



Software
Radio Technology

Year End Results & AGM Presentation

Year Ending: 31st March 2015

www.softwarerad.com



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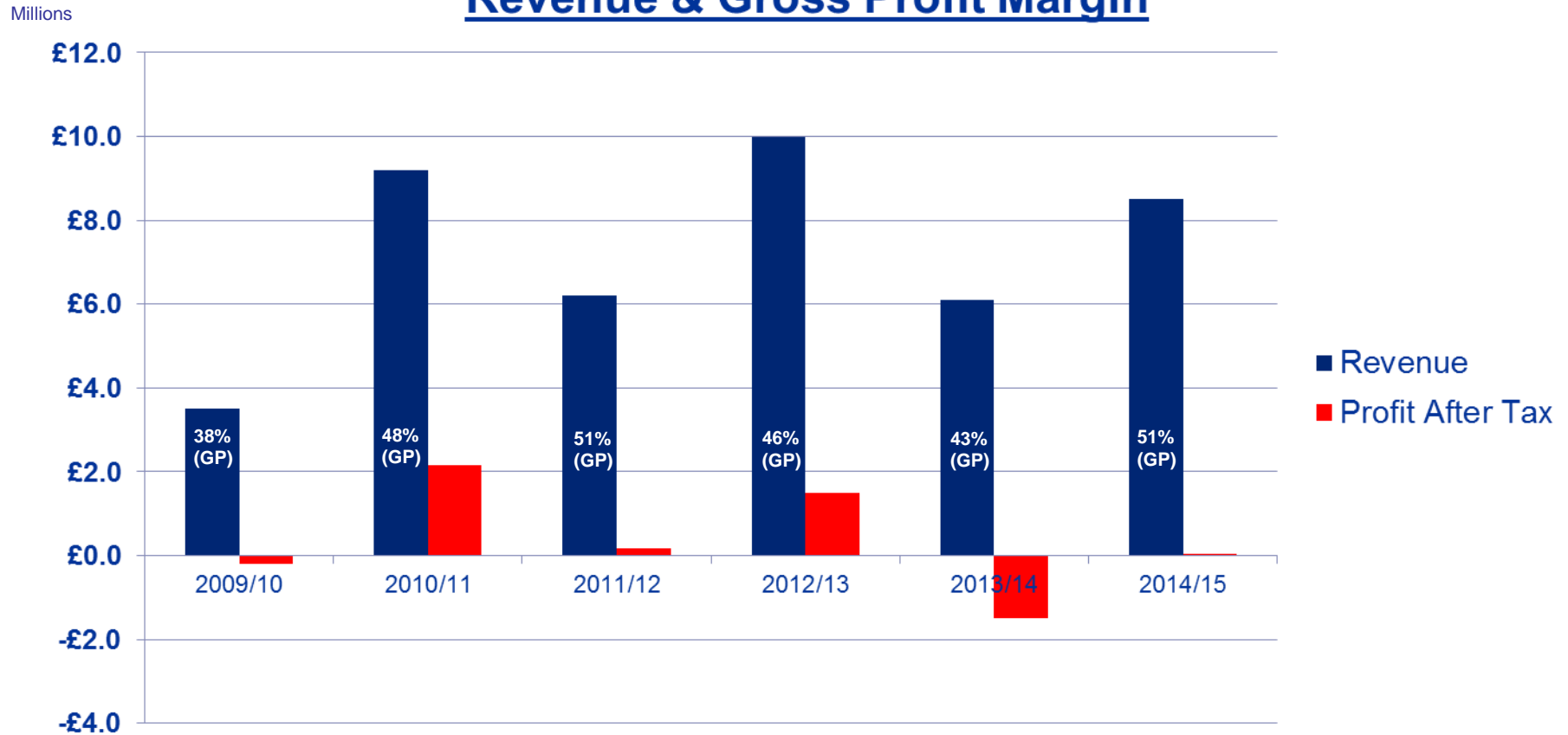


Results summary – YE March 2015

Revenues	Gross Profit	Overheads	Profit/(Loss) after tax	Stock	Cash
£8.5m YE 2014: £6m YE 2013: £10m	51% YE 2014: 43% YE 2013: 46%	£4.9m YE 2014: £4.4m YE 2013: £4.1m	£0.05m YE 2014: (£1.5m) YE 2013: £1.5m	£5.0m YE 2014: £4.2m YE 2013: £3.4m	£2.1m YE 2014: £1.3m YE 2013: £1.5m

