



| **2020/21 Year End Presentation**

AGM – 22nd September 2021

SRT MARINE SYSTEMS PLC

www.srt-marine.com



SUMMARY

- Last 18 months has been a period of forced consolidation which will facilitate scaleup. Successful transition to new Covid operating model – deepened relationships with key long term customers and partners.
- Transceivers business has maintained revenues and margins during year whilst improving product range and both dealer and direct sales networks to facilitate future growth. Major progress with development of significant new product.
- Existing system contracts continued to progress with £13m cash payments received in FY 2020/21 scheduled, and clear delivery and payment schedule for FY 2021/22. Follow-on data and system contracts in discussion.
- Complexity of government contracting processes coupled with Covid-drag has meant slower than expected commencement of new contracts worth ~£125m. Now expect £71m to contract and commence during the latter half of the new financial year with a further £54m shortly thereafter.



OUR BUSINESS

MARITIME DOMAIN AWARENESS



SYSTEMS DIVISION

Provider of integrated maritime surveillance systems to governments



TRANSCIVERS DIVISION

Tracking, navigation safety and communication transceivers



MARKET DRIVERS

| SECURITY

Protection and monitoring of national borders (coastlines) and valuable marine assets within sovereign maritime EEZ, prevention of terrorism.



| ENVIRONMENT

Conservation and sustainability of marine environment, in particularly ensuring sustainable and legal commercial fishing.



| SAFETY

Prevention of collisions, management of commercial traffic, search and rescue for millions of leisure boaters.



MARKET DRIVERS

LONG TERM MACRO-DEMAND TRENDS UNDERPIN OUR GLOBAL TARGET MARKET

| SYSTEMS

Governments around the world want to enhance maritime security, safety and environment protection.

Integrated surveillance systems provide intelligence that identify issues and enable effective management and responses. Thus enabling effective and efficient control and management of their marine domains.

| TRANSCEIVERS

AIS and VHF radio are established global marine communication standards – enables all boats to communicate with each other, no matter their flag/origin.

Most commercial vessels worldwide are coming under regulations requiring AIS, which in turn is driving demand in large leisure vessels, which in turn will trickle down to smaller vessels.



TRANSCEIVERS DIVISION



Development of new marine communications product (NEXUS) commenced. Schedule to start shipping early 2023. Significant sales potential.

OVERVIEW – revenues ahead of expectations but flat year on year due to Covid. Expected to revert to our target of between 10% and 20% annual growth from 21/22. Margins maintained.

- **OEM & Module** – cancelled new boat orders during start of Covid caused drop in sales during 2nd half of year. However increase in boat orders from September is now reflecting in growing orders.
- **Em-trak** – drop in sales during first 6 months of Covid reversed as people returned to boats and undertook upgrades. Overall sales have grown and expected to accelerate as more people boat further and new regulations (Greece / Canada).
- **Digital AtoN (DAS)** – adoption of digital AtoN in ports and waterways gaining pace. Launch of new product packages. Sales increased substantially and trend appears to continue.

TRANSCEIVERS DIVISION - Nexus



MARKET-FIT: Marine VHF radio is minimum fit requirement on most boats. VHF and AIS are complementary. Migration to navigation apps means connectivity and integration a critical trend. Substantial global market for product at the right price.

- Developed in association with marine professional from around the world.
- New SRT radio transceiver core engine.
- Innovative user functionality.

