



| COMPANY PRESENTATION – April 2021

SRT MARINE SYSTEMS PLC

www.srt-marine.com



SUMMARY

- Last 12 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 sustainable future growth.
- Existing system contracts continued to progress with £13m cash payments received in last 12 months as scheduled, and clear delivery and payment schedule for 2021. Follow-on contract in discussion.
- Covid caused temporary delays to commencement of new system contracts worth ~£85m has enabled delivery team to develop deeper relationships with in country partners and customers – more efficient delivery of multiple projects.



OUR BUSINESS

MARITIME DOMAIN AWARENESS



Integrated maritime surveillance and monitoring systems for coast guards, fisheries and critical infrastructure



Vessel ID, navigation safety and communication transceivers for vessels, navigation and environment



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

Saudi coast guard thwarts bomb attack on Aramco terminal

Coast guard intercepted unmanned boat entering Saudi waters



(Image: Twitter/MOISaudiArabia)

The Saudi coast guard fired on an unmanned boat rigged with explosives in an attack on one of the kingdom's oil terminals that authorities on Wednesday said was run by Yemeni Huthi rebels.

The boat, sent from a small island off the Yemeni coast, was targeting a products distribution terminal run by Saudi oil giant Aramco when it was intercepted Tuesday, the interior ministry said in a statement carried by the SPA.

"The boat was spotted when it departed from a small island in Yemen and was destroyed after entering Saudi waters," the ministry said.

COLUMN | THE RISE OF THE SOUTHEAST ASIAN COAST GUARDS [NAVAL GAZING]

By Trevor Hultegaback August 18, 2019

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Vietnam Coast Guard CGP

The last 20 years have seen an exponential growth in coast guard services in Southeast Asia. The factors driving this radical expansion, most importantly the growth in global trading activity, has led to regional maritime activity, from transiting the Straits of Malacca, for instance, has doubled during the same period. This increase in demand for monitoring, regulatory, security and safety services

Also, maritime territorial disputes increasingly, for diplomatic and political reasons, require the presence of coast guards rather than naval assets. Further factors to be considered are protection of offshore energy and conservation issues such as pollution prevention and response, and the protection of coral reefs.

Also, the proactive stance of the very large, and well equipped China Coast Guard in proving to the world the expansion of regional coast guards, most of which include small aviation units, operating fixed wing aircraft.

Indonesia

In May of this year the Indonesian government announced that its two main paramilitary forces, the Indonesian Coast Guard (ICG), and the Maritime Security Agency (MSA), are to merge, to form the Indonesian Coast Guard.

WILDLIFE WATCH

One of the World's Biggest Fisheries Is on the Verge of Collapse

Major disputes in the South China Sea are putting critical habitat—and the livelihoods—of millions—at risk.

10 MINUTE READ

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August 29, 2016

This story appears in the March 2017 issue of National Geographic

MANILA, PHILIPPINES—One time Christopher Tubo caught a marlin in the South China Sea. That was years ago, when the weather was good, he says. He would come home from a trip with dozens of fish like tuna and a haul of other species.

But that's not the case of that, he says, looking toward the Sulu Sea, the body of water where he's been fishing for the past four years. His two boats, which are no outriggers called *bancas*, float in the shallow water nearby,

Coast Guard tightens all measures to decrease marine crime

23 Feb 2020 Created: 05:27 PM Last Updated: 05:30 PM Views: 688

Coast Guard tightens all measures to decrease marine crime

By Fatima Al Najem
Manama, Feb. 23 (BNA): The Coast Guard Command announced that it has tightened all measures to implement the law to decrease marine crime.

The command said that it has drawn up a clear strategic plan to implement maritime laws and reduce crimes, including illegal fishing and unregulated fishing to enhance maritime security in cooperation with relevant entities.

Coast Guard Commander, Major-General Alaa Siyadi highlighted the legal action for minor violations that include washing Coast Guard's efforts to arrest fishing boats.

Long term demand underpinned by fundamental market drivers for which new technologies provide real solutions



MARKET ADOPTION



Adoption and implementation is underway and gaining pace and momentum. Often underpinned by regulations.