Results – Revenue and Profits

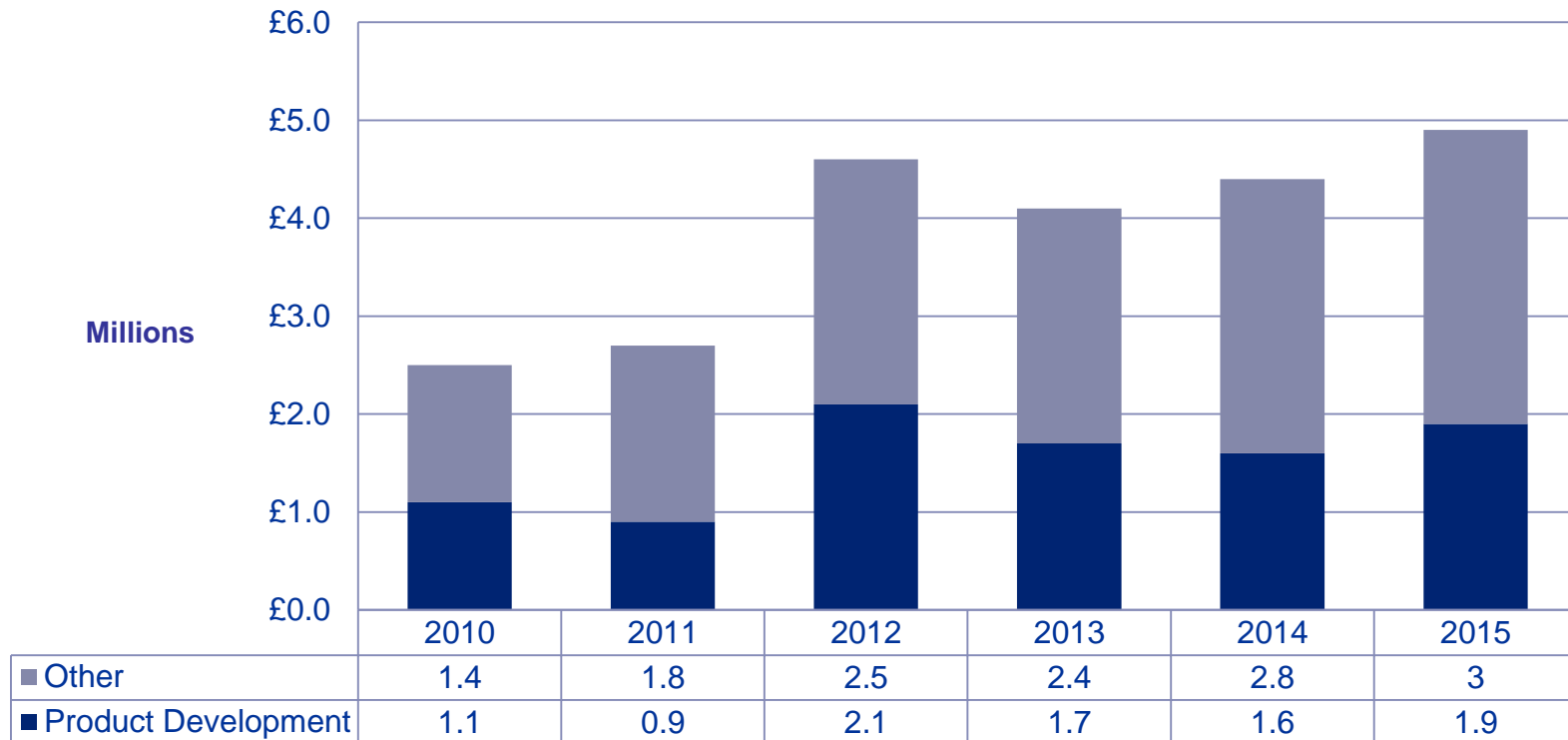
Revenue & Gross Profit Margin



Conversion of one project opportunity made significant contribution during the year. Flat core business. Minor initial contributions from new AtoN and Display products. Higher weighting of project business and contribution from high margin AtoN helped normalise GP to long term 50% target.