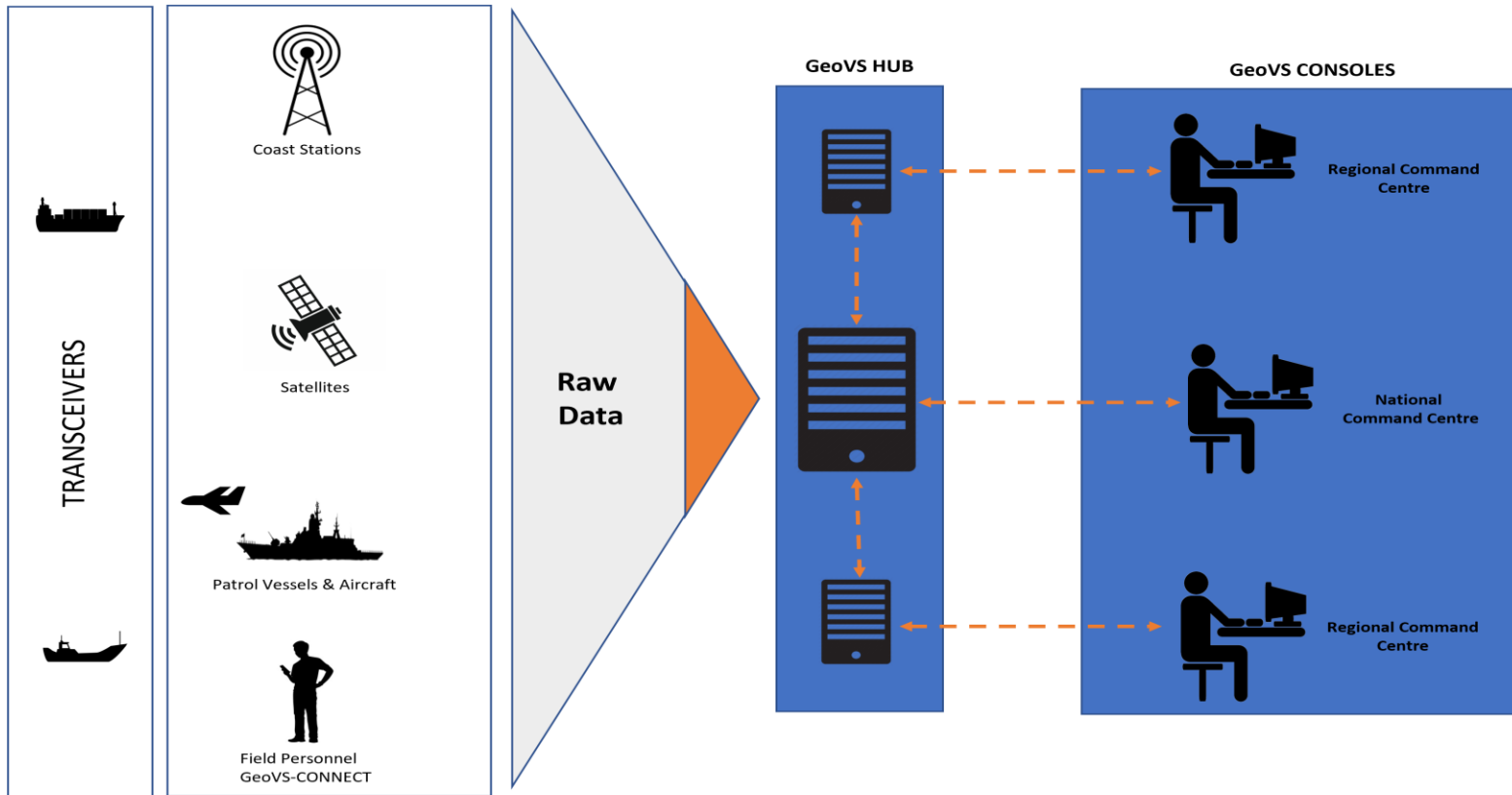
SYSTEMS DIVISION – THE SRT-MDA SYSTEM

The SRT-MDA System is an integrated sophisticated maritime surveillance system solution for government agencies – border agencies, coast guards and fisheries.

Integrates multiple sensor types in multiple locations (satellite and terrestrial) to provide optimised surveillance coverage within a single locally controlled and operated system empowering built in AI analytics that automatically detect issues and feed into action management functionality.



