



CORPORATE PRESENTATION

MAY 2018

SRT MARINE SYSTEMS PLC

www.srt-marine.com



IMPORTANT INVESTOR NOTES

This investment opportunity entails material risks. It is important that you carefully review the risk and disclaimer section of this presentation prior to investing.

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OPPORTUNITY SUMMARY

SRT MARINE SYSTEMS TODAY:

- Established maritime surveillance and monitoring systems business addressing the multi-billion dollar global maritime domain awareness (MDA) market opportunity
- Profitable, scalable business model, with established repeat revenue streams, plus £30.5m of ongoing system projects and £414m in discussion

FUNDING REQUIREMENTS:

- Recent and prospective system business contracts require short term working capital, plus acceleration of product development
- Up to £6m fundraise split between debt and equity



OUR BUSINESS

SECURITY | SAFETY | MANAGEMENT | ENVIRONMENT



Provision of products and systems that deliver maritime domain awareness (MDA) to vessel operators, infrastructure owners and governments



MDA MARKET DYNAMICS

SIGNIFICANT GLOBAL OPPORTUNITY

- 26m vessels – 8m commercial, 18m leisure
- 361m sq km of ocean
- 400,000 km coast lines
- Ports & waterways
- Infrastructure – oil & gas, wind turbines
- Buoys – navigation, monitoring

CLEAR MARKET DRIVERS

- Maritime sovereignty and security has become more important
- Importance and relevance of the maritime domain has increased – resources oil/gas/fisheries, environment conservation
- New technologies are enabling a new level of functionality and utility

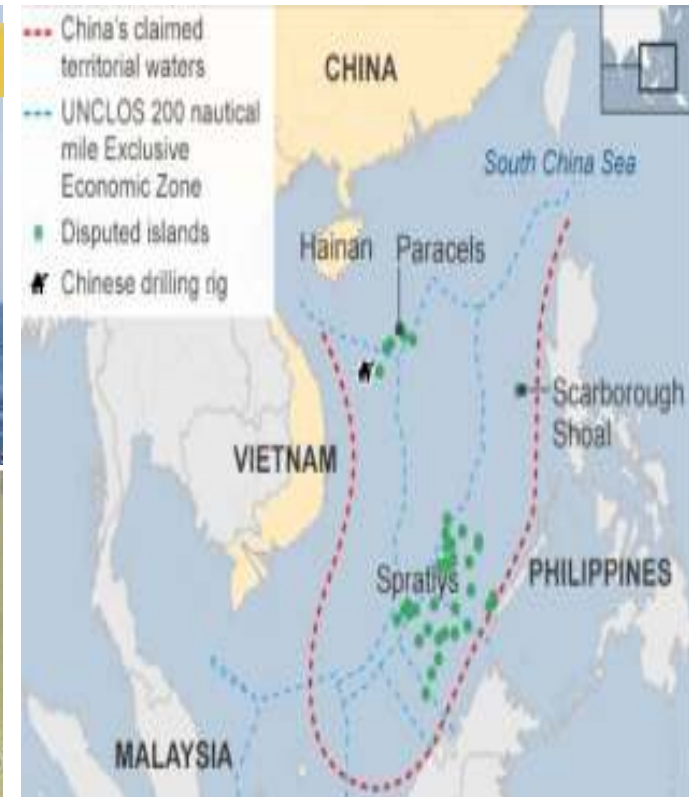
CONVERGENCE OF NEW TECHNOLOGIES AND INCREASED IMPORTANCE OF THE MARINE DOMAIN IS DRIVING DEMAND FOR MDA SYSTEMS

