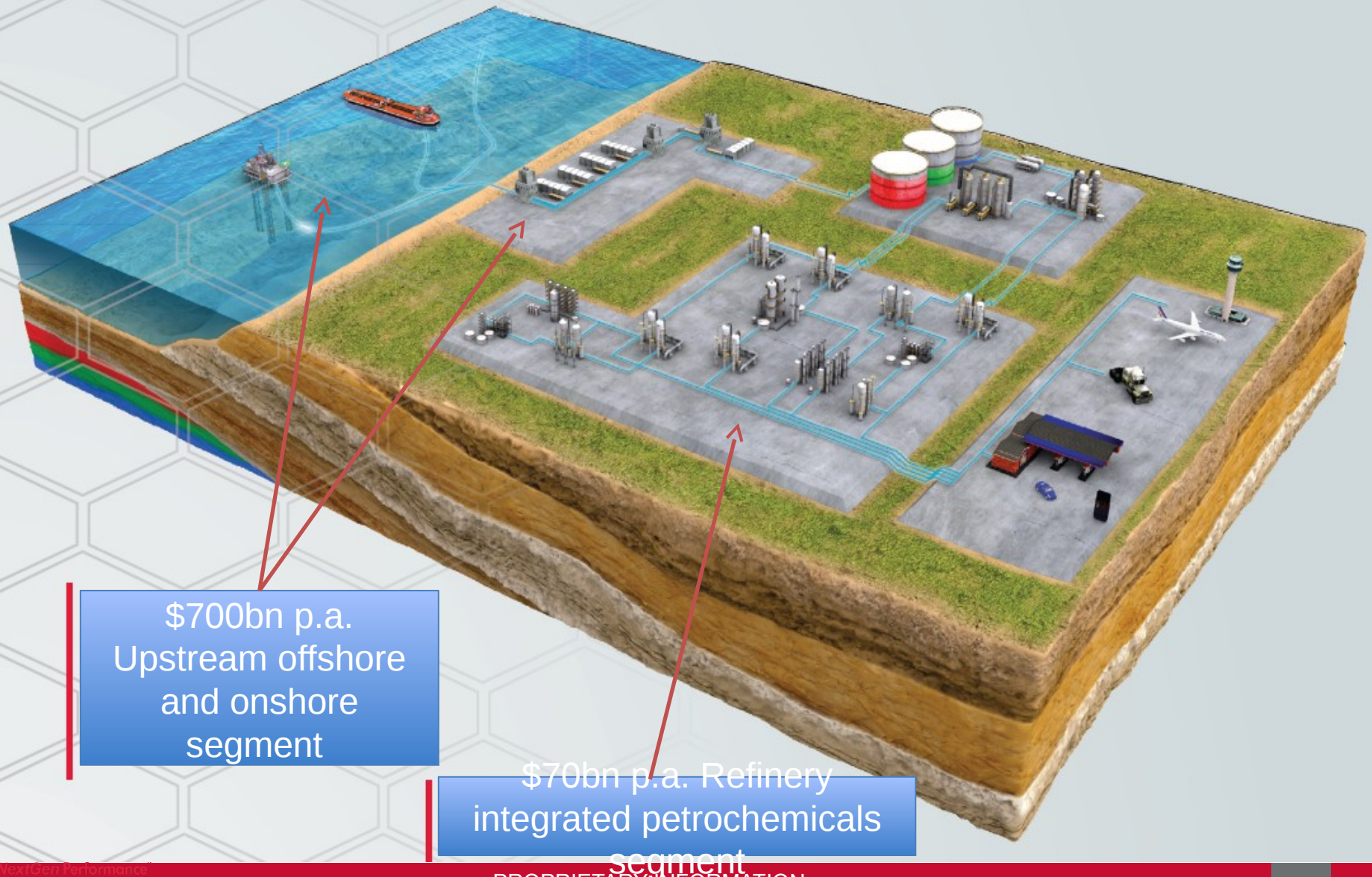
- Profit improvement in hydrocarbons (oil & gas)
 - Software technology & consulting solutions
- Solving the oil and gas industry's toughest challenges, thinking like an Operator
- Established in 1979, HQ London, AIM-listed, 2013 revenues ≈ £65 million
- Full service international business – 350+ employees
- 10 GeoMarkets, 3 Hubs
- FEESA acquisition (2014); Infochem acquisition (2012)