SRT ESTABLISHED GLOBAL PLAYER

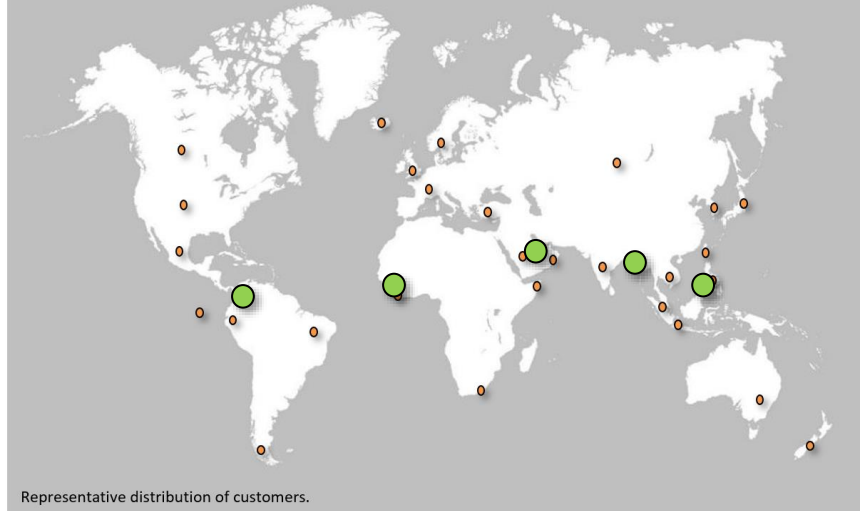
EXTENSIVE GLOBAL NETWORK OF CUSTOMERS AND PARTNERS

Today



Established global representation through over **1,200 local resellers and system partners** worldwide. Over **330,000 transceivers** manufactured and installed **+\$50m of projects** delivered.

Future



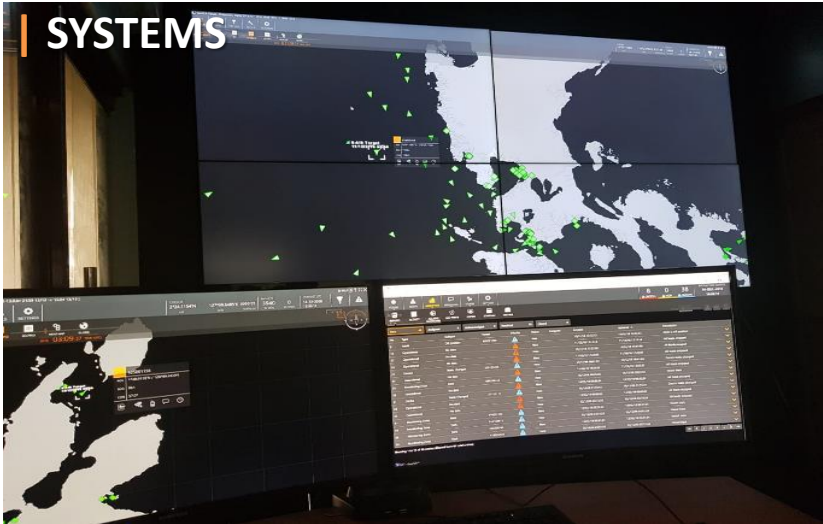
Growing transceiver demand through established network. Perusing **£550m of validated system contract** opportunities, of which **£85m are pending contract** due to Covid lockdown delays.



COMPETITIVE POSITION

PROVEN PRODUCTS – TRUSTED SUPPLIER

SYSTEMS



- Proven core product – GeoVS™ - with innovative maritime surveillance functionality.
- Modular and localised system architecture.
- Trusted supplier with multiple references.
- Established customer and in country installation partner relationships

TRANSCIEVERS



- Proven and complete range of products
- Global network of dealers, distributors & OEM's
- Established and trusted brand
- Globally certified – USCG, EU, Canada, Asia
- Product performance & functionality differentiators



TRANSCEIVERS DIVISION



Development of new marine communications product commenced. Schedule to start shipping end 2022. Significant sales potential.

OVERVIEW – revenues ahead of expectations but flat year on year due to Covid. Expected to revert to 20%-10% 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** – adoption of digital AtoN in ports and waterways gaining pace. Launch of new product packages. Sales increased substantially and trend appears to continue.