Results - Overheads

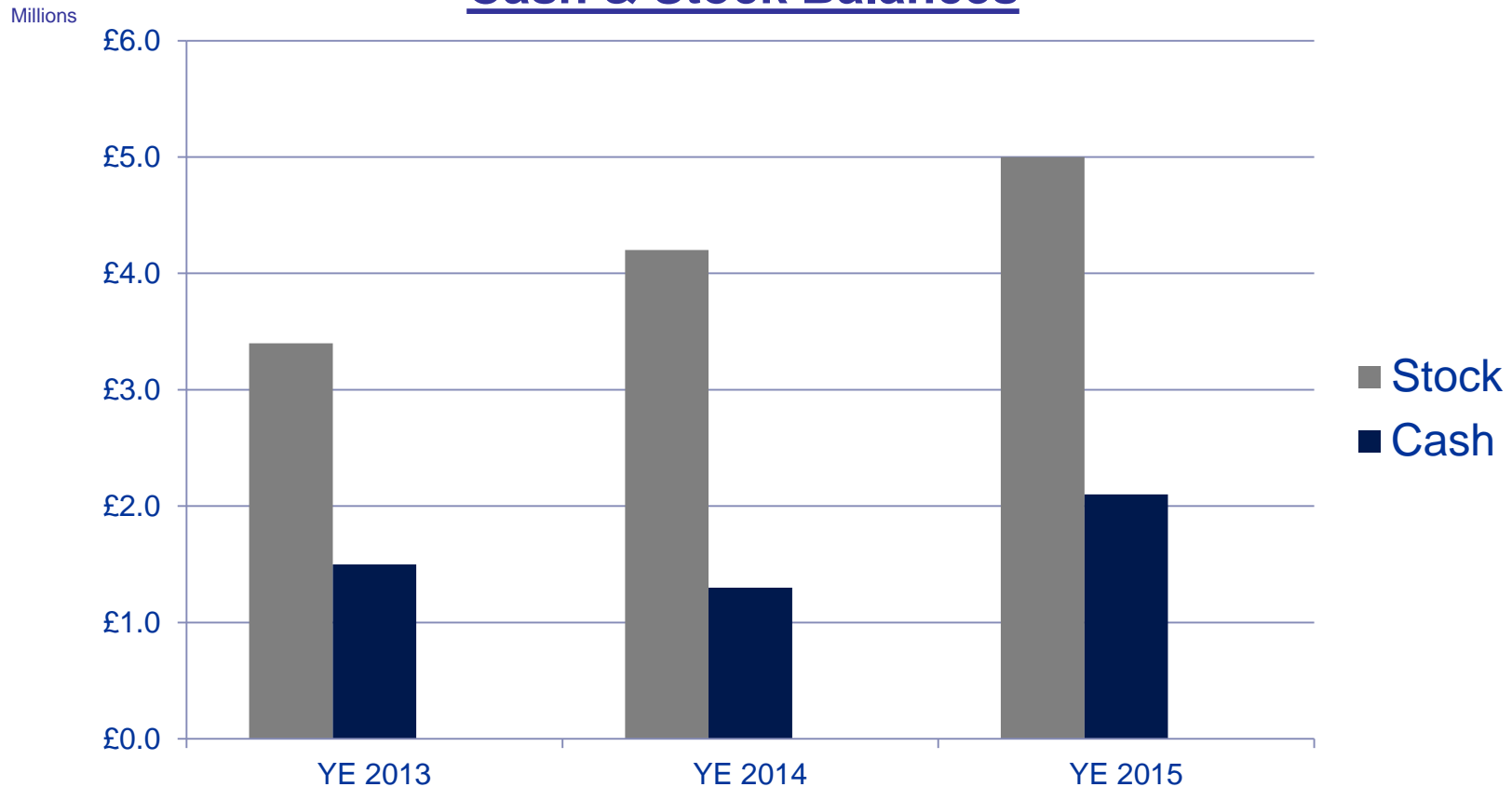
Annual cash overhead



Year on year increase primarily due to full year impact of GeoVS acquisition.
Approximately 40% of overhead was new technology and product development.

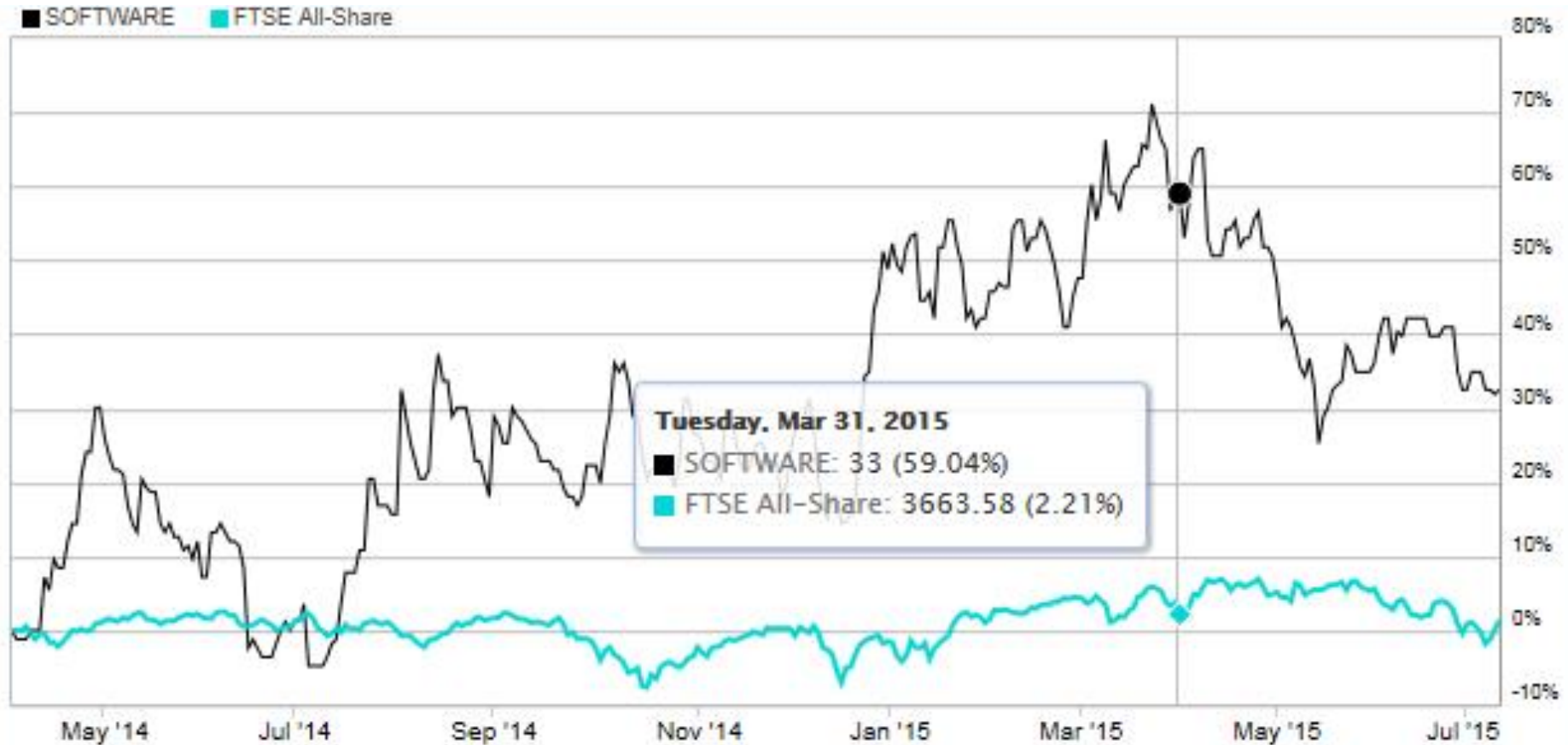
Results – Balance Sheet

Cash & Stock Balances



Stock levels have peaked ready to supply expected demand arising from mandates and projects.
Cash balances include £1m loan due for repayment February 2016.