Global client base



The market



KBC value offerings

- **Software Technology**
 - Engineering simulators for
 - wells, platforms, gas plants, refineries, petrochemical plants
- **Technical Process Consulting**
 - Industry recognised expertise for
 - Flow assurance, reliability & maintenance, safety, yield, energy, reactor catalysis, planning & scheduling
- **Business Transformation Consulting**
 - Rapidly growing and full capability in
 - Strategy, portfolio, organisational design, competency assessment, operational excellence, leadership academies



The oil price question

- Oil prices have declined rapidly to ~ \$50 / bbl
- The likely effect on KBC is difficult to predict
- Pros – KBC sweet spots
 - More clients faced on optimising what they have
 - Operational Excellence practices are in high demand
 - US\$48M contract announced for Latin America Nov 2014
 - Strategic and economic viability of large CAPEX projects
 - As oil companies reduce work force they will need consultants
 - Downstream refining profitability returning
- Cons
 - Pricing pressure from a general supply chain freeze up
 - NOC upstream can fund downstream modernisations
 - Upstream projects postponed



KBC Software – Petro-SIM

Providing enhanced rigour and efficiency

WHAT IS IT?

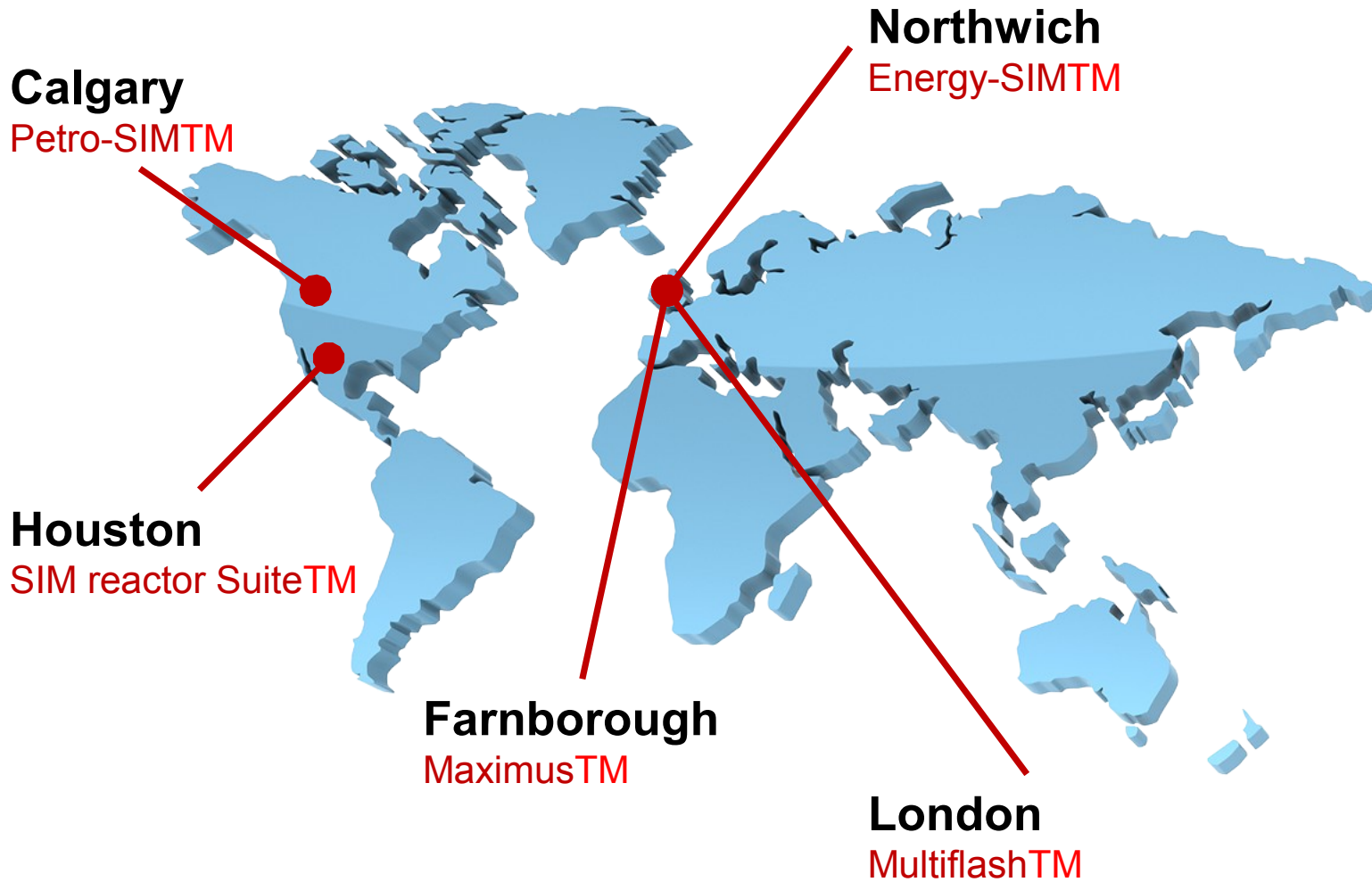
- Petro-SIM is a KBC proprietary full-featured, graphical **process simulator** designed for oil platforms, refineries and petrochemical plants
- The only available product that can solve the **asset wide model** with 1st principle rigor – it can model “crude to products”
- Provides the ability to model a valve, an FCC unit or the whole refinery – complete **scalability**
- One tool capable of **many uses** – **design**, **optimization** of existing assets, evaluation of different operating **strategies**, economic **planning** support

