

**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE MARKET ABUSE REGULATION (EU) 596/2014 AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 ("MAR"), AND IS DISCLOSED IN ACCORDANCE WITH THE COMPANY'S OBLIGATIONS UNDER ARTICLE 17 OF MAR.**

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

**Systems Contract & Trading Update**

SRT Marine Systems plc ('SRT'), a global provider of maritime domain awareness systems and technologies for security, safety and environmental protection provides an update on current year trading, contracts and the forthcoming new financial year.

The Company expects revenues for the year ending 31<sup>st</sup> March 2023 to be approximately £30.0m, a 265% increase on the previous year, generating an EBITDA profit of £2.5m and an expected loss before tax of £1.0m.

Our systems business will have generated revenues of approximately £18.0m (prior year: £0.6m) and our transceivers business approximately £12.0m (prior year: £7.6m). These results are lower than market expectations for the current year primarily due to material systems business project milestones that had been expected to be completed by the end of the current year being delayed to the early part of the new financial year.

New Systems Contract

We are pleased to announce that, following an extensive selection and negotiation process, earlier this week we signed a formal Letter of Intent ('LOI') for a new Coast Guard project worth £145m.

The project is for the delivery of a turn-key maritime surveillance system that will enable enhanced maritime safety, security and protection of large areas of environmentally sensitive marine areas. The customer is financing the project by way of a loan organised and supported by the UK government overseas UKEF agency. The LOI states that the project will proceed upon completion of the loan arrangement process between the two governments. These discussions are at an advanced stage and expected to conclude within the next few months. Once underway, we expect the majority of the project to be delivered within two years, and thus generate significant revenues in the coming financial year alongside our existing system projects. We will make a further announcement in due course.

Validated Sales Pipeline ('VSP')

As the global market for digital integrated marine surveillance systems continues to develop, SRT continues to grow a pipeline of prospective new future project opportunities with existing and new customers. Today this contains identified specific projects where we have ongoing discussions with an estimated aggregate value of approximately £1.4 billion. However, many of these are in their early stages and usually take several years to develop into defined projects

and contracts, and so the board are mostly focused on a validated subset of these worth approximately £535.0m where our discussions with the customer and the project are the most mature. The Company's VSP contains £260.0m of new follow-on projects from existing customers who are now looking to move on with the next phase of their long-term maritime surveillance strategies and £275.0m of new projects from new customers – including the £145m contract described above.

In addition to the pending conversion of the LOI contract, there have also been some recent material events which have significantly improved timing confidence of two other potential projects. Firstly, a series of meetings at the highest level for another prospective new coast guard customer who wishes to build up a very significant national scale system over the next ten years in a series of incremental annual projects with an indicated annual project budget in the region of £50.0m commencing from 2024. Secondly an existing customer who has secured funding of up to £150.0m to undertake a significant expansion of their existing SRT supplied system starting from 2024.

Our transceivers business grew year on year by an estimated 58% in the current year, through the simple mechanics of a long-term macro-market trend of increasing adoption of AIS across leisure and commercial vessels coupled with quality products and services and an extensive global network of over 1,500 distributors, dealers and OEMs. The coming year will see a focus to significantly expand distribution in the North American market, and the launch of new products which will expand our addressable market opportunity. Of particular note is NEXUS which combines marine voice and data communications into a single device along with innovative mobile device connectivity, and DAS-Express which targets the navigation segment and enables digital marking of buoys and other navigation aids to facilitate safety and autonomous shipping.

Simon Tucker, CEO of SRT Marine Systems, commented:

“The £145.0m LOI signed earlier this week is a major milestone for SRT. Not only because it is a significant project in itself, but because it adds another Coast Guard customer who has an active long-term strategy to move to an intelligence lead operational model and therefore have an active plan to build up their independent maritime surveillance and intelligence capabilities; and therefore future follow-on contracts.

Whilst I will be surprised if our transceivers division can maintain its exceptional 58% year on year growth, the adoption of digital systems like AIS in the marine world is at its early stages, our products are the market leaders in all categories, we have significant new products coming and established and motivated distribution, and therefore the ingredients are there for continued excellent performance.

Notwithstanding the deferral of some revenue to our next financial year, the prospects look extremely promising for both our business divisions. There will of course be significant challenges to manage scaling, however we have made investments in product and people and learnt many lessons and so SRT is in a very favourable position.”

**For further information, please contact:**

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**About SRT Marine Systems plc:**

SRT Marine Systems PLC is an established leader in the growing global market for maritime domain awareness. We provide advanced technologies, products and systems that enhance maritime safety, security and environmental protection and sustainability. Our customers range from governments to vessel owners around the world.