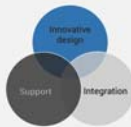# 21st Century Technology plc

Shareholder Presentation

20 May 2015

Agenda

1. Introduction
2. Strategy recap
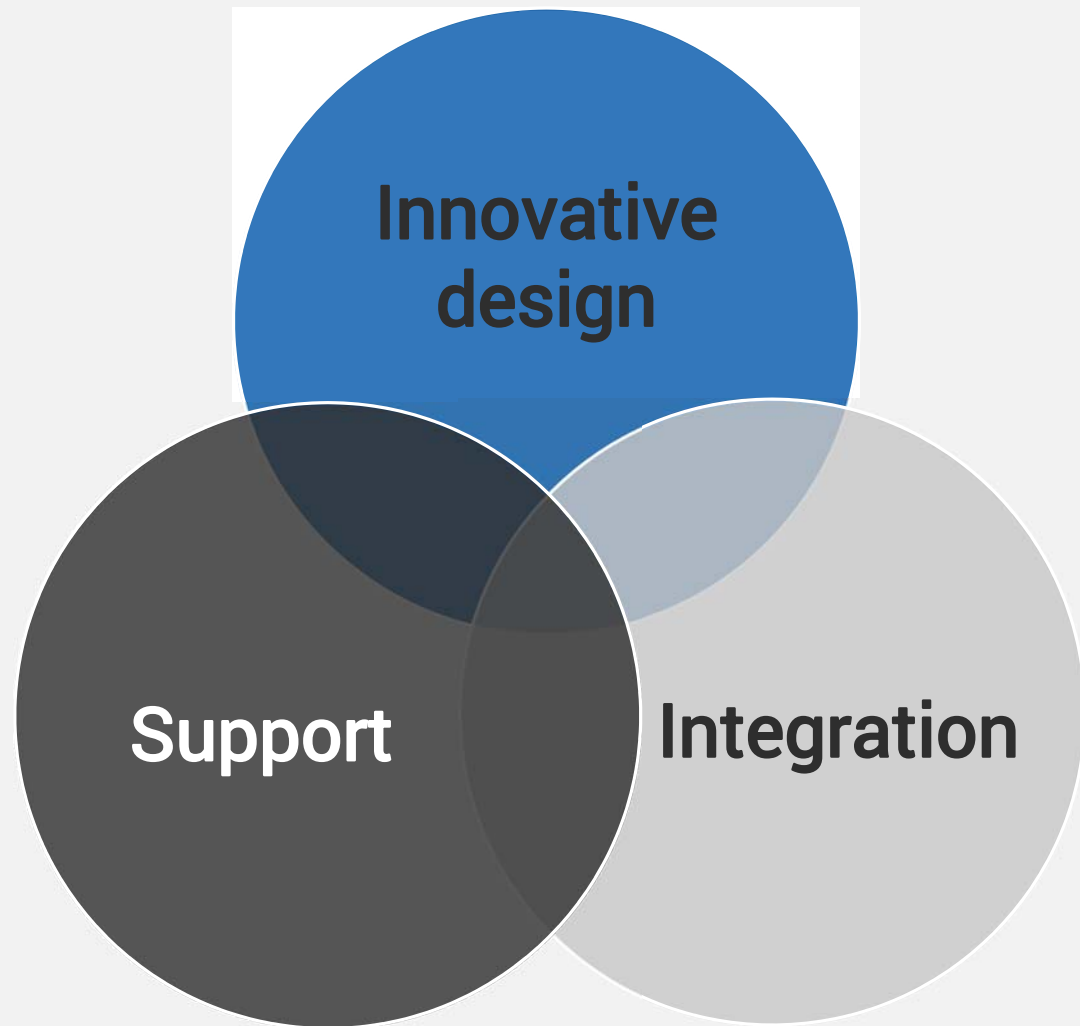3. Stabilising the business
4. Strategy implementation & Region Services acquisition
5. SmartTrain demonstration

Introduction

Innovative Design
Our in-house design team work closely with customers and suppliers to create innovative solutions to meet their specific needs.
- Non-intrusive surveys
- Conceptual designs
- Pilot studies and evaluations
- Full service provision

