

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")**

Trading Update

SRT Marine Systems plc ('SRT'), a global provider of maritime domain awareness systems and technologies for security, safety and environmental protection, hereby provides a trading update.

Whilst both our systems and transceivers businesses are progressing very well within the strategic global maritime domain awareness market, it is with considerable disappointment that it now appears likely that new project revenue milestones in our systems business which were expected to be completed in the current financial period will move into the early part of the next financial year. This is due to longer than expected customer contract completion administrative processes, resulting in significantly lower than expected revenues for the current year, which will aggregate to approximately £14m mostly derived from our transceivers division and thus resulting in a loss for the period.

The two projects to which these specific deliveries relate is one with an existing Middle Eastern Coast Guard Customer ("Customer 1") and one with a new SE Asia National Coast Guard Customer ("Customer 2").

With regard to Customer 1, the total project is worth a gross value of £40m, and we have successfully delivered and completed Phase 1 which was worth £16m. Phase 2 is worth £12.5m and Phase 3 worth £11.5m. Phase 1 was completed in 2023, and Phase 2 was expected to commence during the second half of our current financial year. The process of finalisation and award has taken longer than expected due to a combination of the customer amending the exact scope of the project on several occasions along with the required redrafting and internal verification of formal project documentation. However, we are pleased to advise that the scope of Phase 2 has now been formally agreed and confirmed and the customer has advised that they expect the formal documentation and notice to proceed to be issued within the next few weeks. This timescale is likely not to be sufficient to permit the physical delivery and customer acceptance of the initial deliveries and milestones, worth approximately £9m, in the current financial year and thus we feel it is now likely that they will fall into the new financial year along with the associated revenues and cash receipts shortly thereafter. This is not expected to affect Phase 3 timing, the scope of which is also agreed, and which is scheduled to start in early calendar 2025 as per our customer's requirement

With regard to Customer 2, in May 2023 we signed a binding project contract worth £140m to deliver an SRT C5iSR system with a sovereign Coast Guard. Since then, much preparation has taken place, including project planning, surveys, and procurement. The project is financed by an inter-government loan between the UK Export Finance ("UKEF") and the country in question, the framework terms of which were agreed by the parties in early 2023 prior to the project contract. At the time of signing the project contract we were advised that such inter-government loans usually take around 6 to 9 months to complete, following a well-worn process and thus we expected completion in early 2024. However, it has become clear that such inter-government interactions, move steadily but slowly according to a defined process. Whilst SRT is not party to this process, we, along with our project customer are passive observers and maintain close contact with the UKEF and the co-lending bank. In March it was indicated to us that the expected completion should be achieved in May, however, whilst there has been material recent activity and progress in the documentation finalisation process, with both UK and Customer representatives indicating a June completion target, we feel that it is more realistic to expect completion early in the new financial year. This completion timescale would mean that the first milestones, worth approximately £45m, and their significant associated revenues and cash collection via the project loan mechanism would fall into the first few months of the new financial year.

Earlier this year due to the originally expected delays and a requirement to meet certain financial ratios for a specific contract opportunity with a new Asian customer, we extended our year end by 3 months to the end of June. The likely delay in receipt of revenues means that the original objective of the year end date move may not be achieved. However, the project in question has been split into two, thus reducing the value of each and the required financial ratios to qualify and therefore irrespective of the likely changes to this year's performance we are confident that we will meet the bidding criteria and therefore expect to enter bidding for both later this calendar year.

As previously announced, a complaint filed against the Company and CFO, Richard Hurd in the

Philippines was formally dismissed and therefore our business continues as normal. Our team are focused on completing our contract and continue to have regular and intensive engagement with BFAR to implement their now fully operational IMEMS integrated digital fisheries monitoring system. This system provides the Philippines with a sovereign, state of the art digital platform on which all fisheries management functionality is efficiently integrated for any vessel type from the largest oceanic fishing vessel to the smallest local artisanal boat. The system provides functionality which enables highly flexible and configurable environment science-based fisheries management that benefit the fisherfolk, commercial fishing companies as well as the ambitious national fisheries development strategy. However, as also previously announced, the Ombudsman did recommend further investigation against CEO, Simon Tucker. The Company's position is that the complaint is entirely baseless and without merit and we are fully co-operating with the due process and hope for a favourable outcome in the coming months.

