
Project Brief

**AN OPPORTUNITY TO ACQUIRE SHARES IN A BUSINESS THAT WILL
REVOLUTIONALISE THE RAIL SAFETY INDUSTRY**



IVT Omniview Ltd.

BFS Ref.: IV/448

**Finance: Up to £500,000 in return for Equity
EIS applied for**

Summary

IVT OmniView Limited (“the Company”) was registered in March 2013 by Steve Ward to take advantage of a global market opportunity estimated to be worth £3.2 Billion over the next 5 years.

Steve has many years’ experience of working in the transport technology industry. Through contacts in the rail industry and his association as a development partner with a well-known International Swedish camera manufacturer, it was realised that there is an opportunity to develop a safety system for trains that would be streets ahead of anything else available on the market. The result was the development of the IVT “OmniView” forward-facing closed-circuit TV (FFCCTV) system for use in rail, light railway and tram. The system allows drivers to identify potential problems ahead or it can be used in a forensic capacity to investigate ‘Incidents’.

In addition to OmniView, the Company is developing a heads up display system, known as iHUD, to project video data, signaling information and train health data onto the cab windscreen in front of the driver, thus obviating the need for him/her to look away from the track ahead.

The Company believes that both OmniView and iHUD are unique. Potential customers include private and nationalised public transport operators, manufacturers of rolling stock and public transport vehicles and rolling stock owners.

Financial projections for the Company estimate turnover of £2.7m in the first year, producing a net profit of £1.3m; rising to £53.0m and £38.3m respectively in year 3. Steve Ward has already invested c. £200,000 of his own funds into the business.

There is now a requirement for additional funding of £500,000 to launch the OmniView system, and to complete the development and launch of iHUD. In return for this investment, the directors are prepared to release 20% of the equity in the Company.

The Market

It is estimated that the global rail market for FFCCTV Systems is c. £3.2Bn (as shown by the table below), and for iHUD, c. £6.4Bn.

5 Year Global Market Potential for Forward Facing CCTV (FFCCTV) - 2017 - 2022

	Region	Estimated Trains in Operation	Systems Required	Total Systems	Market Potential
	United Kingdom	6,000	2	12,000	£120M
	London Underground	900	2	1,800	£18M
	Europe	70,000	2	140,000	£1.40B
	North America	60,000	2	120,000	£1.20B
	Australia	8,000	2	16,000	£160M
	India	16,000	2	32,000	£320M
				TOTAL	£3.22 B

PROPRIETARY INFORMATION

The Company already has excellent contacts both in the UK and overseas, particularly in the USA. The objective is to gain a 15% share of these markets over the next three years, at which point the shareholders will be looking to exit via a trade sale or possibly via a launch onto the AIMS Market. It should also be borne in mind that the FFCCTV systems will have applications both elsewhere on rolling stock but also in other forms of transport such as Lorries and Buses.

Target Market Profile

The products will appeal to public transport operators, manufacturers of rolling stock and public transport vehicles; and rolling stock owners, the latter particularly in the USA.

Competition

There are a number of competitors in the FFCCTV market, such as Petards Group, Rail & Road Protec (R2P), Omnicom and 21st Century Technology plc although none of them supplies a product with the range of features available with the OmniView System, particularly the night vision capability.

There is no equivalent product to iHUD. There are, however, other driver's desk-mounted products on the market that could be considered competitors.

In either case, the challenge will be to convince potential customers of the commercial advantages of the Company's products, in terms of fitness for purpose and cost. The directors believe that both products are superior to their competitors' and that they can be supplied more cheaply.

Products

Due mainly to the unique features of its CCTV camera, OmniView has the following major advantages:

- The system switches seamlessly from normal to low light situations to give a continuous high definition ("HD"), full colour view of what is ahead e.g. when entering or leaving tunnels.
- There is a sequential zoom-in/zoom-out capability suitable for video forensic analysis.
- Data can be stored on-board, or externally via WiFi or the GSM network.