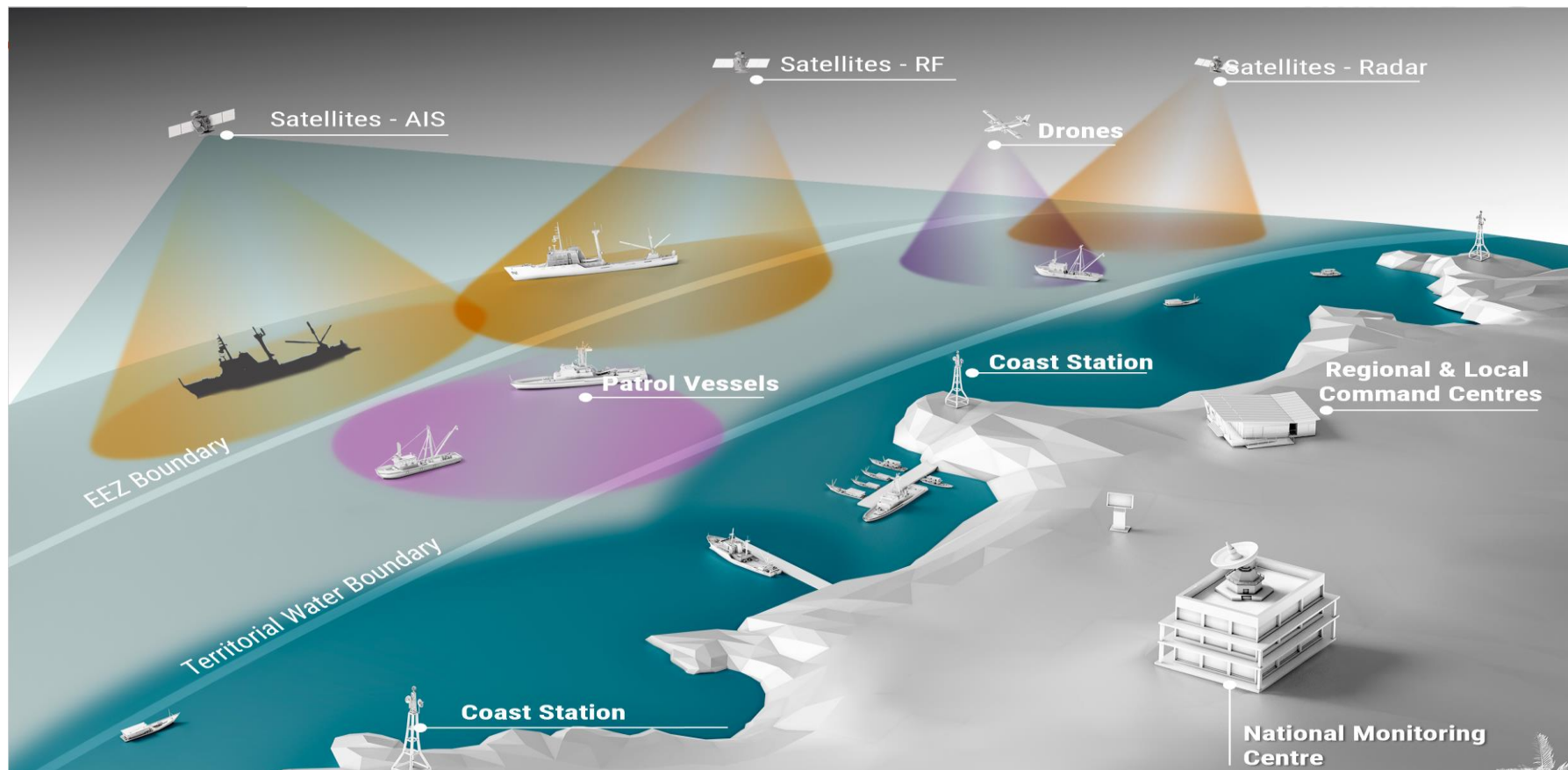
SYSTEMS DIVISION – THE SRT-MDA SYSTEM



Fully integrated maritime surveillance, command and control system.



SYSTEMS DIVISION – THE SRT-MDA SYSTEM



Multi-layer sensor system – delivers optimised, intelligent surveillance coverage



SYSTEMS DIVISION – THE SRT-MDA SYSTEM

- Enables intelligence based maritime operations
- Integrates and fuses data from all types of sensors (radar, AIS, RD, IR) from up to 200 coast station sites, 20 different satellite constellations, 500 field operators with 200 system operators all in different locations.
- Dynamically managed system network back bone with all system functionality and data managed and stored in-country.
- Enhanced digital visualisation that optimises operator situational awareness.
- Extensive vessel information system – vessel details, ownership and licensing history.
- Configurable analytics that can scan tens of thousands of individual vessels and identify vessels and activities of interest.
- Alert and action management system that enables responses to issues such as IUU to be instigated, monitored and controlled
- Electronic fisheries catch reporting and auditing
- Analytic reporting system that enables production of insightful reports on maritime activities.



SYSTEMS DIVISION – SALES PROCESS

1. Government agencies decides they are interested to improve maritime surveillance. Contacts multiple companies requesting information.
2. **Information is supplied and typically several months of information exchange occur in the form of questions and answers and presentations.**
3. Agency will make internal proposals to their parent agencies with their basic plan and budgets for in principle approval.
4. **Agency will intensify discussions with companies who they feel have the best system. The objective of these consultations is for them to build a detailed system design, specification and precise budgets and system operating principles and procedures.**
5. Once the customer has their internal system specification and design they undertake an internal process of formal approval and actual budget allocation for the project.
6. Upon granting of approval and budget, the agency will commence their procurement process in accordance with that specific country's regulations – normally a tender.
7. Upon issue of a tender the tender process of the specific country applies. SRT will prepare and submit a bid.
8. Agency evaluates the technical and financial components of the tender and then informs who is the winner-designate.
9. Final contracting process is then completed, involving the preparation of contracts and often further final approvals, before issue, followed by the notice to proceed.