Integration
Specialising in integration, we ensure that our customers get the best from new and existing technology installed on their fleet.
- Industry approved products
- Project management in line with PRINCE2 methodologies
- All solutions bench tested prior to install
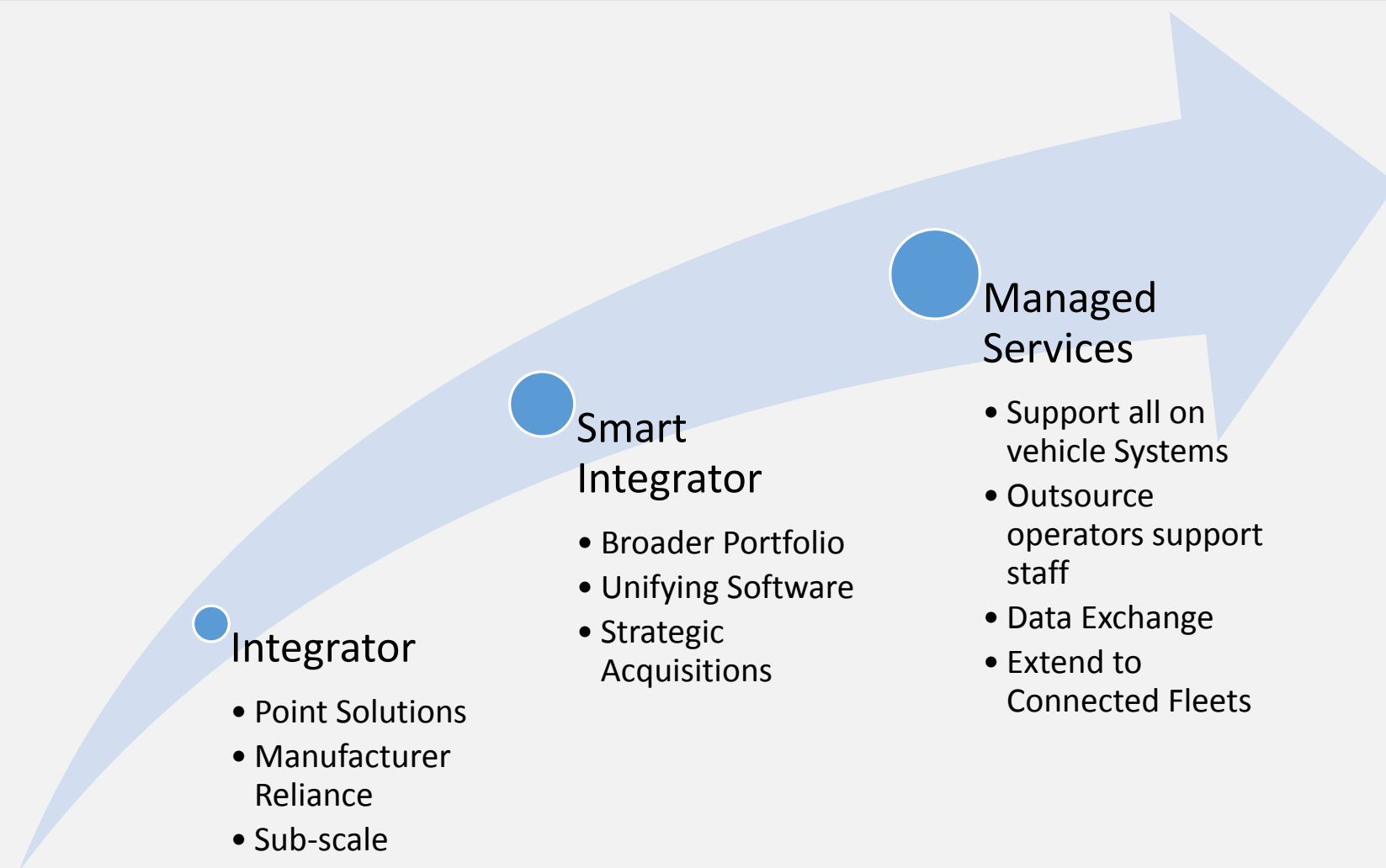- Solutions provided in full or kit form