MDA MARKET DRIVERS



Chinese sink Vietnam fishing boat

Bahrain – weapon smuggling



Disputed maritime sovereignty

NEW TECHNOLOGY

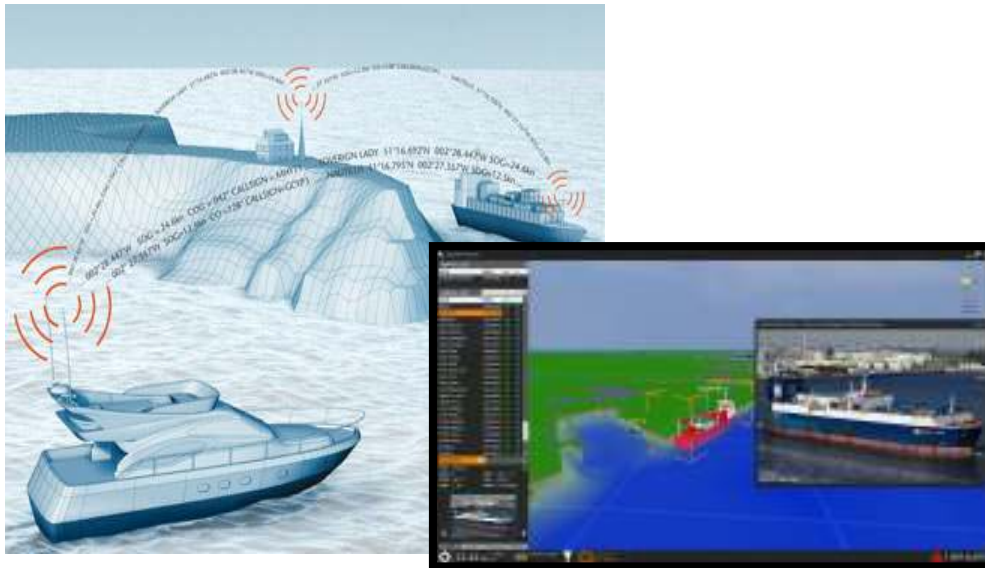
New technology enables precise identification and tracking of vessels, automated threat detection and alerts, advanced analytics and logistics



AUTOMATIC IDENTIFICATION SYSTEM (AIS)

AIR-TRAFFIC CONTROL FOR BOATS

Enables precise identification and tracking of boats and real time data exchange



- AIS is a complex mesh network data communications standard
- AIS developed by IMO in 1990's and in 2002 mandated on all vessels worldwide over 300GT
- Estimated 400,000 vessels now equipped with AIS – mostly commercial
- AIS has become a critical path technology within MDA

SRT MDA STRATEGY & BUSINESS MODEL

Development of MDA technologies and products with differentiated performance and functionality

Creation of turn-key MDA product and system solutions that address MDA market segment requirements.

SYSTEMS - Integrated turn-key MDA system solutions sold to Coast Guards, Fishery Ministries, Port & waterway Authorities

TRANSCEIVERS - AIS Transceivers sold to marine electronics companies, dealers and vessel owners

SRT addresses MDA market segments using a small set of core technologies and products which can be combined and customised in multiple configurations



SRT MARKET POSITION

- Established player in global MDA market with multiple customer references
- Comprehensive range of proven technologies, products and system solutions with differentiated functionality and performance.
- Global network of reseller and installation partners
- Multiple completed MDA systems with established long term customer relationships