Share price performance



Source: London Stock Exchange Web Site

Operational Review

2014/15				2015/16
Q1	Q2	Q3	Q4	Q1
 <p>Apollo hardware platform completed</p>	 <p>ABSEA technology proven in field trials</p>	 <p>GeoVS Professional & HUB Products Formally released</p>	 <p>GeoVS upgrade fuses terrestrial and S-AIS</p>	 <p>Production release of ABSEA enabled Identifier</p>
 <p>MDA exhibition in South America</p>	 <p>POC trials commence in Indonesia</p>	 <p>GeoVS system installed in Malaysia</p>	 <p>GeoVS System packages launched</p>	 <p>SOTDMA Type Approval Commences</p>
 <p>60 SRT AtoN deployed on Danube</p>	 <p>New marketing collateral for MDM, and ABSEA</p>	 <p>13,000 Identifiers shipped to Oman</p>	 <p>50 x AtoN supplied to port in Poland</p>	 <p>Rollout begins in Middle East country</p>

SRT Group Operating Structure

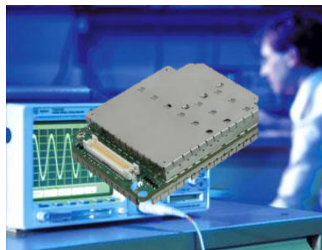
The global leaders in AIS based maritime domain VTS, VMS technologies, products and systems.



Software
Radio Technology



SRT Marine
Technology



Core technology
development, module and
OEM product solutions



SRT Marine
System Solutions



Turnkey, integrated system
solutions. Transceivers,
display and data

em-trak 
High Performance Maritime Products



Vessel transceivers to
independent dealers
and distributors



SRT Group Product Offer

Complete range of market leading products

Gross Profit: 25% to 85% - Revenue/Unit Sold: \$60 to + \$20,000



AIS Aids to navigation Module Type 1
Certified, low power, miniature AIS AtoN engine



AIS Dual Channel Receiver Module
High performance, full function, dual channel AIS receiver engine



GeoVS - Dynamic 3D Display Plug-In
Dynamic 3D display engine with integration API



AIS Aids to Navigation Module Type 3
Certified, low power, miniature AIS AtoN engine



VHF Antenna Splitter Module
High performance VHF antenna splitter engine



GeoVS HUB
A sophisticated maritime domain networking & management system



AIS Class B Transceiver
Fully certified, high performance, AIS Class B transceiver engine



AIS Coast Station
Network optimised AIS transceiver



AIS Satellite Data
Long range satellite tracking for Class B



AIS Aids to Navigation Transceiver
Certified, low power AIS AtoN with external sensor interface



AIS Class B transceiver OEM Product
High performance, certified, IPx7 waterproof OEM Class B



AIS Receiver PCA Packaged Product
High performance dual channel AIS receiver with USB power & data.



AIS AtoN Express Transceiver Type 1
Fully integrated type 1 AIS AtoN with internal battery



AIS Identifier Class B Transceiver
Fully integrated, IPx8, anti-tamper AIS tracking device.



AIS SART Transponder
Fully certified, high performance OEM AIS SART.



AIS Class A transceiver OEM product
Full function, robust, IMO certified AIS Class A transceiver



AIS Receiver OEM Product
High performance, IPx7 waterproof dual channel OEM AIS Receiver



VHF Antenna splitter OEM Product
High performance, IPx7 waterproof VHF antenna splitter

Strategy and Road Map

STRATEGY

1. To deploy SRT'S unique development capabilities and accumulated knowledge to extend our lead as the world's leading provider of AIS based technologies, products and systems to companies addressing maritime domain awareness.
2. To evolve and customise individual product modules to create system solutions producing multiple revenue streams: product sales, software licenses, data services