WHY IS IT SO POPULAR?

- Designed for **Real-World** Use
 - Decades of KBC Experience
 - Large Client Base
 - Balances Rigor & Usability
- Licensed in **175+ refineries worldwide**
- **Largest Market Share** of Reactor Models
 - SIM Reactors : Approximately 90%+: World Leader
 - **Over 480** SIM Reactor Unit Models Licensed
- **Major clients** include: Valero, Petrobras, Grace Davison, BASF, Nippon, OMV, Repsol, ConocoPhillips, PetroChina, Sinopec, PEMEX
- Continuing Development Program & Tech Support
 - **Dedicated Software Groups** in KBC offices around the world



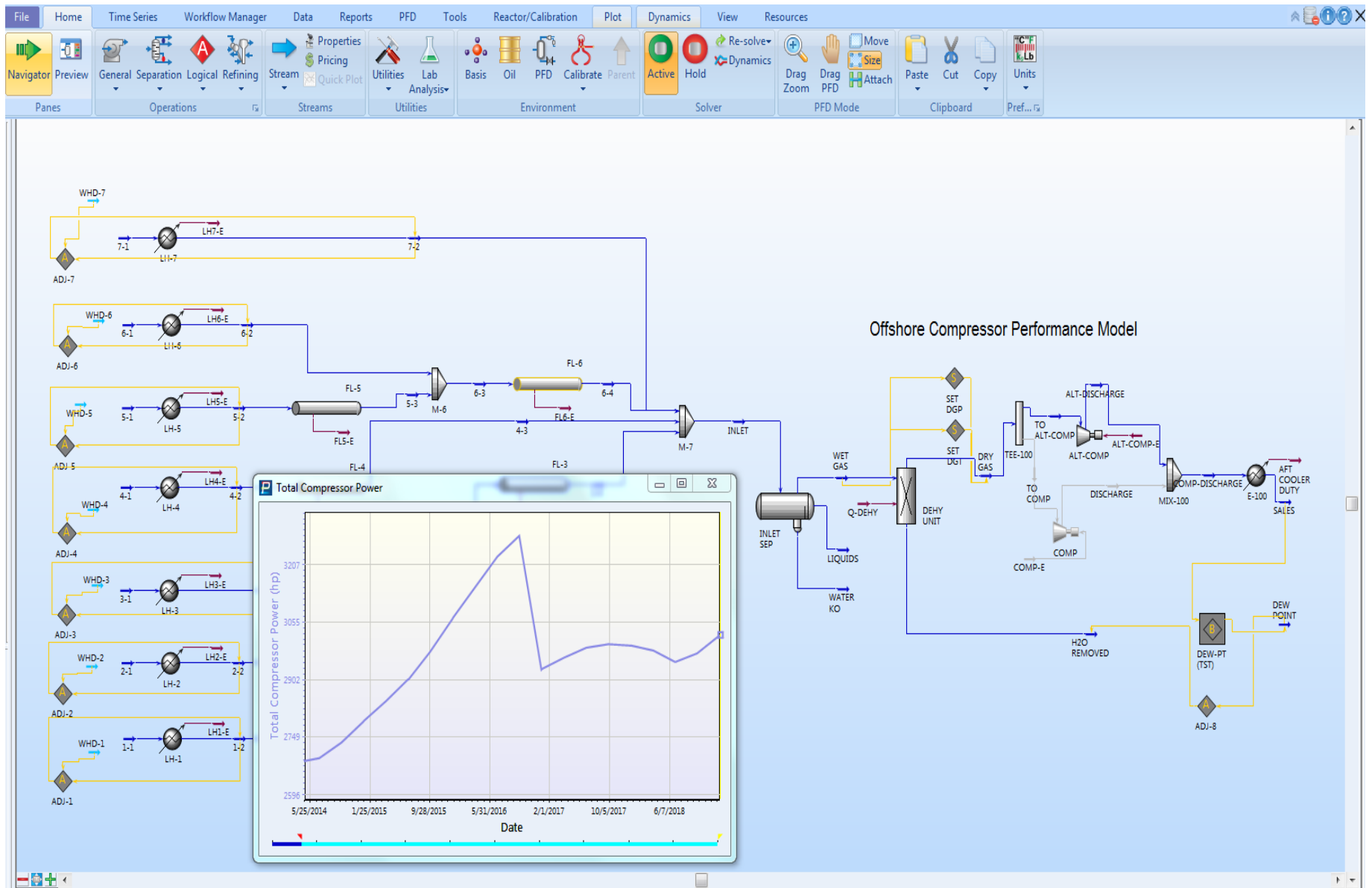
KBC Technology R&D



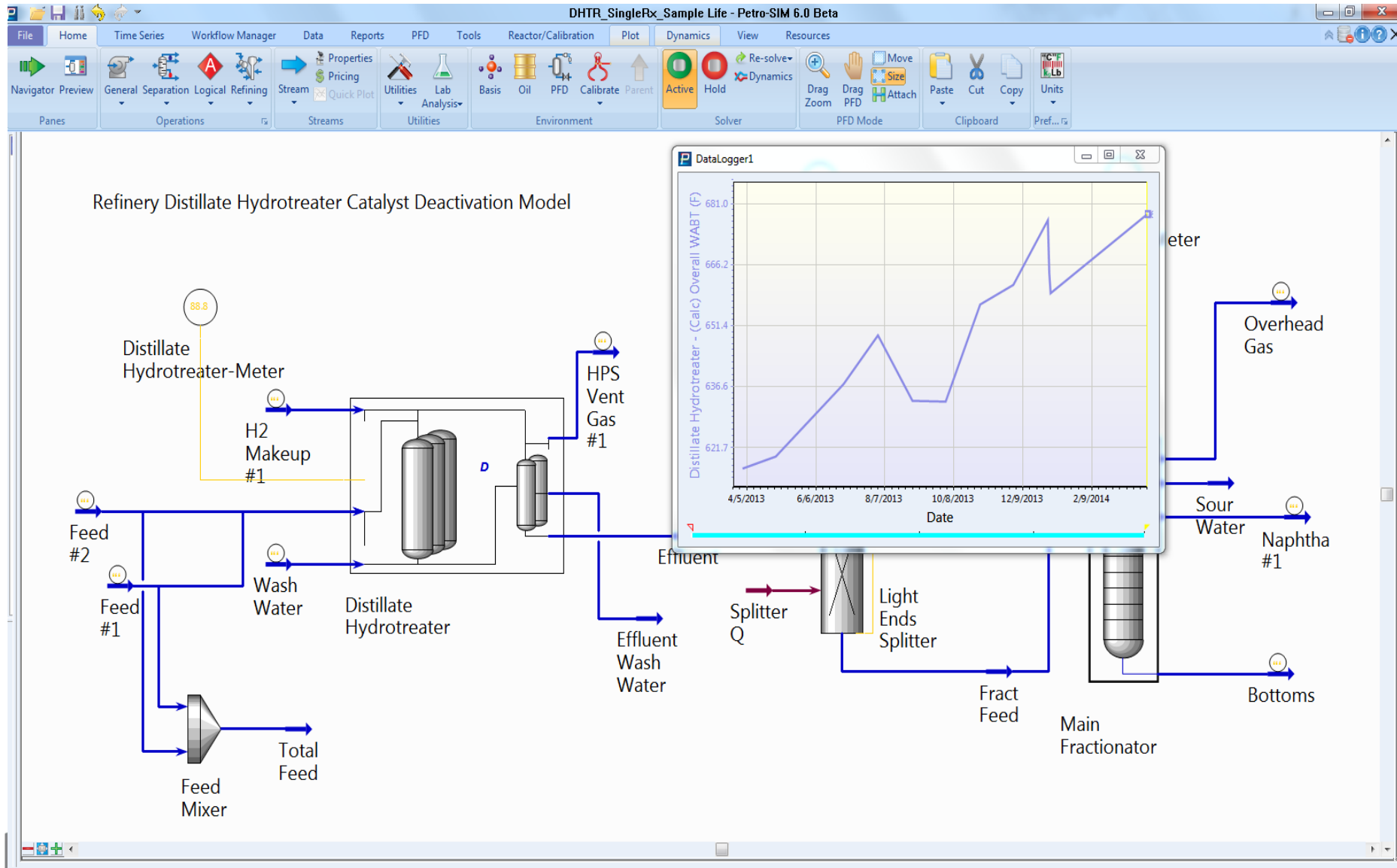
NextGen Performance[®]