TRANSCEIVER BUSINESS

REPEAT REVENUE STREAM

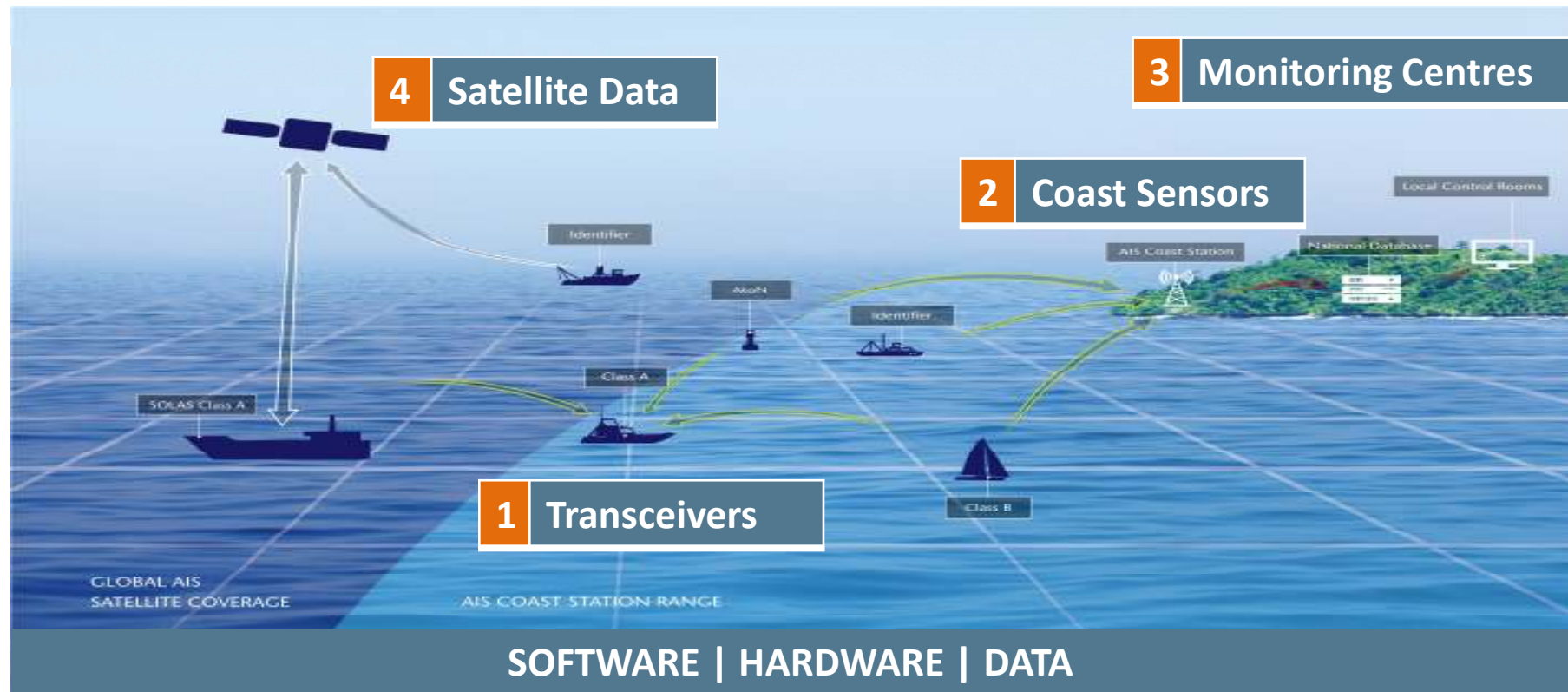


- AIS transceivers - OEM product solutions to marine electronics brands – own em-trak brand to dealers and end users
- Primary market segments are EU/USA leisure and commercial vessel owners
- Repeat revenue stream of £5m per annum forecasted to grow at 10% per annum – excluding special project uplift - with average gross profit margin of 40%