2015/16

2016/17

2017/18

Implement ABSEA in
Cobalt Class B module

New multi-mode Cobalt
Class B Module

SOTDMA Class B with colour
chart display & ABSEA

New Class A

Enhanced Identifier

Enhance ABSEA

Enhanced GeoVS Display &
Management Systems

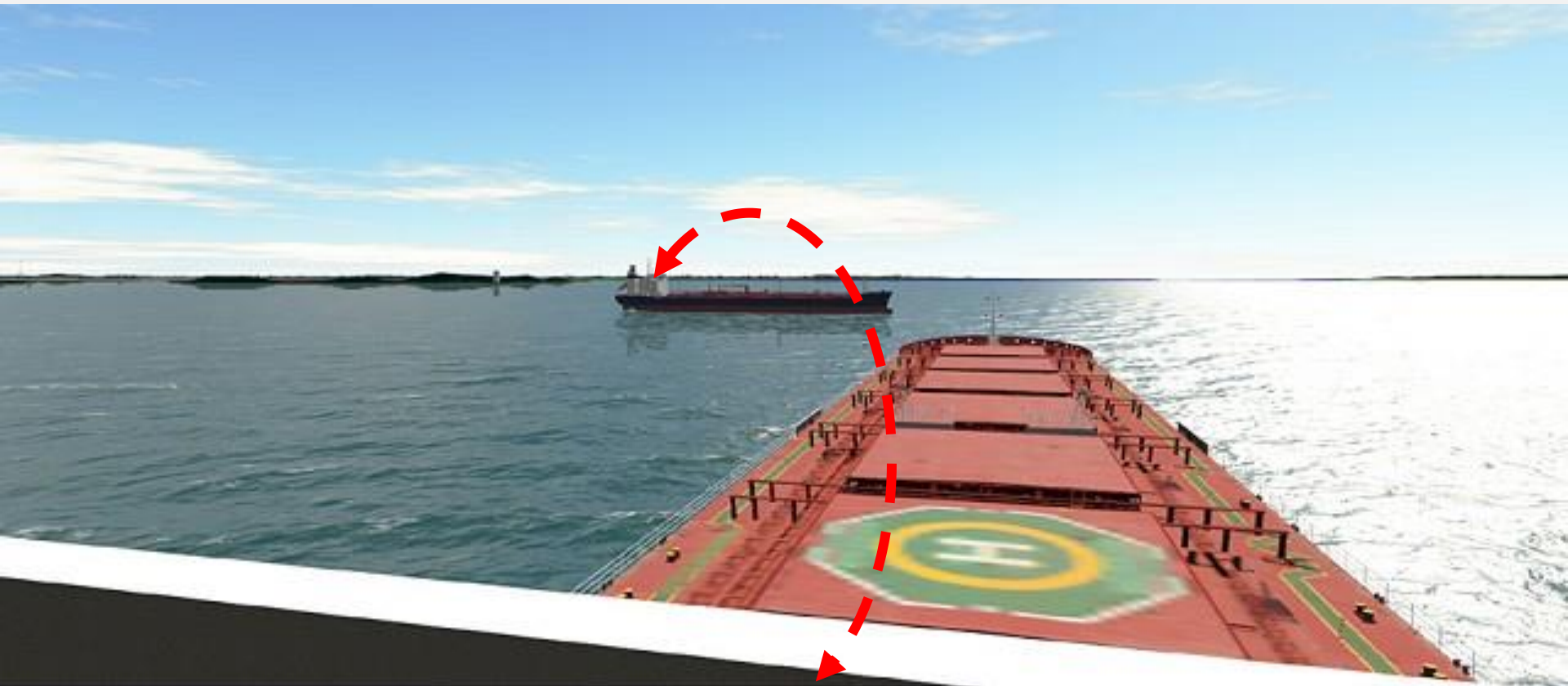
Automatic Identification System

AIS

A maritime data communications technology used to enhance maritime safety, security and efficiency



1990's – 2008: AIS = Anti-collision for ocean going ships



Automatic Identification System

AIS

A maritime data communications technology used to enhance maritime safety, security and efficiency



1990's

AIS technology standard developed by ITU and IEC technical committees

2002

IMO SOLAS agreement mandates all ships over 300GT worldwide to fit a Class A AIS transceiver

2006

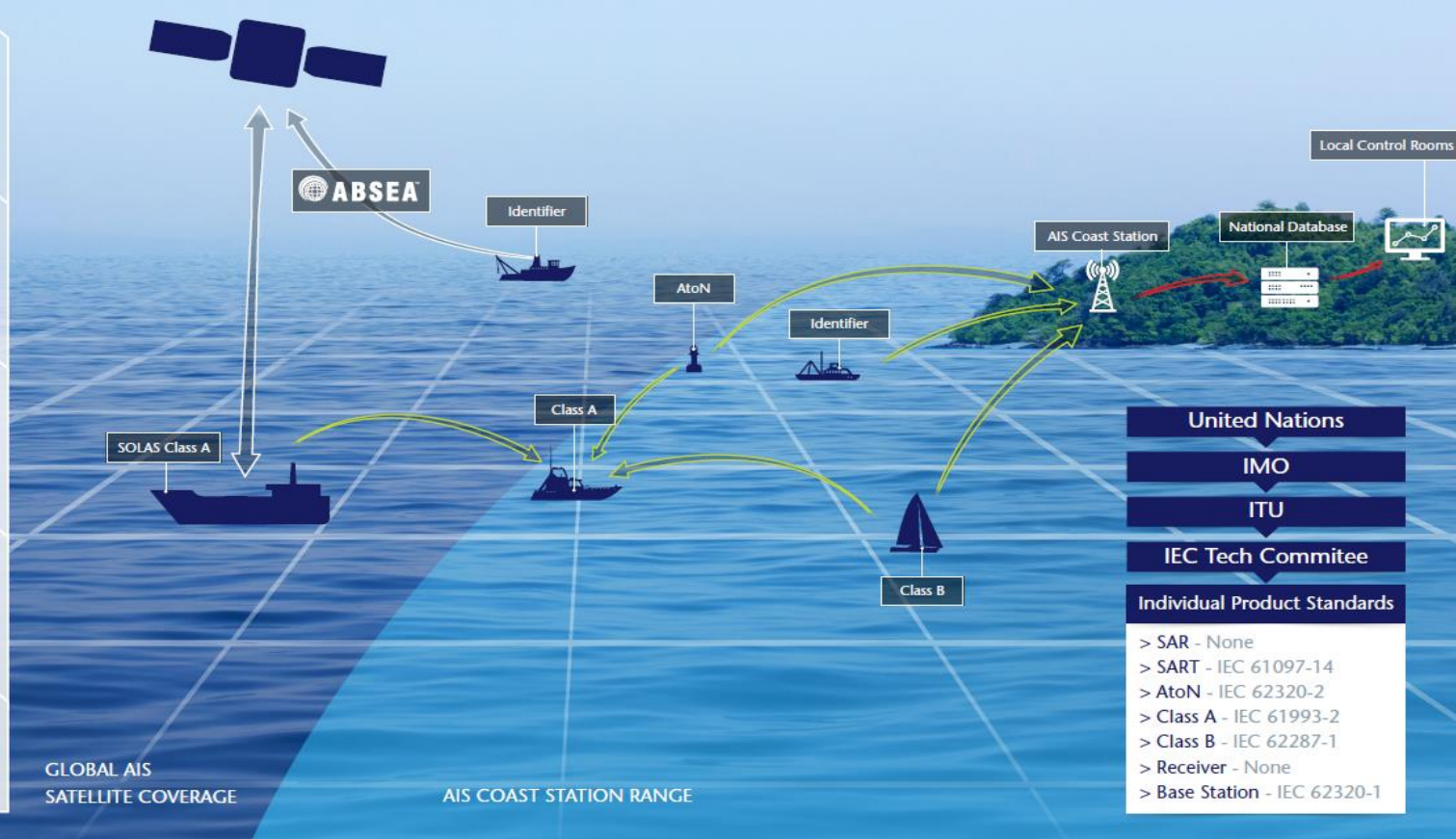
IEC publishes specification for low cost AIS Class B transceivers

