

Shareholder Presentation

20 June 2017



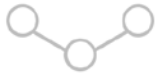
Agenda



1. Introduction



2. Business model and strategy



3. 2016 review



4. Future developments

“21st Century is the specialist provider of tailored solutions to the transport community, solving complex operational requirements both on and off the vehicle”

**EXPERTS IN MULTIPLE
TRANSPORT TECHNOLOGIES**

**A GREAT TEAM OF PEOPLE
WHO UNDERSTAND
TRANSPORT**

**DELIVERING EFFICIENCIES
FOR OUR CUSTOMERS**



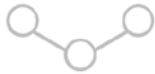
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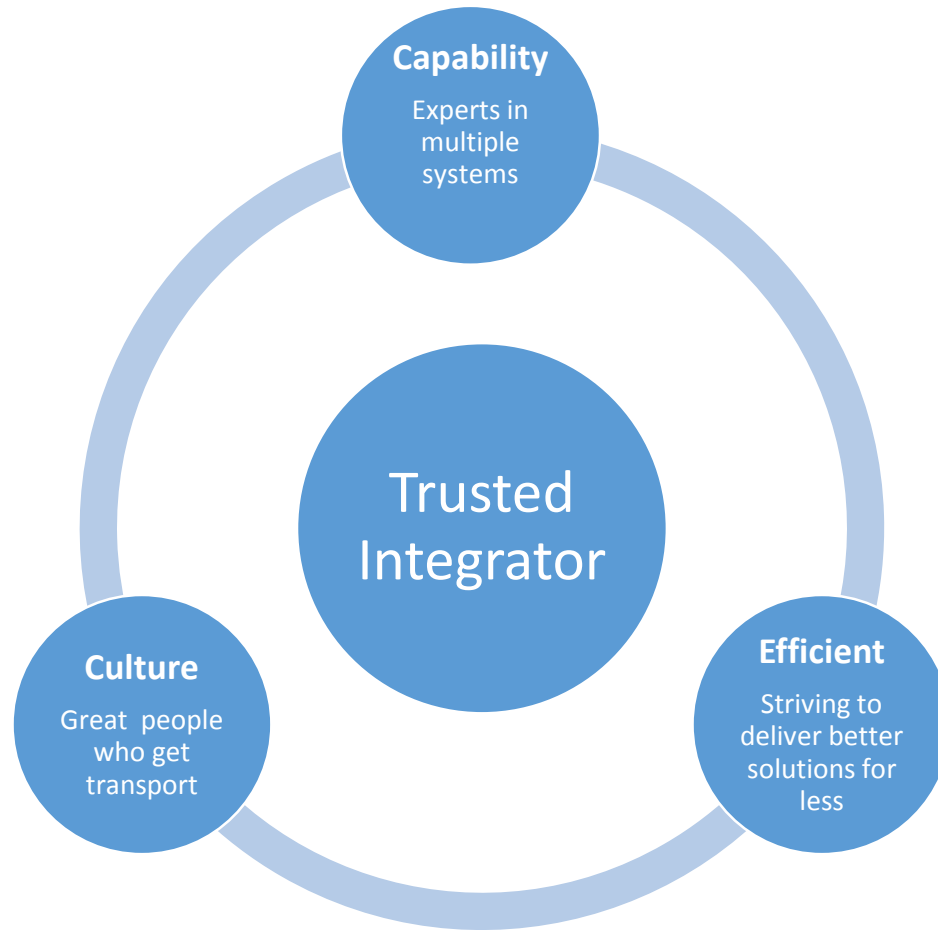


3. 2016 review



4. Future developments

Our business model



- Compete by offering our customers better integrated solutions at reduced costs.
- Operate in related customer segments where we can target significant market share and achieve economies of scale.

Our services



INTEGRATION, INNOVATION AND DEVELOPMENT

With in-house software development capability and technically agile Development teams, 21st Century is able to provide customers with innovative new solutions that get the best from legacy equipment whilst building for the smart transport systems of tomorrow.



INSTALLATION

21st Century has a proven track record of delivering the highest quality installations across multimodal disciplines. 21st Century combines the knowledge and understanding necessary to meet the unique operational challenges within the transport industry.



DESIGN

Industry leading product knowledge and experience enables 21st Century to design the very best solutions for its customers, whether they be on-vehicle systems, off-board technologies or a combination of both.



MAINTENANCE

Using advanced remote monitoring systems, preventative maintenance schedules and with a rapid response to unforeseen events, 21st Century provides tailored solutions to each customer.