SYSTEMS BUSINESS

SYSTEMS COMPRISE OF MULTIPLE COMPONENTS | DELIVERED IN MILESTONES OVER TIME

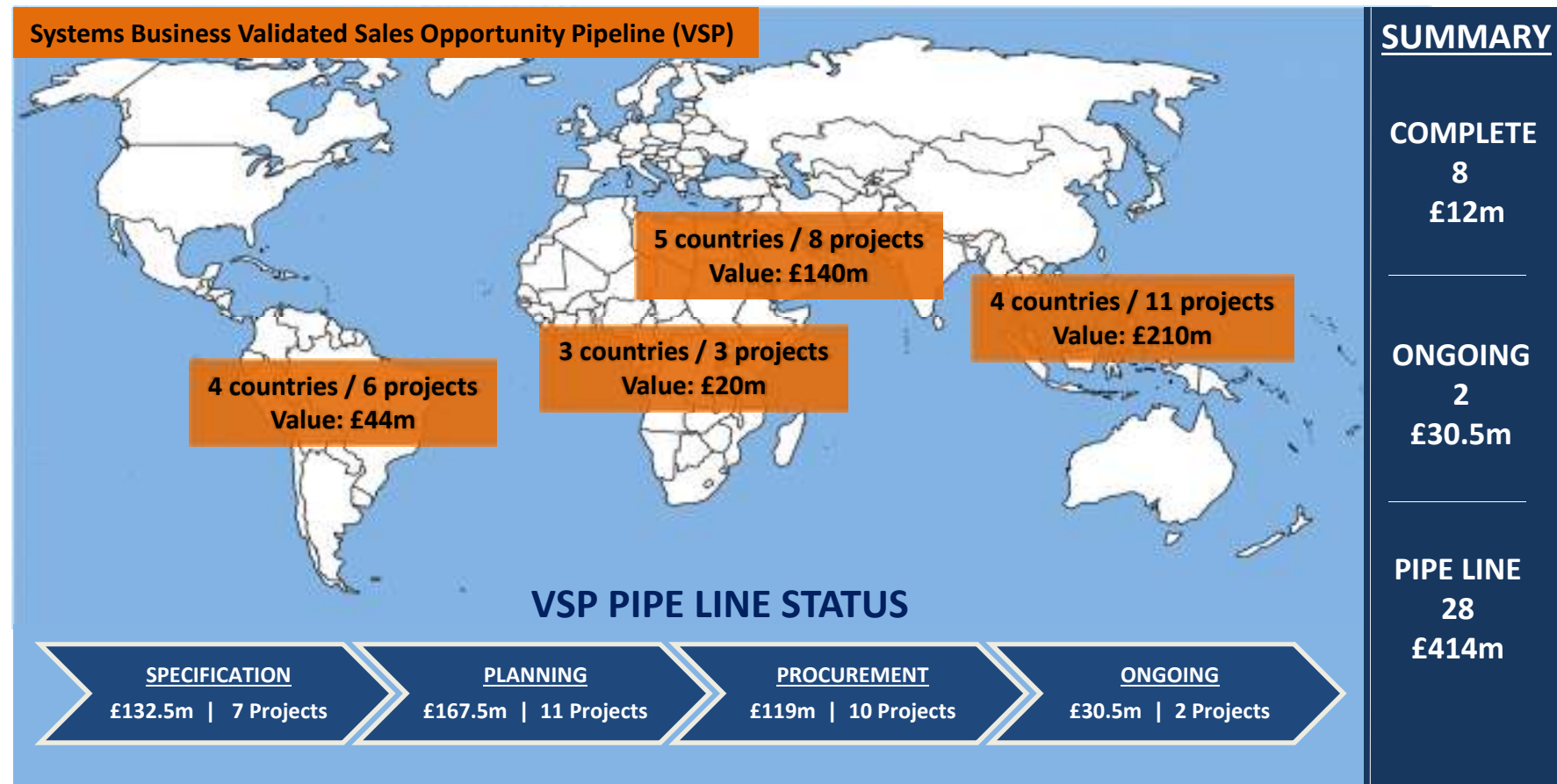


SYSTEMS BUSINESS DYNAMICS

- Size varies from £60k to £75m
- Gross profit contribution margin varies from 72% to 30%
- Most customers are governments driven by maritime security and management
- Long term multiple project opportunities from individual customers
- System procurement process can be complex with extended payment terms



SYSTEMS BUSINESS – PIPE LINE



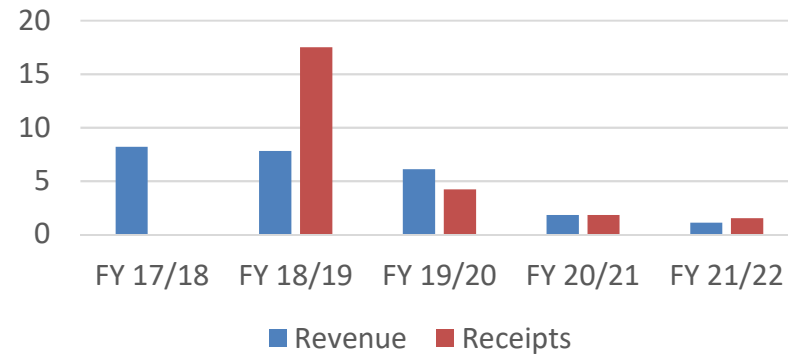
IMPORTANT: The existence, scale, value and timing of system projects business is highly changeable due to nature of government customers. Please risk and disclaimer slides