PROPRIETARY INFORMATION

Petro-SIMTM Process Simulator

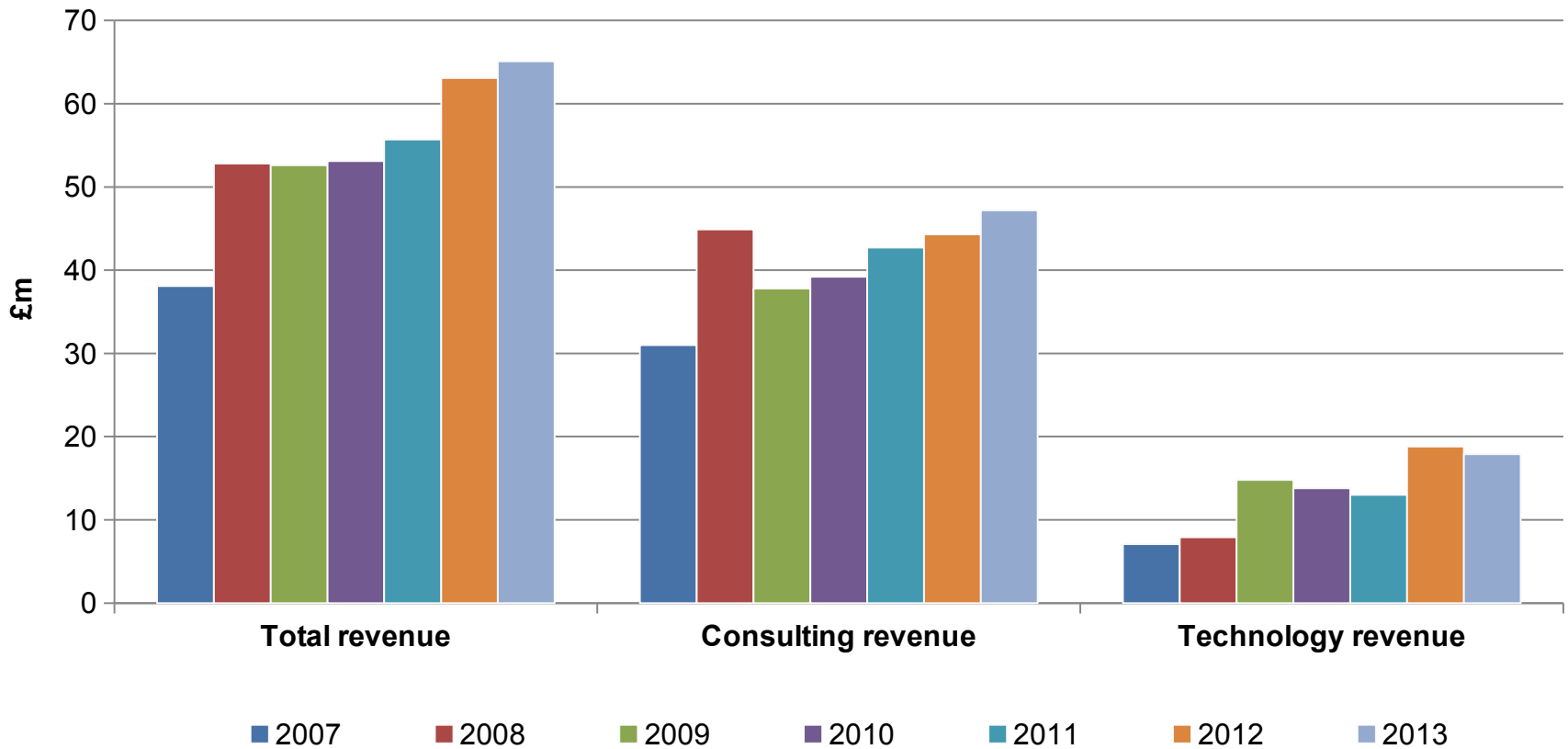


Petro-SIM Process Simulator