Our technologies





- Add value by creating better solutions with reduced costs.
- Apply these skills to carefully selected niche markets where we can achieve significant profitable market share.
- Based on an open system philosophy using global scale products with a local service offering tailored to the customer's exact needs.
- Organic & acquisitive growth on solid platform

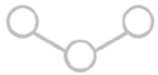
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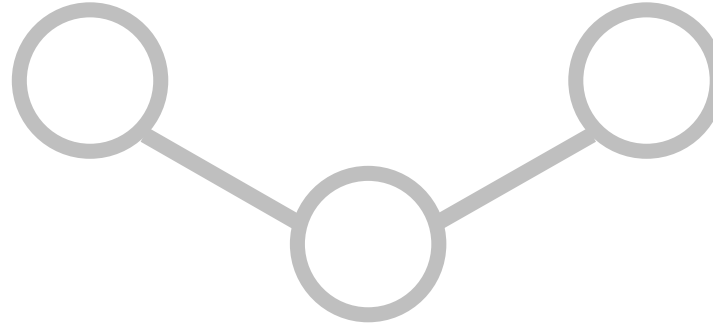
4. Future developments

Group structure



Fleet Systems

- Cares for some of the largest fleets in the UK
- Installs, supplies and maintains CCTV, Wi-Fi, Telematics and passenger counting as both standalone and advanced connected technologies



Passenger Systems

- Designs, installs and maintains information estates
- Hardware and software



Central services

- National service centre
- Group finance
- Project management
- Logistics and production

Segmental results

- Disappointing sales volumes in H2 at lower end of management expectations producing £1.4m underlying loss

	Fleet Systems 2016 £'000	Passenger Systems 2016 £'000	Total 2016 £'000	Fleet Systems 2015 £'000	Passenger Systems 2015 £'000	Total 2015 £'000
Revenue	6,923	4,715	11,638	8,601	3,631	12,232
Intersegment sales			(83)			–
			11,555			12,232
Gross profit	2,268	2,419	4,687	3,555	1,911	5,466
Underlying (loss)/profit	(748)	(460)	(1,208)	213	49	262
Central costs			(189)			(210)
Underlying (loss)/profit			(1,397)			52

- Fleet Systems rail margin down £0.7m year-on-year
- Passenger Systems margins reduced by £0.6m in H2

Our response to a challenging year

- Continued to invest in sales and customer service whilst generating £1.4m annualised savings through centralised services
- Strengthened finances with £0.3m debt raised and £0.4m invoice discounting facility opened
- Significant successes in the latter part of the year in Fleet and Passenger

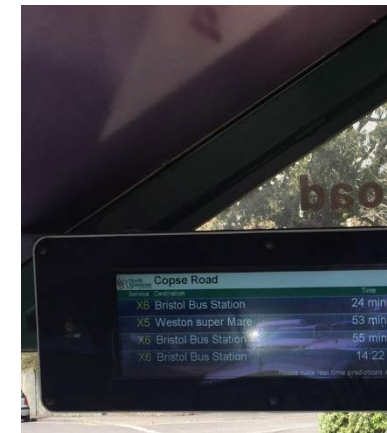
Fleet Systems successes

- Multi-year frameworks secured
 - First UK Bus – 5 years to 2021
 - Arriva UK Bus – 2 + 1 years
- Major projects completed
 - ETM upgrade to 1,800 vehicles
 - Fleet-wide installation of connected IP and Wi-Fi technology
- Success in specialist niche applications
 - Gatwick c. £1m
 - Antipodean bus operator c. £1m



Passenger Systems successes

- 6% increase in maintenance revenue
- Solar, low-powered and E-ink displays being trialled with positive initial feedback.
- Smart ticketing solutions starting to gain traction following installation of the iPoint in Weston-super-Mare



Centralised services

- £1.4m of annualised savings fully realised in Q1 2017
- Ashby head office
 - Sales management
 - Project management
 - National service centre
 - Group finance
- Coventry logistics and production centre
- Regional Centres
 - Croydon
 - Stockholm



Where we are now

- We now have the platform and capabilities needed to build sales into our main customer segments and extend into related or adjacent markets over the coming years
- We expect this will lead the group to a return to profitability.
- Performance in Q1 2017 in line with management expectations

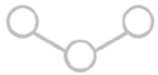
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Update on June 2016: green shoots

Green shoot	Team	Update
Journeo RCM device	Fleet Systems	Instrumental in securing 5-year First Bus framework. First installs taking place June 2017.
Integration with 3rd party management platforms	Fleet Systems	21 st Century are actively interfacing with management platforms used by some of our major Fleet customers
Fully digital, cloud-based systems	Fleet Systems	Some success in specialised mid-tier fleets
Internal start-up of Specialist Vehicles team	Fleet Systems	Major projects won and being undertaken
Ticketing	Passenger Systems	Increased market interest. Solutions starting to be viewed by other customers