SYSTEMS DIVISION



OVERVIEW – £13m cash paid by customers during financial year 2020/21 – further payments due in new financial year. Good progress with development of GeoVS products and preparation for pending new contracts with local in country partners and customers.

- **Development** – significant progress with new functionality implementation in GeoVS product suite (CONSOLE / HUB / CONNECT).
- **Delivery** – refined model implemented. Solid progress with existing contracts. Extensive local partner training completed along with system equipment procurement and build up for new pending contracts.
- **New Business** – £550m of validated new contract opportunities. £125m are in their contracting /procurement phase. Expect £71m of new contracts to commence in 2021/22, plus further £54m shortly thereafter.

PHILIPPINES - BFAR IMEMS CONTRACT

- Good progress with installation of system by local partner.
- Covid lockdowns has slowed progress resulting in a 6 to 12 month overall project implementation delay – no invoice milestones completed during the year.
- £13m cash paid by customer over last 12 months as per payment schedule – further payments due in next 12 months.
- All equipment purchased and in country for project. Plan to accelerate project implementation during 2021/22.
- Negotiations underway for next phase and ongoing system maintenance and data supply contracts.

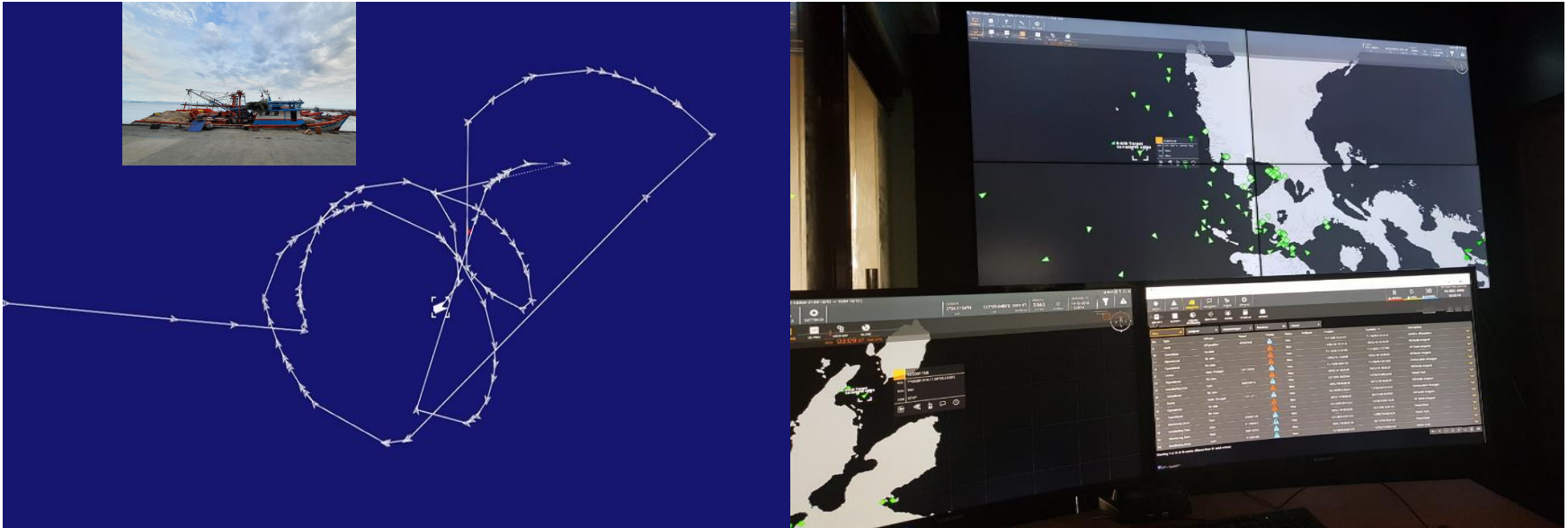


PHILIPPINES - BFAR IMEMS CONTRACT



Philippine commercial fishing vessel equipped with VMS-100 fisheries monitoring system transceiver