2008

Turkey becomes first country to implement national mandate for Class B

Today

AIS has been adopted worldwide and is used in a wide variety of marine applications



Market - Demand drivers



Safety



Fisheries



Coastal Security



Search & Rescue



Waterways



Infrastructure



Efficiency

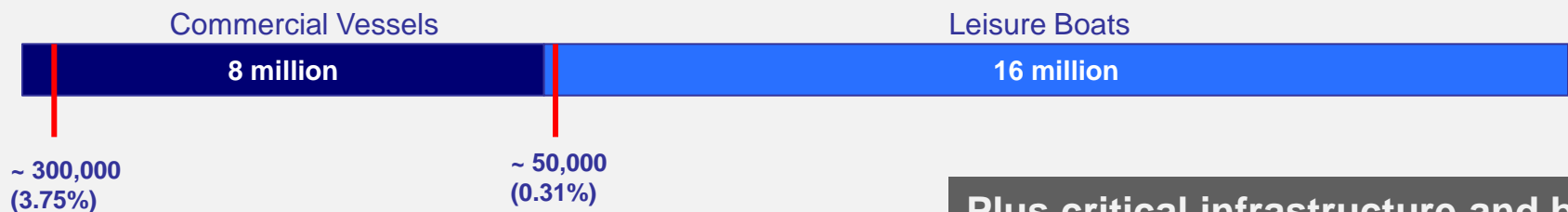
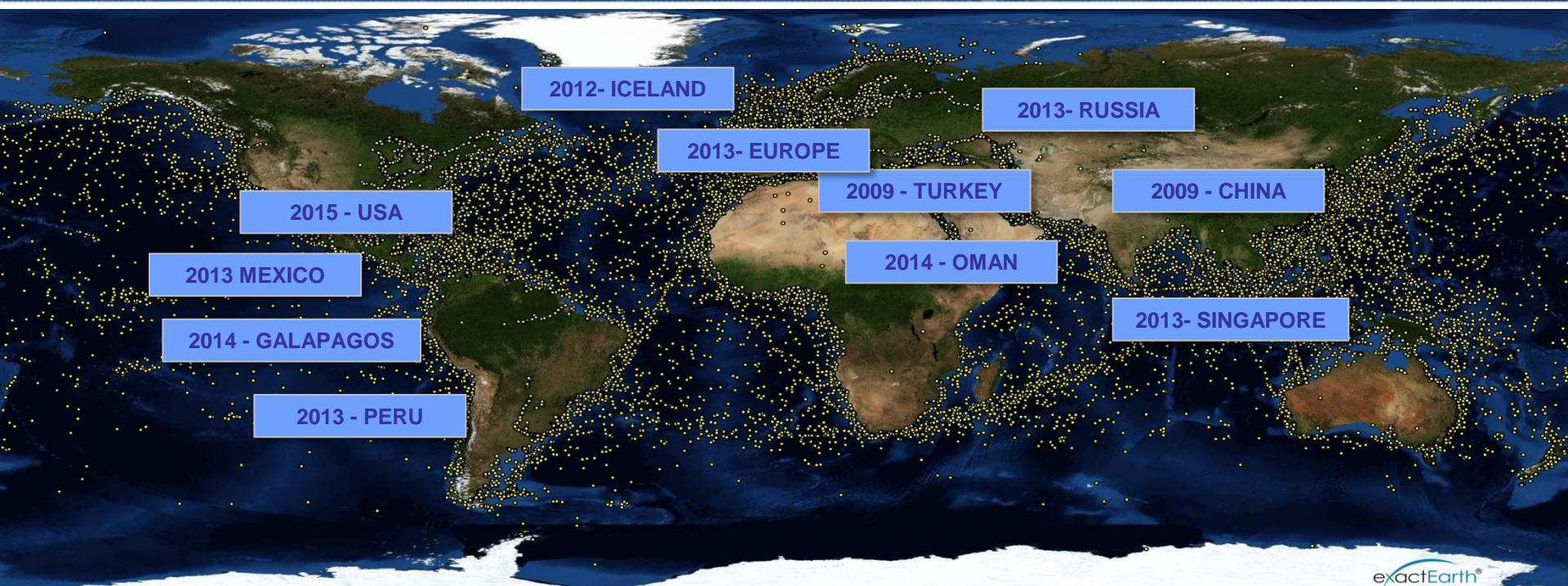


Fun



Pollution

AIS Adoption – A global trend



Plus critical infrastructure and buoys

*Please Note: All values, timescales and dates are best estimates based upon publicly available information available at the time of issue and may be subject to change without notice and or explanation. Due to the nature of government projects all are subject to significant and unexpected change. Some information may have been omitted due to confidentiality requirements.

Future Sales Opportunities – Source & Pipeline

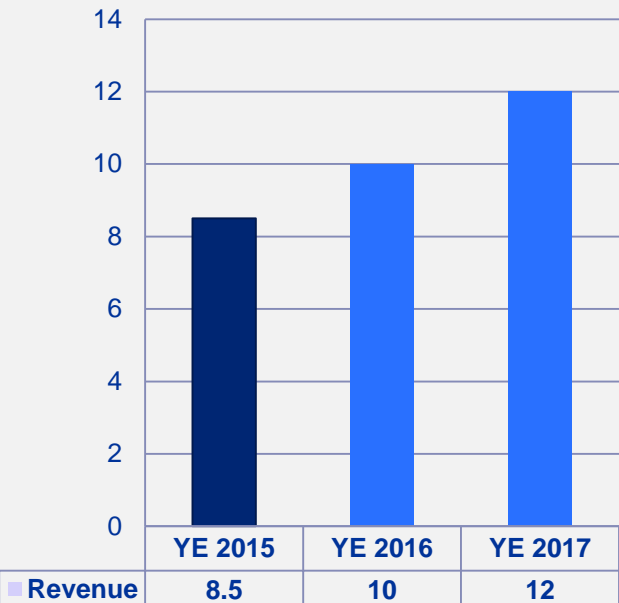
SRT is addressing the global multi-billion dollar MDA market opportunity
SRT has built a validated sales opportunity pipeline worth ~ £200 million