Increasing technical capability

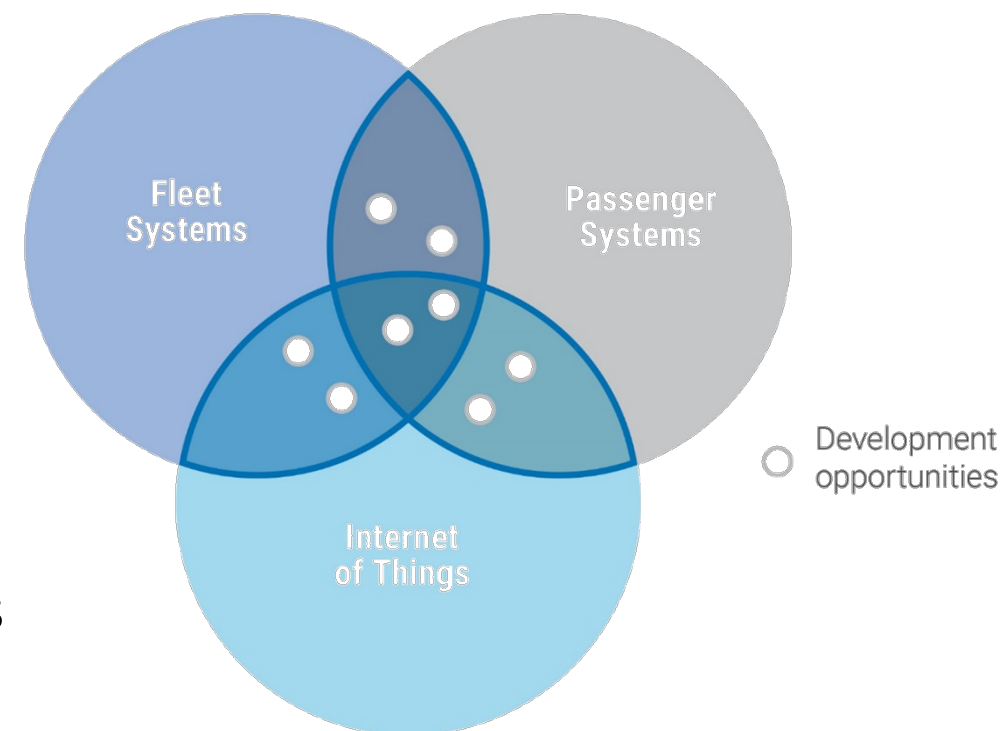
- 2016 the year for grouping Passenger Systems and Fleet Systems into a single entity
 - Required the building of a technological bridge as well as relocation
- New technical teams have seen an elevation of core capability
- Any development is customer-led
 - Allows 21st Century to hit the sweet spot between off the shelf and bespoke

"We no longer have to make do with how things have been done historically; we can innovate and shape solutions of the future."

Dr Andy Houghton
Chief Technical Officer

Increasing technical capability

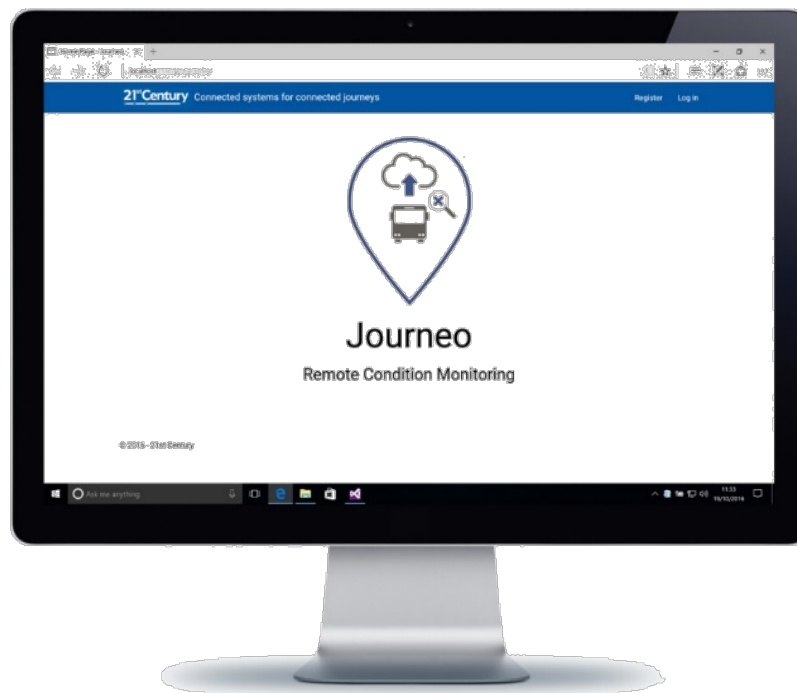
- Development based on
 - Sales opportunities – customer driven.
 - Technical evolution
 - Low power/low data
 - Display/recording media
 - Improved hardware platforms
 - Web enhancements (HTML5)
- No need to re-invent the wheel
 - Use global-scale solution where it exists
 - Develop IP where it does not