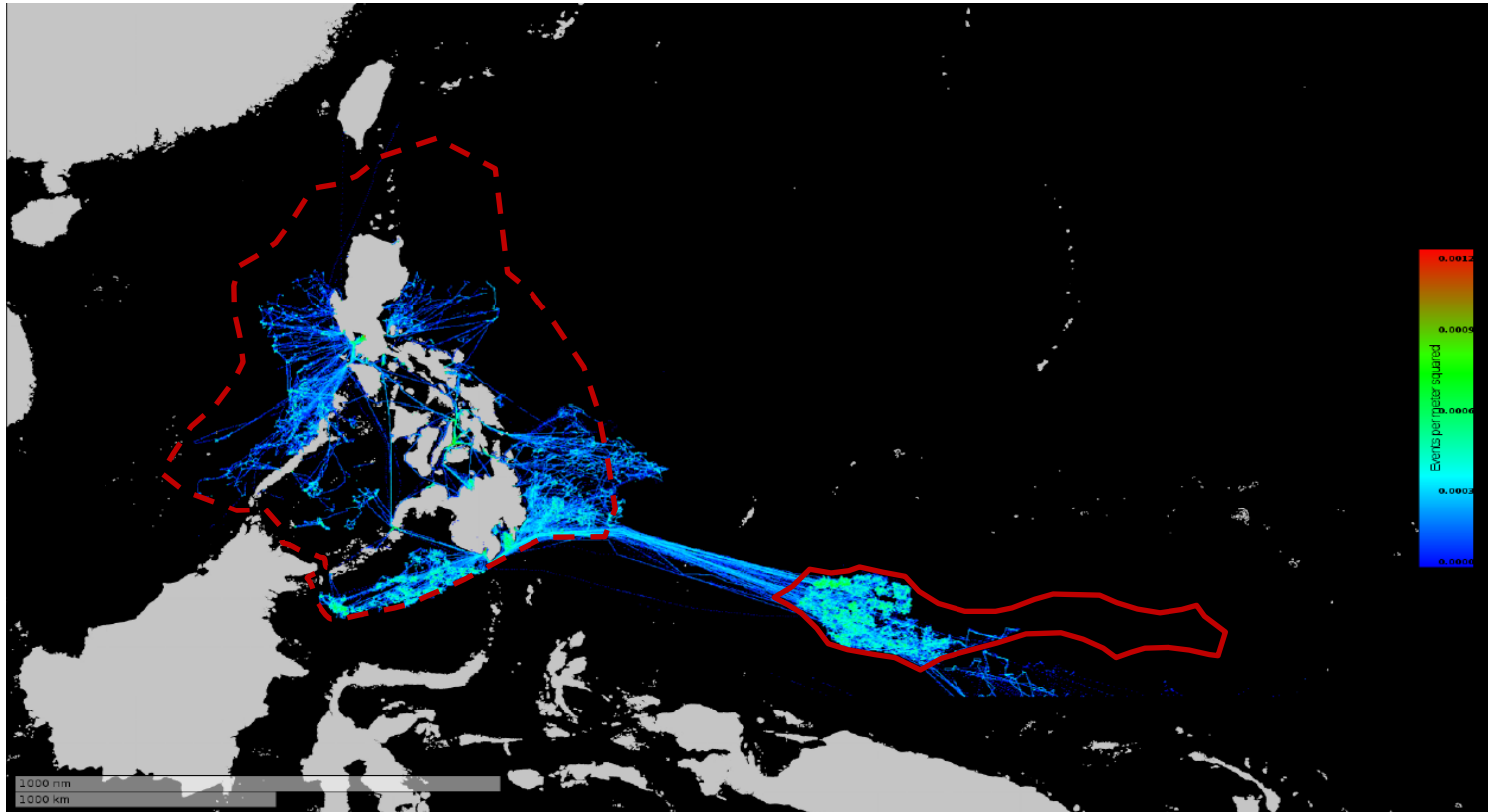
PHILIPPINES - BFAR IMEMS CONTRACT



A revolution in fisheries management. Fishing boats exact position, speed, course and status automatically reported every 15 minutes, as well as fully electronic catch reporting.



PHILIPPINES - BFAR IMEMS CONTRACT



Largest Philippine fishing vessels now reliably and precisely tracked across SE China sea and Western Pacific Ocean.



SYSTEMS DIVISION – Pending New Contracts



GeoVS-HUB systems built and ready awaiting shipment to customers to enable rapid delivery of projects.

Middle East: 2 significant projects totalling approximately \$80m for delivery over 2 years.