Support
We adopt comprehensive maintenance schedules and utilise system health checks to ensure our solutions are always working to their best.
- Dedicated support centre
- Adopted Warranty Schemes
- System health status monitoring
- National network of experienced engineers

Strategy recap: 5-year development plan

Managed Services

- Support all on vehicle Systems
- Outsource operators support staff
- Data Exchange
- Extend to Connected Fleets

Smart Integrator

- Broader Portfolio
- Unifying Software
- Strategic Acquisitions

Integrator

- Point Solutions
- Manufacturer Reliance
- Sub-scale

Consolidating technical integrators, improving offerings, broadening services
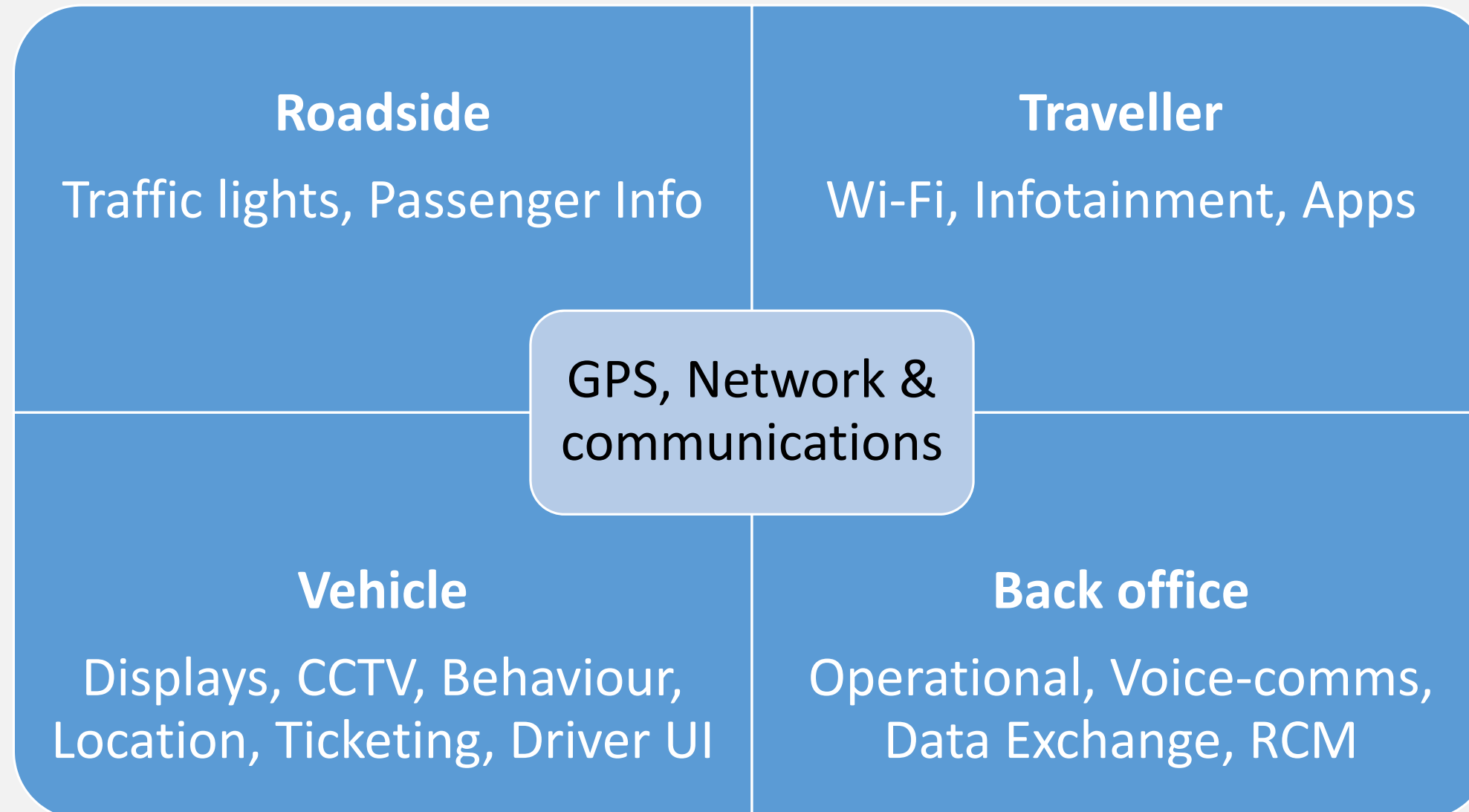
Drivers of change