Outlook

Since our last update we have also made some significant strides with a number of projects, but particularly, two in SE Asia worth approximately \$50m in total, two in the Middle East worth \$9m and \$200m, one in Africa worth approximately \$200m and one in SE Asia worth an indicative \$100m. These are all with sovereign coast guards and are for the first phase of their build-up of large national maritime surveillance systems. Of particular note are the two in the Middle East. The smaller one received internal approval to proceed in 2023, however due to multiple scope changes this has not proceeded to contract with SRT. However, the scope has now been finalised and we have been advised that the final contract is now in preparation and pending issue and therefore believe this is likely to commence in the next few months. The larger contract opportunity contract timing looks likely to be later this calendar year subject to project scope finalisation and final award. Considerable customer engagement and planning work has been completed and is ongoing in respect of these two projects. For the African project we have conducted several project specification workshops and presentations and submitted several revisions of detailed proposals which have been well received and are now under consideration by the relevant Ministries and they appear eager to progress at pace. This is a similar situation for the new SE Asia Coast Guard project. At this stage the precise contracting timeframe remains uncertain, but our current view is sometime toward the end of 2025, with a 2 year implementation period once underway.

Our transceivers business continues to expand its market penetration. The late start to the boating season due to the adverse conditions means that sales are lower than last year, but gross margin contribution the same as our cost of production has normalised. We expect sales to pick up as the season progresses, as well as see the effect of some new regulations for vessels to install AIS. Our high margin Digital AtoN business has started to see the expected growth as the market for digital marine traffic management starts and our team have built up some strong opportunities in Middle East, Europe and USA which we expect to continue to drive revenue growth in the future.

One of the core fundamentals of SRT is the quality and sophistication of our core technologies and products. The suite of transceivers and MDA systems that SRT has today is the accumulation of many years of investment by many professional engineers across multiple disciplines. Coupled with a proven ability for mass production and delivery globally. Whilst we wait for these large slow-moving projects to convert, we have been able to continue and indeed accelerate our product investments. In the past year we have launched and implemented a range of new functionalities and improved performance within our GeoVS MDA System solution. This includes improved vessel detection and alerting, enhanced visualisation capabilities, environmental-science based fisheries management, and deeper integration of sensor systems such as radar and cameras. On the transceiver side, our new NEXUS product which takes us into maritime voice communications segment, has now entered pre-production and its final stages of user and technical testing, prior to the commencement of shipments in the autumn. Since its soft launch in November 2023, we have built up a forward order book, and interest amongst our +4,000 distribution network is strong and growing. As this marks a fundamental shift in the strategy of our transceiver business into a new and much larger market segment, our strategy is to proceed carefully thereby fully leveraging our reputation for quality marine communication and navigation safety products and thus slowly build up distribution, sales and production in order to maintain quality. As such we are expecting a solid contribution from NEXUS during the next financial year with more material growth thereafter.

In January 2024, we successfully completed an equity cash raise of £10.5m. This placed the Company on a strong cash footing intended to enable us to withstand the variances that come with our strategy of becoming a large global maritime systems business. In addition, we retain our secured loan note programme where we have existing undrawn capacity of £16.7m. Thus we are in a positive position to weather the project delays.

We are disappointed that the timings of the pending projects have not been as we expected resulting in the period ending June 2024 being one of poor financial performance. This does not reflect the underlying fundamentals of the business which we believe have never been stronger, or the significant operational progress made in core technology and product development and target market penetration.

Simon Tucker, SRT CEO commented: "I fully understand and empathise with the concerns of our shareholders at this time, and personally apologise that our financial performance this year is not expected to be as we had predicted. These are short term delays, with short term consequences. The fundamentals and prospects of our business are strong, and we are fortunate to be in a supportive working capital position. Speaking on behalf of the Company and the Board we are confident that SRT will quickly pass through this brief period of delays."

For further information, please contact:	
SRT Marine Systems plc	www.srt-marine.com + 44 (0) 1761 409500
Simon Tucker (CEO)	simon.tucker@srt-marine.com
Chanene Romain (Marketing Manager)	chanene.romain@srt-marine.com
Cavendish Capital Markets Limited (NOMAD & Broker)	
Jonny Franklin-Adams / Teddy Whiley / George Dollemore (Corporate Finance)	+44 (0) 20 7220 0500
Tim Redfern / Harriet Ward (ECM)	
Yellow Jersey PR	
Charles Goodwin / Annabelle Wills	+44 (0)774 7788 221 srt@yellowjerseypr.com

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 integrate multiple proprietary technologies such as advanced analytics, data fusion, augmented visualisation, that enhance maritime safety, security and environmental protection and sustainability. Our customers range from governments to vessel owners around the world.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact ms@seg.com or visit www.ms.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

TSTQKABPDBKBDAK