

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 current financial year ending 31 March 2020.

Following recent advice in respect of Middle East system contracts with an aggregate value of £65m that contracting process formalities were now complete and the contracts scheduled for signature and commencement during March the company received formal notification in writing, confirming the finalised status of the contracts, but also that their expected signing and commencement date will likely be delayed. The reason provided by the customers for the delay arise from their governments' response to Coronavirus which is requiring them to immediately reprioritise their short-term operational focus.

The initial contractual milestone deliverables relevant to the current financial year are the GeoVS data centre systems, which would be required to be delivered within the first few weeks of the contract signings and generate approximately £14m of revenues. The balance of the systems under contract will be delivered across multiple milestones of various values over an 18 month period. However, because of the expected delay, the first milestones are now expected to be completed and their associated revenue recognised in the next financial year which commences on 1st April 2020. The effect of this change to the current financial year will be to reduce expected year end revenues to £17.5m with an expected loss before tax of approximately £3.8m.

Whilst the written guidance SRT has received is clear that the delay may only be a matter of a few days and thus may not have a financial impact on the current financial year trading performance, SRT believes that given the situation on hand, which includes temporary travel and movement of goods restrictions, there is a material risk that the contract signing and milestone completions will move into the next financial year.

A live web cast will be undertaken by Simon Tucker at 0800AM on Wednesday 11th March 2020 to answer shareholder questions.

SRT CEO, Simon Tucker said:

"Of course, we understand and respect the decision of our customers to concentrate on the current exceptional circumstances. Nevertheless, the timing and nature of this delay is unexpected and very disappointing, and I apologise to my colleagues and shareholders for the angst this delay will no doubt cause. However, I hope it is of some re-assurance to note that after many years of diligent work we have reached the point of contract signature and that once we are past this short delay the contracts will proceed and the significant revenue lost in the current financial year added to the next."

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About SRT Marine Systems plc:

SRT Marine Systems PLC is a global company which develops and provides advanced vessel tracking, monitoring, management and analytic systems which are 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, illegal fishing detection and environment monitoring.