SYSTEMS DIVISION



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

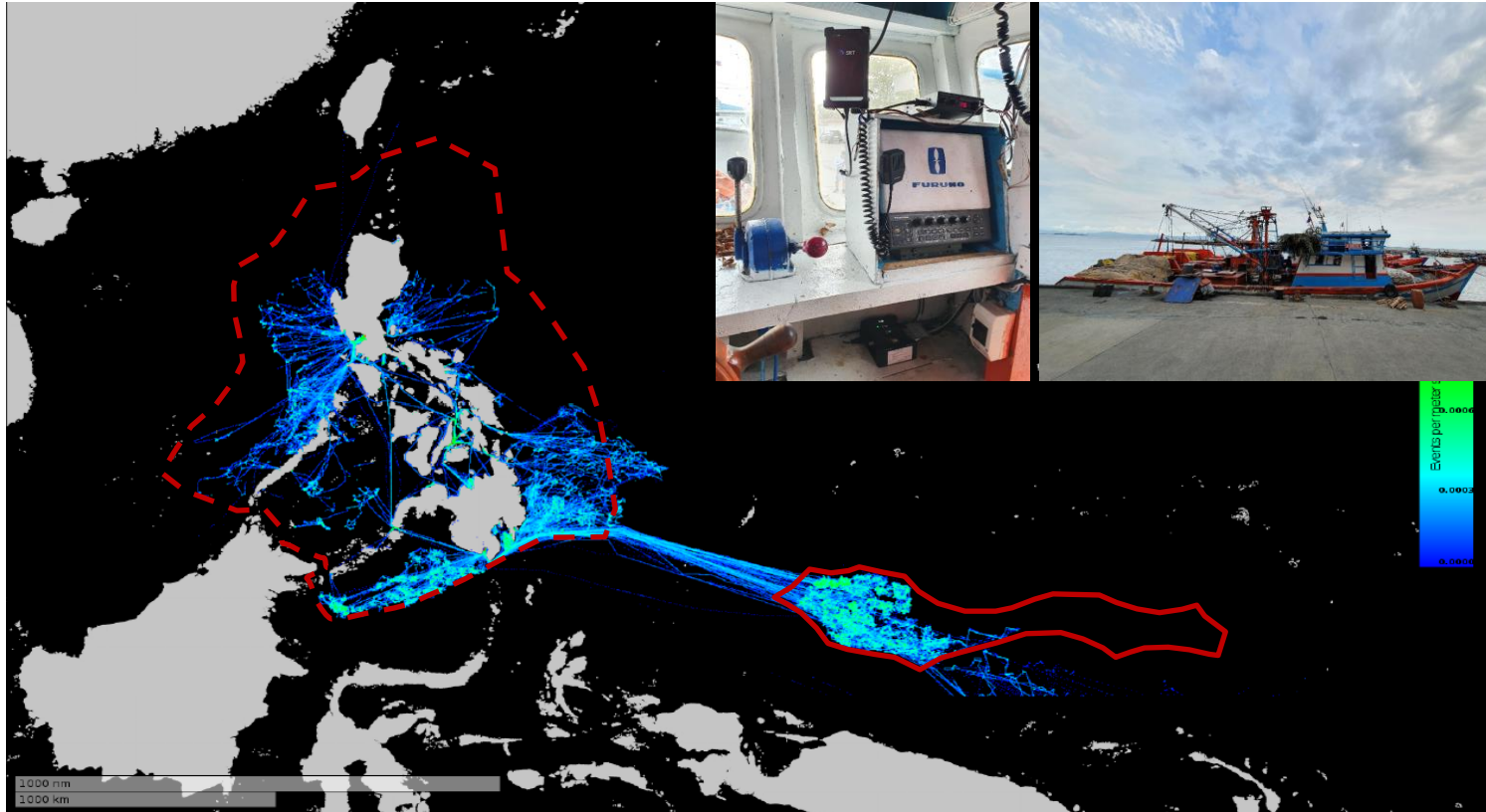
- **Development** – significant progress with new functionality implementation in GeoVS product suite (CONSOLE / HUB / CONNECT).
- **Delivery** – refined model implemented. Solid progress with existing contracts. Extensive local partner training completed along with system equipment procurement and build up for new pending contracts.
- **New Business** – primary focus on five pending new contracts (£85m) expected to proceed as countries emerge from Covid restrictions (delayed by 6 to 12 months on original expectations). Other new contract opportunities also delayed but now re-engaging.