Validated Opportunity Pipeline

Core & Mandate		E-navigation (internet of things on the water) is a long term trend. More advanced displays and applications coupled with more information in the AIS system (AtoN plus more boats) will drive demand.	N/A
		Existing mandates, USCG, EU, Russia and SOLAS/replacement offer good revenue opportunities. Pending new mandates such as in Korea, Japan. Demand patterns independently variable.	\$70m (£44m)
Projects		National fleet tracking projects. Having implemented VMS and LRIT systems for large fishing boats – most countries now looking for viable solutions for small motorised fishing boats.	\$250m (£160m)
AtoN & Display		Critical infrastructure such as ports, waterways, waterways require real time monitoring. AIS deployments on vessels is driving deployment plans.	\$2m (£1.2m)

Broker Revenue Forecast

£' Millions



Source: WH Ireland Research Note 27th February 2015

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Revenues – Future Opportunities & Drivers

PROJECT BUSINESS

Largest short term revenue opportunities for SRT. Forecasting revenue timings is a significant challenge due to characteristics of end customers.

- Opportunities are typically driven by a government wanting to improve their maritime domain awareness by monitoring motorised boats
- Most opportunities are focused on commercial boats – typically fishing boats
- Every opportunity is different in scale and make-up, but uses the same basic fundamental building blocks
- Although clearly identifiable - gestation period from concept to implementation is highly variable and frequently involves opaque politics, stakeholder conflicts and unexpected changes and delays due to significant size and politically sensitive nature of the projects

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Revenues – Future Opportunities & Drivers

PRIMARY VALIDATED SALES OPPORTUNITIES - PROJECTS

Region	Country	Description & Status*	Potential Value*
Middle East	Confidential	POC completed. Final contract discussions in progress.	Total value ~ \$5m
Middle East	Confidential	POC completed. Tender process in progress for first two requirements with an estimated initial value of ~ \$5m	Total value ~ \$25m
Asia	Brunei	First POC phase completed and being expanded to be followed by tender.	Total value ~ \$1.2m
Asia	Singapore	Tender released and bid process in progress. Award expected in September with delivery by end of year.	Total value ~ \$0.6m
S. America	Confidential	First small order delivered as POC. Expanded to mainland to be followed by tender.	Total value ~ \$7.0m

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Revenues – Future Opportunities & Drivers

PRIMARY VALIDATED SALES OPPORTUNITIES - PROJECTS

Region	Country	Description & Status*	Potential Value*
Asia	India	POC completed. First tenders expected in calendar year 2015 with initial value of between \$1m and \$3m.	Total value ~ \$50m
Middle East	Confidential	Project in rollout phase to be completed by 2017. Initial orders for GeoVS, Class A and Identifier already received and delivered worth ~ \$400k.	Total value ~ \$5m.
Asia	Confidential	Political decision made to implement system. Series of POC under way. Phased implementation over 3 years expected starting with 60 to 30gt boats.	Total value ~ \$40m
Asia	Confidential	Tracking of up to 250,000 fishing boats. Legislation currently being processed. Numerous partners addressing. Expect to provide some initial products for larger vessels during current year and provide POC systems for smaller vessels before rollout.	Total value ~ \$50m

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Revenues – Future Opportunities & Drivers

PRIMARY VALIDATED SALES OPPORTUNITIES - PROJECTS

Region	Country	Description & Status*	Potential Value*
Asia	Confidential	Tracking of up to 40,000 boats. Legislation in place during 2014. Internal debate by authorities to finalise specification of transceiver. Advised final spec expected by end of year at which point implementation to be enforced. Possibility of rollout commencing in current financial year subject to authority's decisions.	Total value ~ \$20 million.
S. America	Confidential	19,000 transceivers already supplied. Project proceeding with next phase with up to 100,000 further units required.	Total value ~ \$40m

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Revenues – Future Opportunities & Drivers



Maritime and Port Authority of Singapore
460 Alexandra Road PIA Building #13-00 Singapore 119963
Tel: (65) 6375 1000 Fax: (65) 6375 1047
http://www.mpa.gov.sg

TENDER DOCUMENT

FOR

SUPPLY, DELIVERY, INSTALLATION, TESTING AND COMMISSIONING OF
AUTOMATIC IDENTIFICATION SYSTEM CLASS B TRANSPONDER (AIS-B)
AND ELECTRONIC CHART SYSTEM (ECS) ONBOARD
HARBOUR/PLEASURE CRAFT

CONTRACT NO: CD/PA/020/2015

DATE: 29 APRIL 2015

TENDER BOX NO.	3
CLOSING DATE OF TENDER	4 JUNE 2015 (4.00 PM) (SINGAPORE TIME)

TENDER SUBMITTED BY:

TENDERER'S
COMPANY STAMP

ESSCom urged to carry out border security reform

KOTA KINABALU: The Eastern Sabah Security Command (ESSCom) has been urged to immediately carry out border security reform and consider a proposal to make the Automatic Identification System (AIS) a mandatory requirement as part of border security reform, in order to cope with the job of 'insiders'.

Lakas assemblyman Junz Wong made the call in response to the suggestion by Stampin member of parliament Julian Tan Kok Ping and the statement of ESSCom intelligence assistant chief of staff Superintendent Che Aris Bakar.