- Systems on vehicles
  - Ever increasing in number, sophistication & data integration requirements

- Complexity of fleets
  - Fleets are large, geographically dispersed & built up over many years (average fleet age: 18 yrs. train, 7 yrs. bus)

- Service provider requirement
  - Highly capable organisation supporting new and legacy systems over entire operational life from system design, installation and support.

Systems & technologies

Roadside

Traffic lights, Passenger Info

Traveller

Wi-Fi, Infotainment, Apps

GPS, Network & communications

Vehicle

Displays, CCTV, Behaviour, Location, Ticketing, Driver UI

Back office

Operational, Voice-comms, Data Exchange, RCM
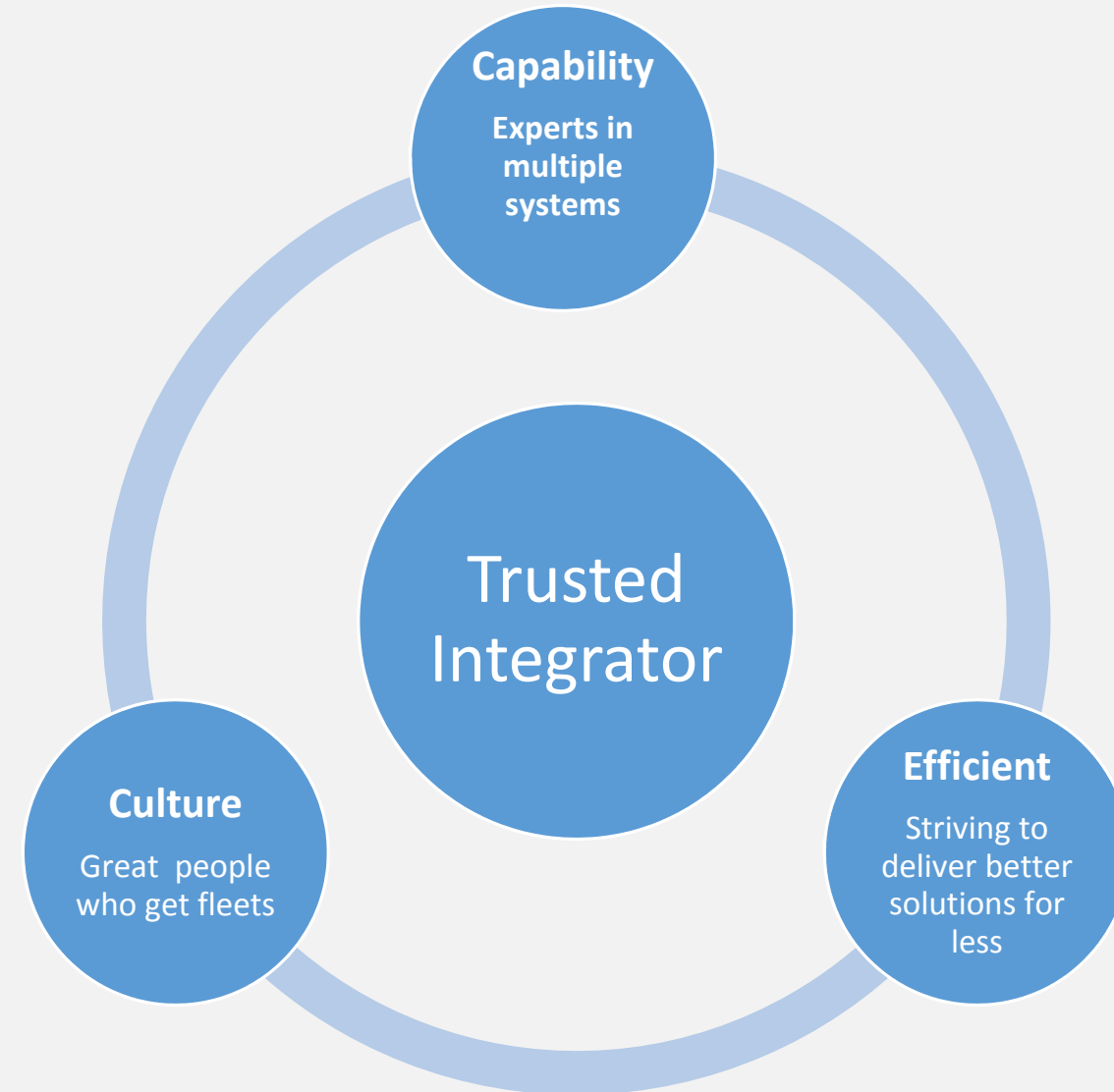
Service provider requirement

