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A Q U A

B O T I X

UUV Aquabotix Ltd | Sydney, Australia and Virginia & Massachusetts, USA
ASX:UUV

Investor Presentation | 27 September 2019

LEADING THE WAY IN THE EMERGING UNDERWATER DRONE MARKET

Aquabotix is focusing on micro-sized, swarming products for a broad range of defence applications where urgent requirements exist.

- Gaining traction by securing critical contracts to deliver units for test and evaluation to support consideration of full operational use
- Building momentum through customer-supported development efforts and differentiation from the Company's limited competition
- Demonstrating a positive trajectory for growth with increasing order values while continuing to reduce cash outflows



Swarm of approximately 30 Aquabotix's SwarmDiver™ product encircling a vessel.

CHALLENGES WE SOLVE

Over the past 5 years, the threat of mines, militarized ordnance, and improvised explosive devices have become increasingly common in the maritime arena, putting at risk international commerce and oil supplies. These attacks have highlighted the vulnerabilities of key shipping routes and are creating an urgent need for locating, identifying, and neutralising those threats.

Variants of SwarmDiver™ can be used to effectively and cost-efficiently create boundaries and deterrents as well as to detect, locate, and ultimately counter these persistent and growing security threats.



Houthi Rebels Carry Out Series of Bomb-Boat Attacks



Explosion damages vessel carrying wheat to Yemen

Reuters Staff

LONDON/ADEN (Reuters) - An explosion has damaged a Turkish vessel carrying wheat to Yemen's Houthi-controlled port of Saleef, with varying accounts attributing the incident on Thursday to an unexplained blast aboard the ship or a possible missile strike.

A naval ship of a Saudi-led military coalition received a call from the captain of the vessel, the Ince Inebolu, who reported an opening had appeared in the middle of the ship on the left side, a spokesman for the alliance said.



BUILDING MOMENTUM

- The Company is quickly establishing its market position.
- Aquabotix secured 4 total (2 development and 2 hardware procurements) U.S. Military-funded contracts related to SwarmDiver™ in the first year from the product's launch.
- U.S. Military procurements are oftentimes progressively awarded with smaller funding allocations for development and testing initially, and as buy-in is gained and technology demonstrated successfully this may lead to more sizeable commercialization orders.*
- Recently, Aquabotix made its first SwarmDiver sale to a foreign military, the largest order for the Company to date.
- The value of awards to Aquabotix is significantly increasing over time, and these initial sales represent meaningful and necessary steps towards full operational use of the SwarmDiver™.

*Necessarily, not all (and there can be no assurance that any) of these sales opportunities will result in sales.

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First Sales & Partnerships Secured

Received first 2 U.S. Navy-Funded Development Contracts

Strategic Development Agreement with Global Defence Company Thales

Q2-Q4 2018

Gaining Traction with Key Customers

U.S. Military Product Purchases
1st in Apr. 2019
2nd in May 2019

Teaming Agreement with ManTech

Q1-Q2 2019

Building Momentum

Foreign Military Product Purchase
1st in Sept. 2019 by Major Asian Military Agency

Achieving Positive Trajectory for Order Values

Q3 2019

Advancing More Sizeable Sales

Multiple potential sales are being advanced with a range of domestic & foreign militaries for finished product and/or continued development with sizeable end-user demand expressed *

Being Advanced

Continued Growth

Company aim to secure a substantial share of market opportunities

A \$5.2 billion market by 2022 for unmanned underwater vehicles **



Product Launch

SwarmDiver™ Launch

Apr 2018

RECENT WINS & FUTURE OPPORTUNITIES

*Necessarily, not all (and there can be no assurance that any) of these sales opportunities will result in sales.
** Based on MarketsandMarkets data in Report Code AS 2327. Refer to Slide 14 for additional details.