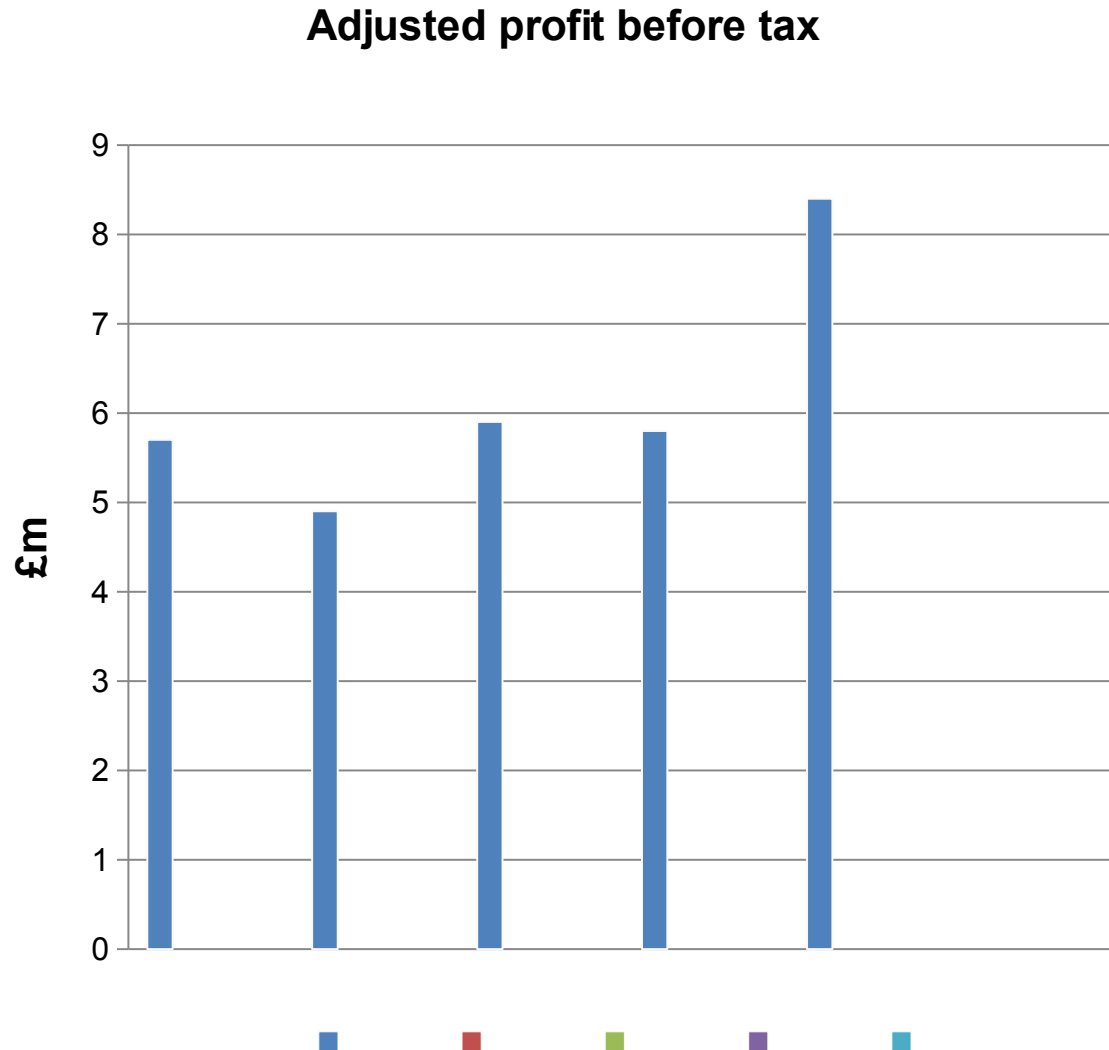


Revenue

- Improved visibility in Technology revenue from £3.2m rateable revenue in 2007 to £7.6m in 2013