- A new position opening
  - Increasing complexity in terms of number of systems and their critical cost of failure.
  - To act as the conduit for world class products onto vehicles and provide support over their operational lives.
- Barriers to entry forming
  - The breadth of technology to cover and the national SLAs 24/7

Capability
Experts in multiple systems

Trusted Integrator

Efficient
Striving to deliver better solutions for less

Culture
Great people who get fleets

Business model

- Specialist provider of CCTV, monitoring and information systems for passengers & fleet operators in the Bus & Rail industries

- We compete by striving to offer better integrated solutions at reduced costs to our customers.

- We carefully research other adjacent customer segments where we can generate significant market share to generate the economies of scale needed.

Strategy recap: Key messages

- 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

Stabilising the business

- We set 6 strategic goals as keys to stabilise the Group:
    - Improve customer service
    - Increase technical capability
    - Empower management
    - Secure positive outcomes for contract renewals
    - Develop new lines of business
    - Preserve cash

Quick facts

- Improved Customer service
- Increased technical capability
- Empowered management

01

Over **2,500** system installs across buses and trains

Spanning the UK, France and Scandinavia, 21st Century Technology installed more than 2,500 systems in 2014; bringing customers mobile CCTV, telematics and passenger counting solutions via thorough consultation, detailed design and expert engineering.

02

Over **11,000** maintenance visits and over **140,000** camera inspections

With a national network comprising an experienced engineering force, 21st Century Technology carry out preventative and reactive maintenance visits when it is convenient for the customer, minimising downtime.

03

Greater than **98%** uptime across all monitored systems

Using data calculated from solutions monitored by 21st Century Technology, and independently audited systems, an uptime of greater than 98% was achieved.

04

37 customer training sessions held

21st Century Technology solutions don't stop at the installation. Training schemes, such as the train-the-trainer programme for our telematics solution, ensure customers get the best from their systems.

05

Four accreditations retained
- ISO 9001:2008 Cert no: 198153
- ISO 14001:2004 Cert no: 192095
- OHSAS 18001:2007 Cert no: 192598
- Link Up ID 094561

Quality should be assured, and 21st Century Technology processes are regularly audited.

06

To hear more about our headline projects, please contact us on **0844 871 7990**, info@21stplc.com or tweet us **@21stCenturyLtd**

Andrew Prince - Director of Bus UK & Eire
Mark Johnson - Technical Sales Director
Garry Bellman - Rail Division Manager
Fredrik Lundmark - Business Development Manager Nordics
Geraldine Spurway - Business Development Manager France

Secure positive customer outcomes

- Success in framework renewals; £5.4m+ in Q4
  - 2 yr. Arriva bus UK
  - 3 yr. Arriva AB Sweden
  - 4 yr. Keolis AB Sweden
- Successful adoption of FFCCTV by Train Op-Co
- Continued roll-out of new driver behaviour system in France

Develop new lines of business

- From the strategic report:

  "the objective to develop new lines of business has not yet been met, as our efforts to break into the medium sized bus operators have not yet delivered significant market share, and a bid to extend our rail capabilities to in-carriage systems has taken longer than anticipated"

- In-carriage Rail CCTV £1.1m (announced 1 week later)

Financial highlights FY14

- Cash position improved significantly to £2.7m (2013: £1.3m)
- Underlying loss before tax of £0.1 m (2013: underlying loss £0.2m)
- The basic loss per share is 0.41p (2012: loss per share 0.26p).
- Cost-base reduced in Q1 2014 by c. 20% following significant reorganisation