This system has now been fully developed and tested, and is ready to be rolled out.

The second product in development is a heads up display system, known as iHUD. This will project video data, signaling information and train health data onto the cab windscreen in front of the driver, thus obviating the need for him/her to look away from the track ahead.

An added feature of iHUD is that it can project a "real time" colour night vision image onto the windscreen so that the driver can see more clearly in low-light conditions, for example at night or inside

a tunnel. This system is in development and a prototype will be ready for testing later in 2017, with product launch scheduled for early 2018. Major interest is already being shown by operators both in the UK and abroad.

SWOT Analysis of IVT Omniview Ltd.

<p>Strengths</p> <ul style="list-style-type: none"> • Low salary & Benefits Overheads • Quick to respond to market changes • Engineering capability very high • World-beating products. 	<p>Weaknesses</p> <ul style="list-style-type: none"> • Existing workload too high • Project planning limited • Lack expertise in some areas • Underfunded
<p>Opportunities</p> <ul style="list-style-type: none"> • Can increase market share • Can maximise market opportunities using in-house knowledge & contacts • Excellent patented products not yet used in the European markets 	<p>Threats</p> <ul style="list-style-type: none"> • Larger competitors traditionally get the major market share. • Cost of investment • Limited sales exposure to date meaning early marketing costs likely to be relatively high.

The Team

Steve Ward has previous rail experience through running a company that provided a bespoke, customer-orientated service to the global rail industry, which included design, manufacture, supply and installation of services.

Steve has now lined up a team of highly skilled and experienced professionals to work with him in developing the business. Details of the individuals involved are given in the full business plan.

Financials

Steve has already invested c. £200,000 of his own funds into the business. A detailed business plan with forecasts of Cash Flow and P&L are available to interested parties but the following tables summarise the projected performance over the first 3 years of operation of the business.

Estimated profit and loss forecast

All figures £000	Year 1	Year 2	Year 3
Gross revenues	2,696	17,914	53,030
Direct costs	736	4,820	13,375
Gross profit	1,960	13,095	39,655
Overheads	654,730	931	1,397
Net trading profit	1,305	12,163	38,258

Cash Flow Projections

The following table summarises estimated cash flow forecasts for the first two years of trading:

All figures £000	Year 1	Year 2
Opening balance	0	1,908
Cash inflows	3,735	19,158
Cash outflows	1,827	7,800
Net cash flow	1,908	11,358
Closing balance	1,908	13,266

The Investor Opportunity

There is now a requirement for additional funding of £500,000 to launch the OmniView system, and to complete the development and launch of iHUD. The directors are prepared to release 20% of the equity in the Company for the investment of £500,000.

In addition, the Company is seeking, through its advisers, Business Finance Services Ltd, up to £55,000 of grant funding from the Northamptonshire Growth Hub, under its Ready2Grow, and other schemes.

EIS

The company has applied to HMRC for EIS approval and sees no reason why this will not be granted.

Exit

The most likely exit will be provided by a trade sale in 3 to 5 years. Floatation on the AIMS Market may also be an option.

A detailed Business Plan is available to interested parties on signature of an NDA. To discuss this opportunity in more detail please contact:

*Alan Price on **07768 636 246** or e-mail: alan@bufinserv.co.uk*

Or

*Peter Douglas on **07770 866 955** or e-mail to: peter@bufinserv.co.uk*

Please note: This document is for information purposes only and is not an offer, solicitation or inducement to invest in any entity, shares or funds nor is it part of any contract for the sale, transfer or purchase of the same. The information is provided by our client and prospective investors should not rely on this information to make any decisions. The accuracy of the information is not guaranteed. All prospective investors must carry out their own due diligence to satisfy themselves as to the accuracy of all matters before making any decisions. Nothing in this document constitutes investment advice or advice specific to your circumstances. Please consult your own professional advisors on your particular financial circumstances before making any investment decisions.