Broader portfolio

Broader portfolio for our existing customers

SERVICE	DESTINATION	TIME
44D	Great Malvern	14:31
44D	Great Malvern	14:31
382	City Centre	14:32
382	City Centre	14:32
26	City Centre	14:34
26	City Centre	14:34
32	City Centre	14:47
44D	Great Malvern	15:05
44D	Great Malvern	15:20



Broader range of customer segments

Accessing new opportunities



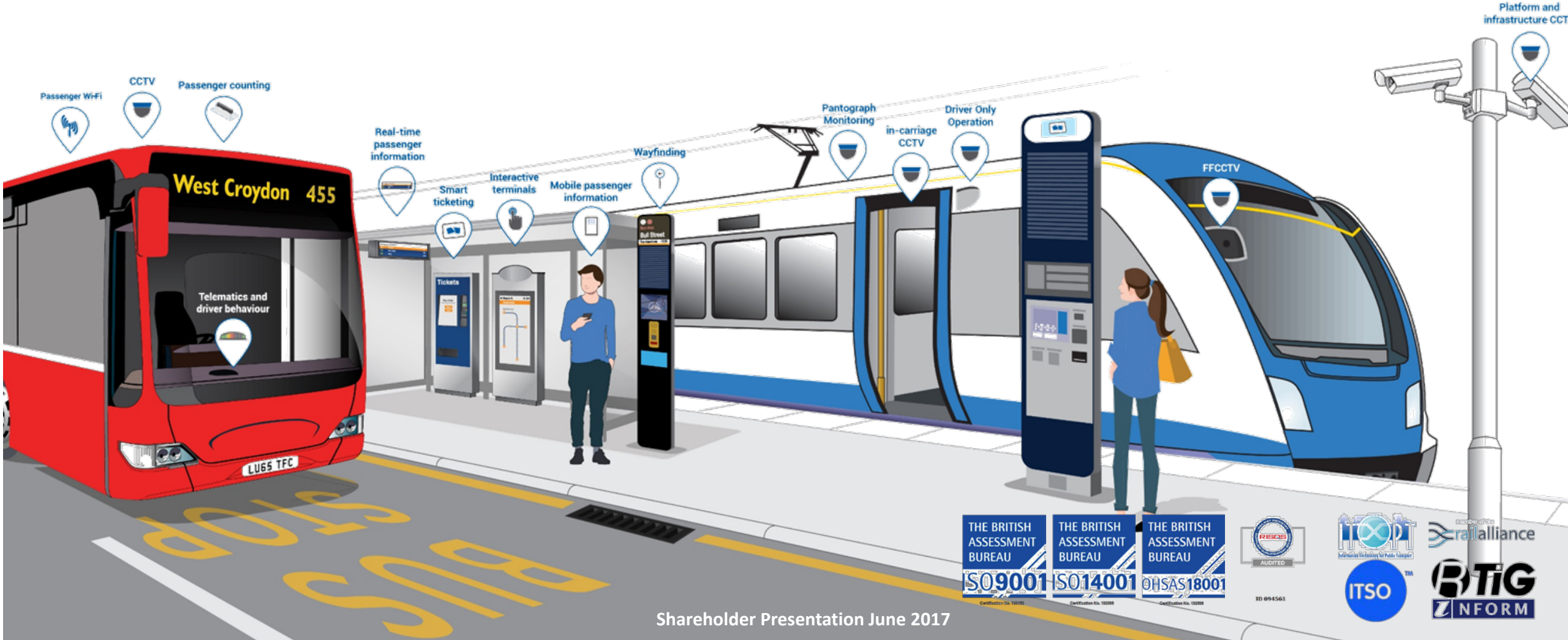
2017: Further developments

Green shoot	Team	Update
EPI – support interface	Passenger Systems	Increased capability for first-line support, without the need to involve software development team
EPI – increased capability	Passenger Systems	Can consume a wider variety of feeds, removing obstacles previously preventing development
E-ink and low powered displays	Passenger Systems	Active trials of cutting-edge technology
Handbrake warning	Fleet Systems	New solutions to overcome operator issue that prevented solution being fitted to some vehicles

Looking forward

- Continuing to transform 21st Century
- We are:
 - Diversifying customer base by winning;
 - Accessing new markets; and,
 - Delivering innovative solutions based on our own IP
- Platform and capabilities needed to build and extend into adjacent markets over the coming years is coming together
- New group is creating a successful and positive business

Q&A - thankyou



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