Financial overview

Revenue (£m)

£9.0m

10.8	9.0
2013	2014

Underlying loss (£m)

£0.1m

2013	2014
0.2	0.1

Cash inflow from operating activities (£m)

£1.4m

	1.4
0.6	
2013	2014

Stabilising the business

Key points from strategic report:

- We have built a far more secure platform on which to plan, execute and deliver long term growth
- The reliance on a small number of large customers remains a potential risk to the group
- The strategy to broaden and extend our offering through in-house development and through acquisition remains on track, and will enable us to broaden our technical capability and access new markets within the transport sector
- We have created a strong pipeline of new business opportunities, particularly in the rail market, where we are leveraging our know-how to offer leading-edge solutions to a potential larger customer base

Strategy implementation: M & A

Several interesting targets identified:

- Potentially available for sale
- Affordable
- Earnings enhancing
- Complimentary
- Reduce risk
- Increase capability
- Manageable

Taken over 12 months to conclude the first one.

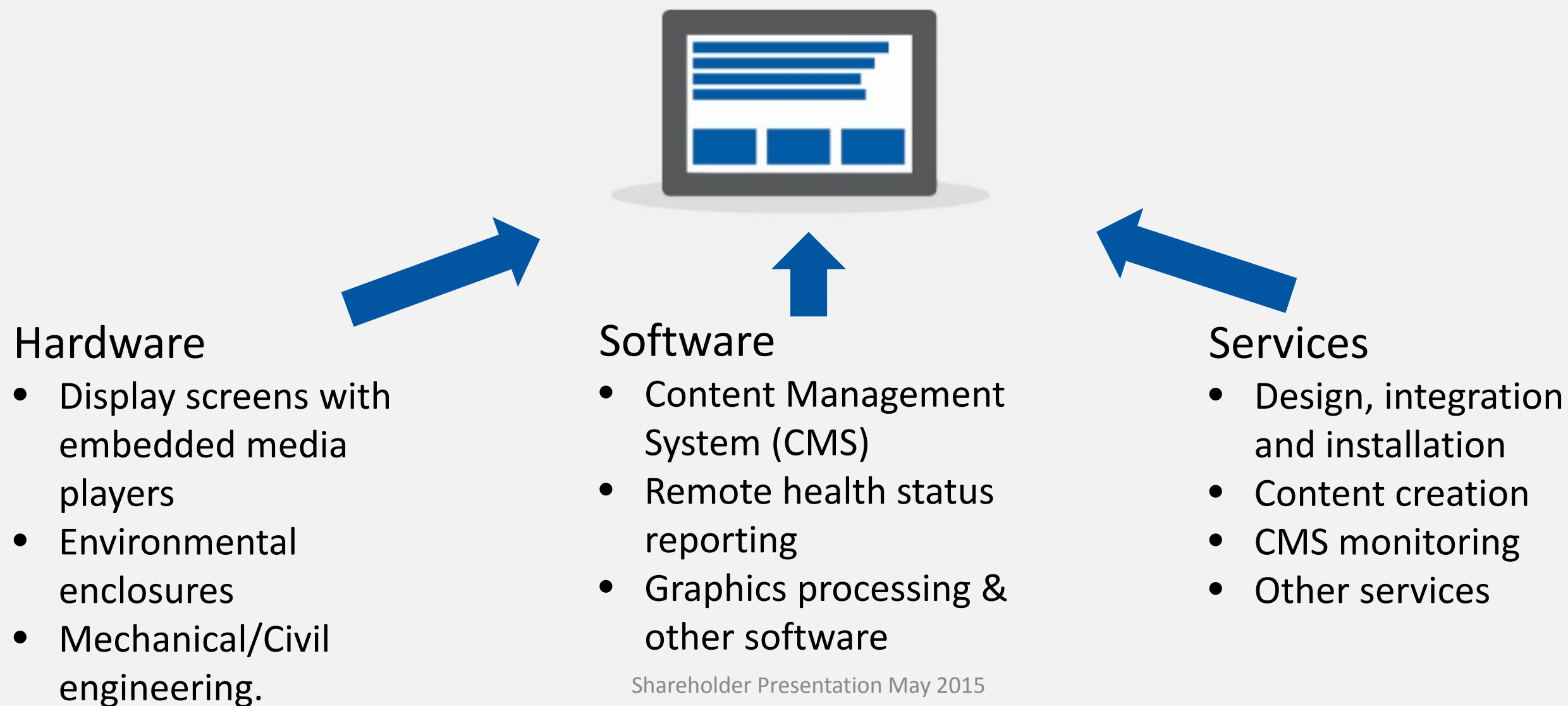# Introducing Region Services Ltd

Specialists in Passenger Information Systems (PIS), software and support

- Established 1989
- Based in Coventry, United Kingdom
- £4m sales 2014
- 47 people
- Market leaders in the UK bus sector
- Reputation for providing high quality and effective products coupled with excellent customer service.
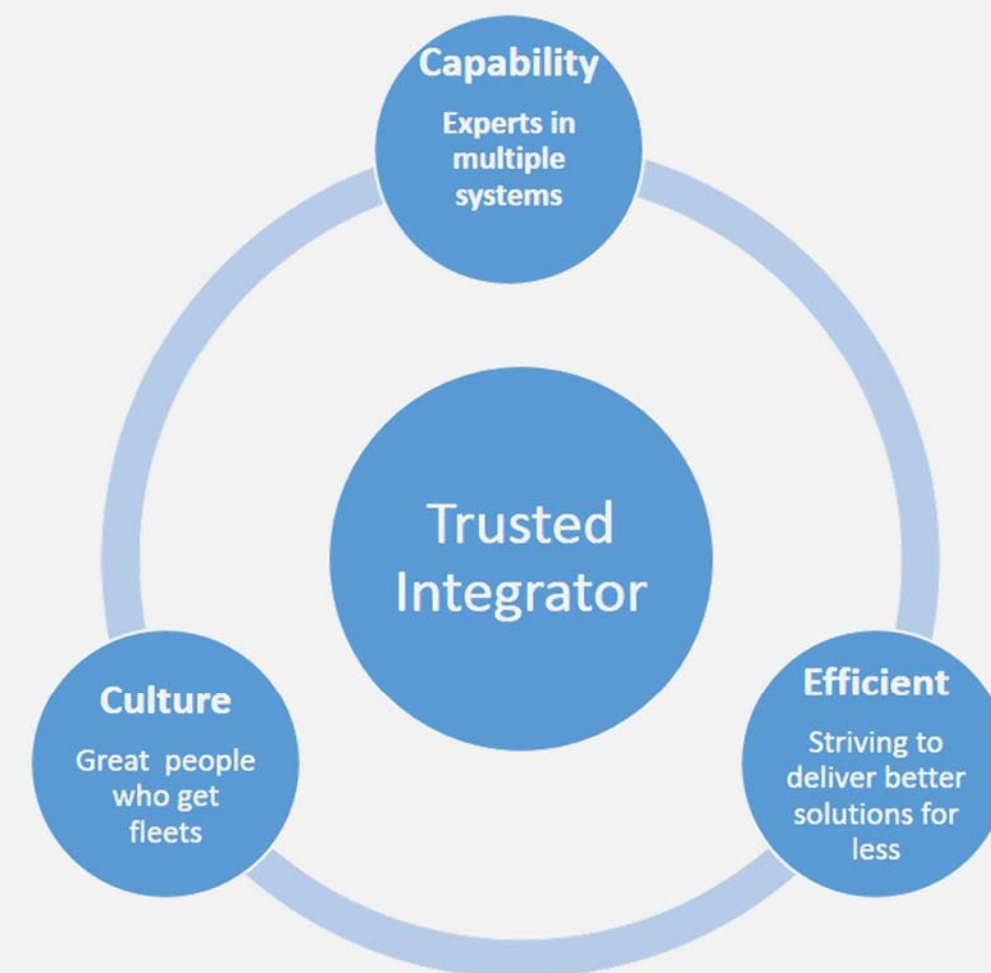
Digital signage

Hardware
- Display screens with embedded media players
- Environmental enclosures
- Mechanical/Civil engineering.