"ESSCom has acknowledged the fact that the Sandakan kidnapping incident was masterminded by insiders but what are the appropriate system and strategic action plans in place to resolve this problem?" Junz asked.

The Stampin MP was quoted saying that it was obvious that during the unprecedented events, the security frameworks had failed to intervene or even

defect them before they escalated into crises.

Junz therefore questioned ESSCom on why there was apparent lack of high technology advanced system to effectively identify and monitor 'insiders' in order to eliminate intrusions.

"I wondered what are the hi-tech advanced system which was already in place at ESSZone to fight intrusions?"

Junz, who is also DAP Sabah organizing secretary, proposed that the Sabah State Government impose mandatory requirement for all sizes of boats to be equipped with AIS in Sabah waters, instead of

buying small speedy assets, to strengthen the monitoring of the east coast security to resolve the hostile intrusion and kidnapping problems.

He strongly recommended special AIS satellite enabled transponders to be installed in all sizes of boats so that the control centre could monitor the movements and activities of all Sabah registered boats and vessels within Sabah waters.

"Meaning any vessels passing and leaving designated entry/exit point must have AIS satellite transponders or they can't enter Sabah waters," he said.

"With transponders installed at all kinds and sizes of boats, military and marine control can know their positions and use AIS to tighten the water safety by identifying, tracking and supervising the movements

of all boats as they head into harbour, or navigate along inland waterways or 'restricted' coastlines or ESSZone," Junz explained.

"Make AIS mandatory as part of border security reform so that the military can easily identify suspicious movements and unusual activities to find out the 'insider' culprits and apprehend them," he said.

Junz also welcomed the announcement of RM23 million additional funding for the RM660 million allocated for ESSCom but cited that the fund has to be utilised wisely.

He pointed out that although

more security assets such as offensive helicopters were no doubt important, setting up high-technology advanced system to curb intrusions was more crucial and must be prioritized.

He estimated RM50 million budget was needed to completely install proper AIS satellite enabled transponders depending on the total number of boats in Sabah.

"What's the point of having more boats and security assets if they can't identify the movements within ESSZone or tell where are the incoming or outgoing boats are heading?"

"What is most important now is to be able to 'see' and track their movements. I will table a detailed proposal in the coming July state assembly sitting for debate," he said.

Junz also urged ESSCom to respond to his concerns publicly on how many radars were installed in ESSZone and how many are still functional as radar is also an important component to effectively eliminate intrusions.



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BEHINDWOODS GOLD MEDALS COMING JULY 19TH

Government to Install Tracking Devices in Fishing Boats

By PT | Published: 08th February 2015 10:40 AM Last Updated: 08th February 2015 10:10 AM

NEW DELHI: Six years after the Mumbai terror attacks, the government is finally all set to install tracking devices in small fishing vessels free of cost to monitor their movement and curb security threat along the coastline.

Although the previous government had initiated the process, much time spent in identifying the tracking technology and deciding on funding of the equipment. There was also giving resistance from fishermen on this issue.

Having addressed these concerns, the Home Ministry has moved a Cabinet proposal seeking approval for installation of transponders 'free of cost' in fishing vessels below 20 metres in length for the purpose of tracking their movement up to a distance of 50-km from the coastline.

The ministry has estimated the cost of each transponder at about Rs 16,000 and sought funds to the tune of Rs 326 crore for installing

two lakh transponders in small boats.

According to the proposal, the Home Ministry will bear the entire expenditure on transponders while the project will be implemented by the Department of Animal Husbandry, Dairying and Fisheries under the Agriculture Ministry.

Technical assistance would be given by the Directorate General of Lighthouses and Lightships (DGLL) under the Shipping Ministry, it added.

This is being done as there is 'no formal mechanism' in place to track the movement of small curvy-shaped boats on the Indian coastline.

Small boats on this information

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New Indian Express @newindianexpress

Heavy rain in various parts of India giving people from heat. Photos here

The New Indian Express

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The premier engineering institute has not decided to prepare a group of best students from each class to teach other students.

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END OF THE LINE

The Indonesian navy scuttling foreign vessels caught fishing illegally in Indonesian waters. A total of 19 foreign boats from Vietnam, Thailand, Philippines and China were destroyed near Bitung, North Sulawesi, yesterday as part of a crackdown on illegal fishing. PHOTO: REUTERS

The Future

Overheads:

Expected to grow at approximately 5% per annum from current base, primarily due to increased customer support as projects are implemented.

Product:

R&D will continue at current rate to ensure flow of new products and support customisation of existing products. Focus on developing recurring revenues.

Margins:

Gross margins expected to average at 50% over the long term – depends on product mix within any given reporting period

Revenues:

- Expect core business to grow at an average long term rate of between 10% and 30% depending upon applications and mandate introduction and enforcement
- Significant project business pending – but timing variable.
- New revenue lines for AtoN and Displays expected to grow

Risks & Challenges

- Predicting contract timing and specific market demand patterns within an implementation time window is very challenging and thus so to is accurately forecasting the timing of future revenues— government projects can be unexpectedly changed, delayed or cancelled
- Long lead times for components and thus production, coupled with challenging demand forecasting and high customer expectations result in significant and unpredictable stock and cash fluctuations
- AIS is an open technology standard and thus anyone with the technical and financial resources may develop a product
- AIS is a complex radio communications technology, problems and issues can arise with products resulting in significant warranty costs
- AIS has been rapidly adopted by multiple markets creating a significant customer support challenge for SRT



Summary

- Established core technology, product range with embedded USP's – dynamic 3D display and ABSEA
- Established leading position in AIS market and sales channels
- Established, growing demand for AIS based systems across all marine segments
- Multiple revenue streams with large global addressable market and significant and growing pipeline of validated sales opportunities
- High margin, high growth potential, scalable business model

