

**SRT MARINE SYSTEMS PLC**  
**(AIM: SRT)**  
**("SRT" or the "Company")**

**Trading update**

SRT Marine Systems PLC (SRT), a global provider of maritime surveillance, monitoring and management systems, today announces a trading update for the year ended 31 March 2021.

The Company expects to report revenues of approximately £8.2 million\* and loss before tax of £5.8 million\* with gross cash as at 31 March 2021 of £5.3 million\*. During the period, existing system contract customers made cash payments of £13 million per agreed project payment schedules, with a further £5.7 million due in the coming year. However, because of Covid lockdown related implementation delays, no invoice milestones were completed and thus no revenues recognised during the year. A fixed one-year CBILS support loan of £2.5 million from the Company's bankers was drawn down in April 2020. Following a review of detailed information on the pending new system contracts the renewal of this facility was agreed by the bank in March 2021 with repayments to be made on a quarterly basis commencing in July 2021 through to April 2023.

Given the Covid environment, the transceivers business performed robustly, achieving marginally higher revenues (+1%) on the previous year and stable gross profit margins. New system contracts that had been expected to commence during the year and contribute significant revenues were delayed due to the extended Covid lockdowns and are now expected during the new financial year.

In April 2020 we advised that of our pipeline of validated new system opportunities included three in the Middle East region worth approximately £75 million that were expected to commence within a few months. However, the unexpected length and frequency of Covid lockdowns has delayed these into the new financial year. During the year four new system opportunities in Asia worth approximately £50 million have developed more rapidly than expected and are now pending their contract processing upon relaxing of Covid restrictions and normalisation of the government's contracting procedures. As of this statement, based upon customer guidance, we expect three of the Asian opportunities and one of the Middle East opportunities, with an aggregate value of approximately £71 million to commence during the first half, a further one in Asia worth approximately £14 million at the beginning of the second half, with the other two Middle East contracts, with an aggregate value of approximately £40 million, to commence later in the second half. The implementation and therefore revenue profile of each project differs, ranging from 9 months to 24 months to complete and therefore the revenues associated from these projects will be spread over a 24 calendar month period against delivered milestones.

Operationally the Company successfully transitioned to a new Covid safe operating model which we intend will remain largely in place due to several unexpected efficiencies and advantages of this modus operandi that have become apparent. Activities such as transceiver manufacturing, logistics, and product development have continued as normal and in some cases such as product development have accelerated. During the year significant new functionality was added to our GeoVS maritime surveillance platform, and the development of a strategic new transceiver product commenced which we expect to be a significant revenue driver from the end of 2022 upon its completion.

The forced delay in new and existing system contracts, whilst frustrating, has enabled our systems delivery team, in country partners and customers to substantially restructure and refine our systems implementation model. We are now able to pre-build and configure many of the system modules in

the UK and ship to in country partners who can be supported remotely and with less on site SRT resource application to install and commission the systems. This will facilitate multiple project implementation scale up.

The Company expects to publish its audited final results on Thursday 29<sup>th</sup> July 2021 , and hold its AGM on Wednesday 22<sup>th</sup> September 2021.

**SRT CEO, Simon Tucker said:**

“At the beginning of the year when Covid restrictions started, we took immediate action to secure the necessary working capital and operational changes to protect and sustain our business. These actions have ensured that we are now in a good and secure position to quickly recover and thrive. Covid lockdowns have prevented system customers from moving forward with new contracts during the year, resulting in a lost year for SRT financially. We now have seven new system contracts worth a total of £125 million which are pending commencement as the respective countries relax restrictions and contracting processes catchup and normalise. Five worth £85 million are of primary short-term focus for us given customer guidance regarding their contracting processing status. These systems are vitally important to our customers and we maintain very close liaison with them whilst we both wait for the relevant government contracting agencies to normalise operations.

The forced delay has provided valuable time for our delivery team, in-country partners and customers to restructure and consolidate our systems delivery methods, implementing key method changes and equipment preparations that will facilitate the necessary significant scaling as lockdowns ease in the coming months and customer contracting proceeds.

I am pleased to report that due to a combination of high-quality products and consistently reliable service to customers around the world, our transceivers business performed very well, achieving the same level of sales as the previous year, and maintaining its gross profit margins.

In such an exceptional time, I feel it is appropriate that I use this statement to firstly thank our staff who have continued to work throughout, some from home and some in our offices and logistics centre. They have ensured that all our customers have had their orders efficiently processed and filled, and that our product development has continued. An exceptional effort and commitment to SRT. And secondly, to our shareholders who I know, like me, expected and hoped for a great financial result this year, but will today be disappointed. I am very sorry for this disappointment and would like to personally thank you for your support and patience which I expect to be rewarded in the coming year as our system customers are able to proceed as planned with the implementation of these essential systems.”

*\*subject to audit*

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**About SRT Marine Systems plc:**

SRT Marine Systems PLC is a global company which develops and provides integrated maritime surveillance, monitoring, management and safety systems used by coast guards, fishery authorities, infrastructure and vessel owners for the purposes of managing and controlling their maritime domain. Applications include security, safety, search & rescue, law enforcement, fisheries management, illegal fishing detection and environment monitoring.