Software
- Content Management System (CMS)
- Remote health status reporting
- Graphics processing & other software

Services
- Design, integration and installation
- Content creation
- CMS monitoring
- Other services

Strategic and cultural fit

- Transport Sector
- Market leaders in niche area
- SMART Integrator
- Engineering based
- Value for Money
- Customer Focused
- Senior Team
- Reputation

Acquisition rationale

Strategy Element	Description	
Diversify Earnings	New technology area	Real-Time Passenger Information (RTPI) and ticketing systems
	New sales arena	Off-vehicle
	New customers	local authorities and PTEs
	Reduced revenue concentration	Largest customer <10% of business
Add software capability	10 person software team	
	SW Product : Electronic Passenger Information (EPI) software	Powerful centralised software to drive the signage
	SW Integration : Data Exchange to many systems	A key point gateway to the physical devices.
Step towards integrated Solutions with back office capability	Acquired capabilities to potentially develop new, class-leading products and services to help us grow our business and deliver enhanced value for money solutions to customers through our economies of scale.	E.g. incorporate their display technology into our 3 carriage 'SmartTrain' systems integration test-bed.

Acquisition financials

- Purchase the entire issued share capital of Region Consultants Ltd, Region Services Ltd and RSL Cityspace Ltd (together "RSL Group").

- Total consideration for the acquisition of RSL Group is £1.3m
  - £1.1m in cash, funded from the Company's existing cash resources
  - £0.2m as a three year loan note, bearing interest at 6 per cent.
    - repayable in whole or in part, in each case subject to notice, at the holders' election on each anniversary date of issue or at the Company's election at any time six months after issue.

Growth potential

- Increase market share
- Broaden offering
  - PA, help points etc.
- Adjacent niches
  - Rail, tram
- Geographic
  - Scandinavia
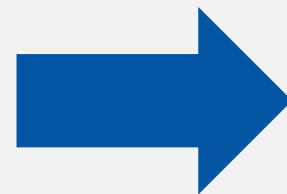 - France
  - Middle East
  - South Africa

Synergies & economies of scale

On-Vehicle Systems

- Bus

- Rail

Off-vehicle Systems

- Passenger information

Consultative design
By getting to know what the customer needs, and what they hope to achieve, we supply solutions that are not only best-of-breed, but best for the customer

Integrated solutions
We aim to offer a rationalised infrastructure, enabling all stakeholders to access video & data wherever & whenever they need it.

Installation, testing and commissioning
We have a proven track record of high-quality installations, with projects completed and audited to industry standards.

Maintenance and support
With self-reporting systems, and preventative maintenance contracts, we strive to be the trusted integration partner that manages and supports technology within the customers network

The Group today

On-board

Off-board

CCTV
- Forward-facing (FFCCTV)
- In-carriage/saloon
- Driver platform view (DOO)
- Pantograph monitoring
- Track and infrastructure
- Platform

Passenger counting
- Passenger Analysis Systems (PAS)

Passenger Information
- Passenger Information Systems (PIS)

Telematics
- Timetable Information System (TIS)

CCTV
- Complete range of solutions available

Passenger counting
- Passenger Analysis Systems (PAS)

Telematics
- EcoManager (UK)
- Konfort (continental Europe)

Passenger Wi-Fi
- Industry leading solutions

Passenger Information Screens
- Broadcast screens
- Interactive terminals

Software
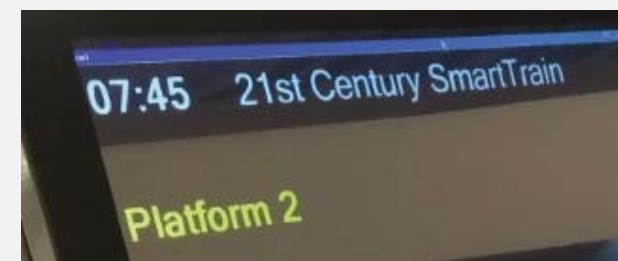- EPI v4
- M-EPI
- Watchman

SmartTicketing
- SmartCard
- SmartTicketing podiums

Customer benefits of a trusted integration partner

Demonstration of the 21st Century Technology **SmartTrain**

21st Century Technology plc

Innovation in Transport Technology