ONGOING SYSTEMS STATUS

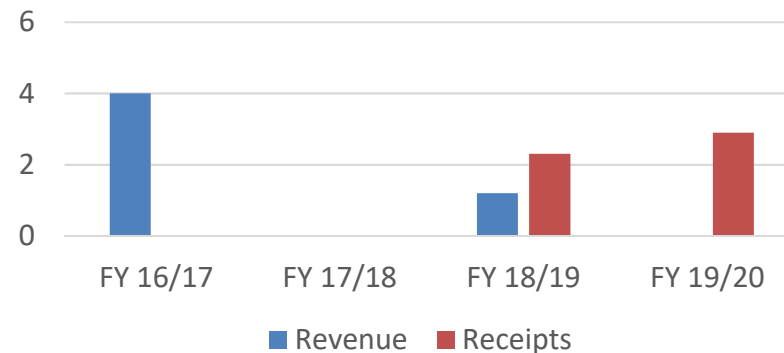
1 SRT VMS System – SE Asia.
 Value: £25m over 4 years.
 Awarded: Q4 FY17/18

Project contracting and financing in process of being finalised in order to commence payments for deliveries undertaken due to budget re-allocation from foreign government loan to internal funds.



2 SRT NAIS System – Middle East.
 Value: £5m over 2 years.
 Awarded: Q4 FY16/17

£1.2m payment late due to contract restructuring to expand project to include transceivers in first phase. Revised project in negotiation.



FINANCIAL OVERVIEW

All £ million's

	FY 13/14 Actual	FY 14/15 Actual	FY 15/16 Actual	FY 16/17 Actual	FY 17/18 * (Unaudited)
PROFIT & LOSS					
Revenue	6.1	8.5	10.6	11.0	13.5
Gross Profit Margin	43%	51%	48%	66%	N/A
Cash Overheads	4.4	4.9	4.8	5.6	N/A
Operating profit	(1.5)	(0.3)	0.3	1.2	1.4
Operating cash flow	0.5	1.5	1.3	1.4	N/A
BALANCE SHEET					
Net Assets	11.0	12.4	12.9	14.6	N/A
Cash	1.3	2.1	1.9	1.8	N/A
Creditors	3.0	2.4	3.9	4.0	N/A
Debtors	2.6	1.6	4.7	7.9	N/A

* Subject to audit and cash receipts



FUND RAISE

Raising up to of £6m - up to £3m in equity and up to £3m of three year term debt

Use of Funds:

£1.15m	repayment of short term loan
£1.5m	to fund acceleration of product development – particularly GeoVS data application development activity
£3.35m	to provide short term working capital for systems business

Timetable:

- Roadshow: 21-23 May 2018
- Books close: 3pm 24 May 2018
- Announcement: 25 May 2018
- Admission of shares: 30/31 May 2018

SUMMARY

- Established player in global MDA market with significant growth opportunities
- Established market position – technology / product / brand / customer base & references.
- Established transceiver business with repeat revenues forecast to grow.
- Proven systems business with £30.5m ongoing projects and £414m pipeline of validated opportunities in discussion.



APPENDIX



RISK FACTORS & DISCLAIMER (1)

- ◆ The nature of SRT's customers means that the status of a system opportunity and or contract can materially change suddenly and without notice.
- ◆ SRT's systems business is driven by governments and thus can be subject to significant risk including but not limited to: the forecasting of project commencement dates and project delivery schedules, political and financial change and uncertainty, sudden cancellation and or changes to contracts without the possibility for redress, renegotiation and or compensation.
- ◆ Different customers and countries have different procurement and legal processes, which are often opaque and difficult to understand, and can mean that projects are undertaken where contracts do not exist and or are not legally enforceable.
- ◆ Revenue and profit numbers announced for year ending 31st March 2018 are subject to audit and contain material revenues recognised from systems business and therefore may be subject to material adjustment upon audit.
- ◆ Payment terms are frequently extended and variable and in the event of non-payment may not be collectable due to the nature of the customers.
- ◆ Delivery schedules can be highly variable due to factors such as manufacturing supply chain issues and local in-country issues such as availability of hosting infrastructure, import issues and customer co-operation issues resulting in significant project delivery and therefore revenue delays.
- ◆ The presence of an existing contract with an existing customer does not provide surety that there will be future follow on contracts.
- ◆ As SRT enters multiple project contracts, project execution risk will become an increasing challenge.



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