- 1) \$60m over 3 implementation phases over 2 years: Tender process completed. SRT informed as the winner in 2020. Now awaiting completion of internal contract finalisation procedures.
- 2) \$15m: Project specification completed with customer. Awaiting finalisation of inter-government financing agreement. Includes additional new transceivers to replace and upgrade previously supplied transceivers.

SE Asia: significant contracts totalling approximately \$48m with a coast guard, with a 18 month delivery time.

Project specifications have been finalised and internally approved. Awaiting tender processing backlog clearance in tender management department to release tenders. Once released, tender to award process is 1 month.

SYSTEMS DIVISION – VSP

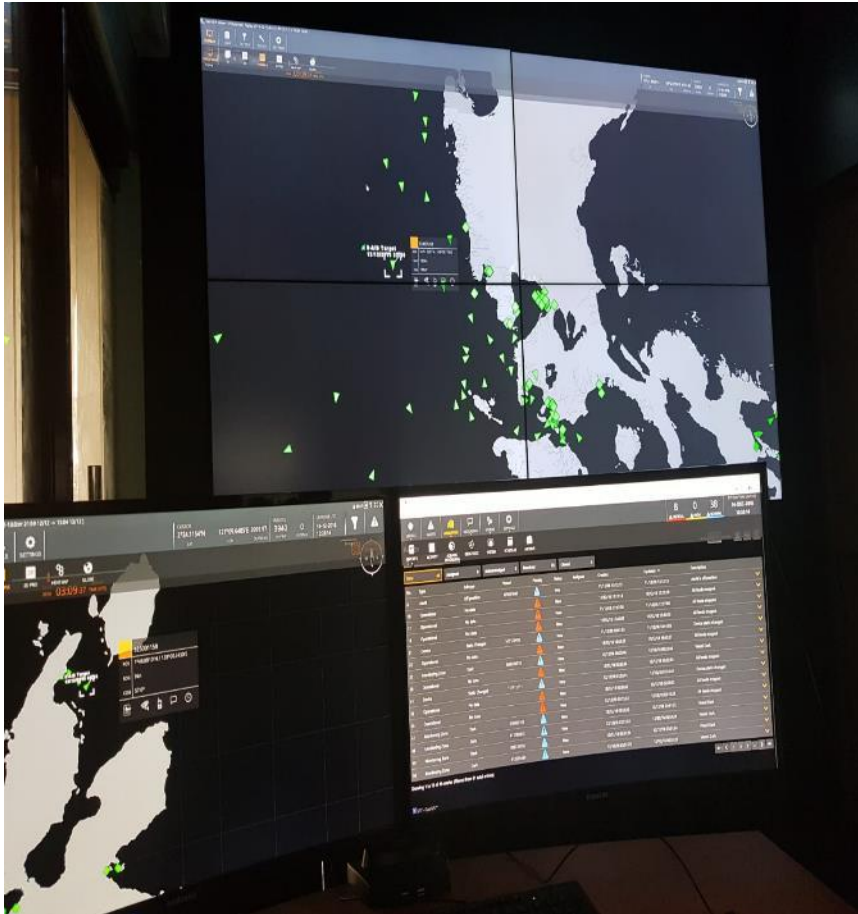
What is the SRT Validated Sales Pipeline?

The existence of a long term macro-trend of governments wanting to enhance maritime security and monitoring results in SRT receiving many enquiries. Only inquiries that have progressed to a point where the prospective customer has made a decision to proceed with the acquisition of a system AND received inprinciple internal political & budget approvals AND is actively engaged in serious discussions qualify for the VSP and thus become the primary focus of sales teams. Those not qualifying and are provided with standard information to progress their interest until they qualify.

- Total current value of the VSP is ~ £550 million.
- The largest is £125m in SE Asia and the smallest is £0.4m in Africa.
- Shortest expected delivery timescale is 4 months, the longest is 3 years.
- Majority are coast guard projects aimed at maritime security – including prevention of IUU.
- Several are multi-phase projects with significant follow-on contracts planned.
- They are at different stages – approximately £125m are in their final phase prior to contract, £275m mid to halfway through the project specification phase, balance still in the early stages of the specification/evaluation phase.



SUMMARY



- Due to Covid delays, last 18 months has been a period of forced consolidation which will facilitate scaleup.
- Robust financial management means the business is in a good position and time has been used to strengthen operations.
- **SYSTEMS:** excellent growth potential from pending contract opportunities worth up to £125m and commencement of longer term data contracts.
- **TRANSCIVERS:** 10% to 20% annual growth expected with solid margins and cash generation. Nexus could dramatically change this from 2023.