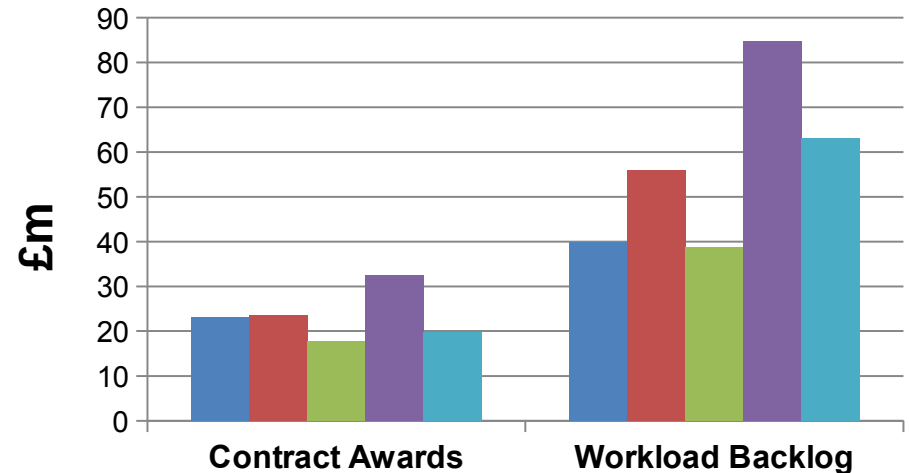
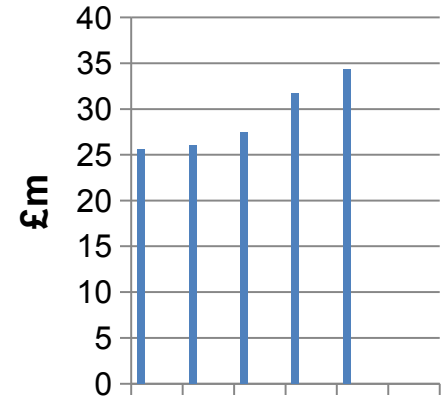
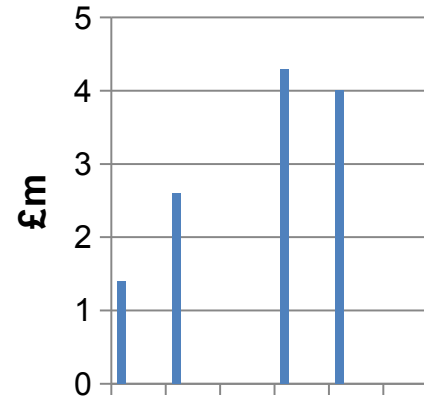


Adjusted profit before tax



Summary – H1 2014

- Revenues up 9% to £34.4m
 - (H1 2013: £31.7m)
- Profit before tax of £2.9m
 - (H1 2013: £2.9m)
- Profit before tax and foreign exchange movements up 64% to £3.6m
 - (H1 2013: £2.2m)
- Earnings per share 2.9p
 - (H1 2013: 4.9p, including one-off tax credit)
- Net cash £24.4m
 - (FY13: £6.9m)
- £19.8m contract awards in first half
 - (H1 2013: £32.4m)
- Strong pipeline



■ 2010 H1 ■ 2011 H1 ■ 2012 H1 ■ 2013 H1 ■ 2014 H1



Why is KBC a good investment?

- Strong balance sheet
- Solid 2014 performance in line with expectations
- Strategy to increase software revenues
- Emphasis on being an advanced technology company
- Build consulting solutions around the technology
- Help oil companies operate better in this climate
- Ride the wave on oil price recovery!
- New software bias CEO and management team