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 - £5.7m expected in next 12 months.
- All equipment purchased and in country for project. Plan to accelerate project implementation as PH exits lockdown during April 2021.
- Negotiations underway for next phase and ongoing system maintenance and data supply contracts.



PHILIPPINES - BFAR IMEMS CONTRACT



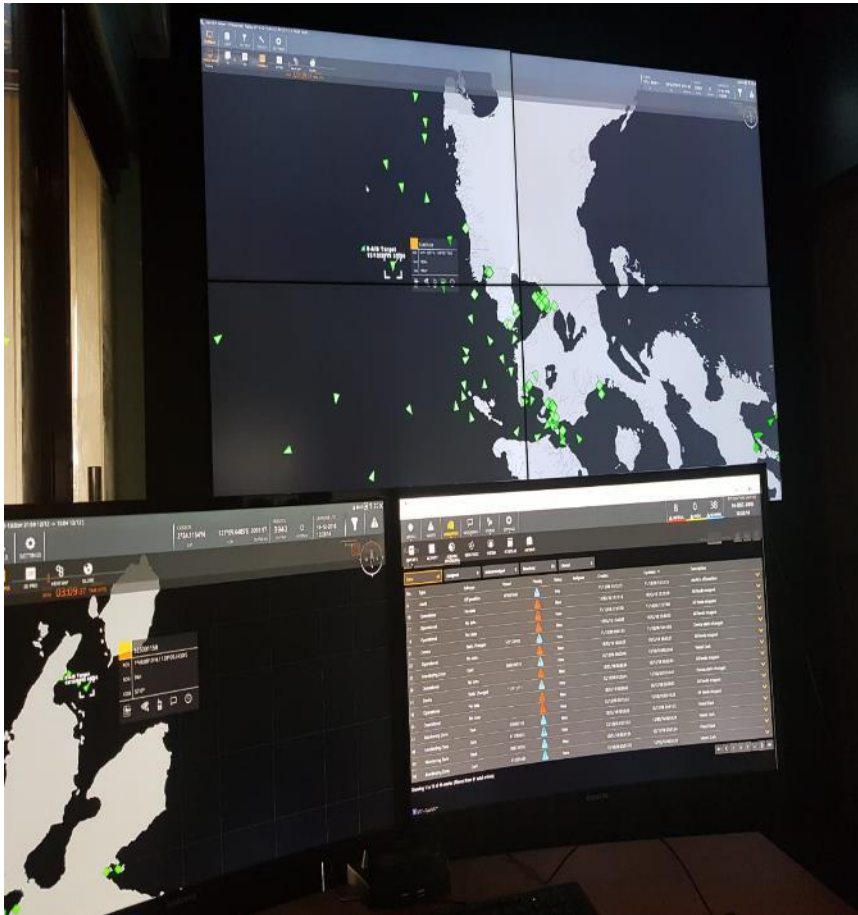
Over 700 commercial fishing vessels being actively tracked by BFAR with position and status updates every 15 minutes. Plus over 70,000 other vessels across SE China Sea and Western Pacific being continuously monitored and evaluated.

NEW SYSTEM CONTRACTS

- Active pipeline of validated new system contract opportunities valued at £550m. Further opportunities identified and being evaluated.
- Focus on specific pending new contracts in existing markets (Middle East & Asia) worth £85m which are approved by relevant coast guards but delayed due to Covid lockdown restrictions with a further two worth approximately £40m expected later.
- Customers highly engaged and communicative – with SRT and our established local in country partners – and are eager to progress projects as soon as possible.
- Originally expected to be signed and commenced during 2020 – now expected during 2021. A delay of 12 to 18 months on pre-covid expectations.
- Project delivery periods range between 9 months and 24 months from contract signing.
- Follow-on contracts to expand these initial systems already under discussion.



SUMMARY



- Last 12 months has been a period of forced consolidation which will facilitate scaleup.
- Robust financial management means the business is in a good cash position and time has been used to strengthen operations.
- Primarily focused on 5 specific new system contracts with existing customers valued at £85m.
- Expect growth trajectory to resume as countries exit lockdown – existing projects accelerate and new projects commence.