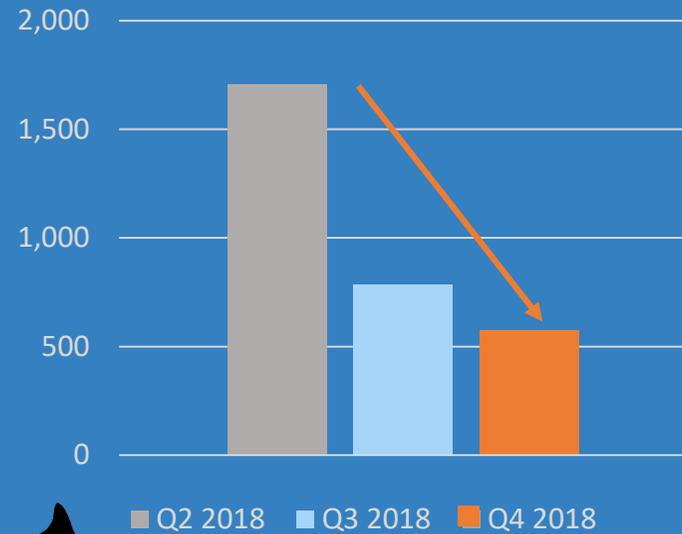
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RAPIDLY GROWING ORDERS & REDUCING NET OUTFLOWS

MILITARY-FUNDED CONTRACTS
FOR SWARMDIVER (USD)
BY QUARTERLY ACTIVITY*

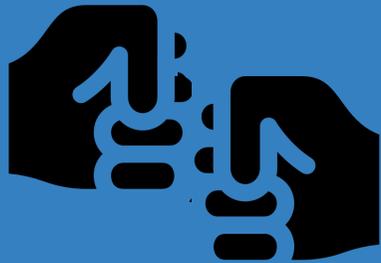


NET CASH USED IN OPERATIONS
(\$1,000s)



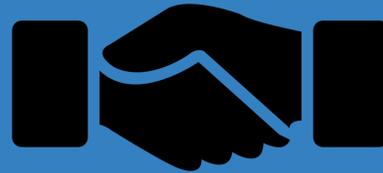
* Figures are reflective of quarterly order acceptance, not cumulative values for the entire period reflected in the chart.
 ** Q3 2019 figures are based on the orders accepted within the Q3 period to the date of the presentation.

OTHER RESULTS OF UUV'S 2018 STRATEGIC SHIFT



Reduced market pressure from competition with a shift in focus to areas where few, if any, commercially viable alternatives exist. SwarmDiver competitive advantages include:

- Ultra-Portability of System
- “Expendables” Price Point
- Increased Mission Speed
- Inherent Redundancy through Swarm



Secured key partnerships and executed cooperative agreements with:

- U.S. Navy – Naval Undersea Warfare Center, Newport
- U.S. Navy – Naval Meteorology and Oceanography Command
- Thales Australia Ltd.
- ManTech International Corporation



Achieved notable progress on receiving non-dilutive, customer funds for development activities.

- Defense Innovation Network Grant in NSW, Australia
- Naval Undersea Warfare Center Funding for Hardware and Innovation
- U.S. Navy Funding for Additional System Development

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Global unmanned underwater vehicle market projected to be

US\$5.2 billion

by 2022



Autonomous unmanned vehicles sub-category is forecast to grow to \$2.7 B at a CAGR of 24% from 2017 to 2022

U.S. Navy and Marines estimated spend for drones exceeds

US\$3.7 billion

in Gov't FY 2019

Global swarm intelligence market for drones is expected to grow at a

CAGR of 69%

from 2020 to 2030

MARKET OPPORTUNITY

Budget summary data from <https://dronecenter.bard.edu/files/2018/04/CSD-Drone-Spending-FY19-Web-1.pdf>;

Market growth estimates from <https://www.marketsandmarkets.com/PressReleases/swarm-intelligence.asp> and Markets and Markets Report Code AS 2327

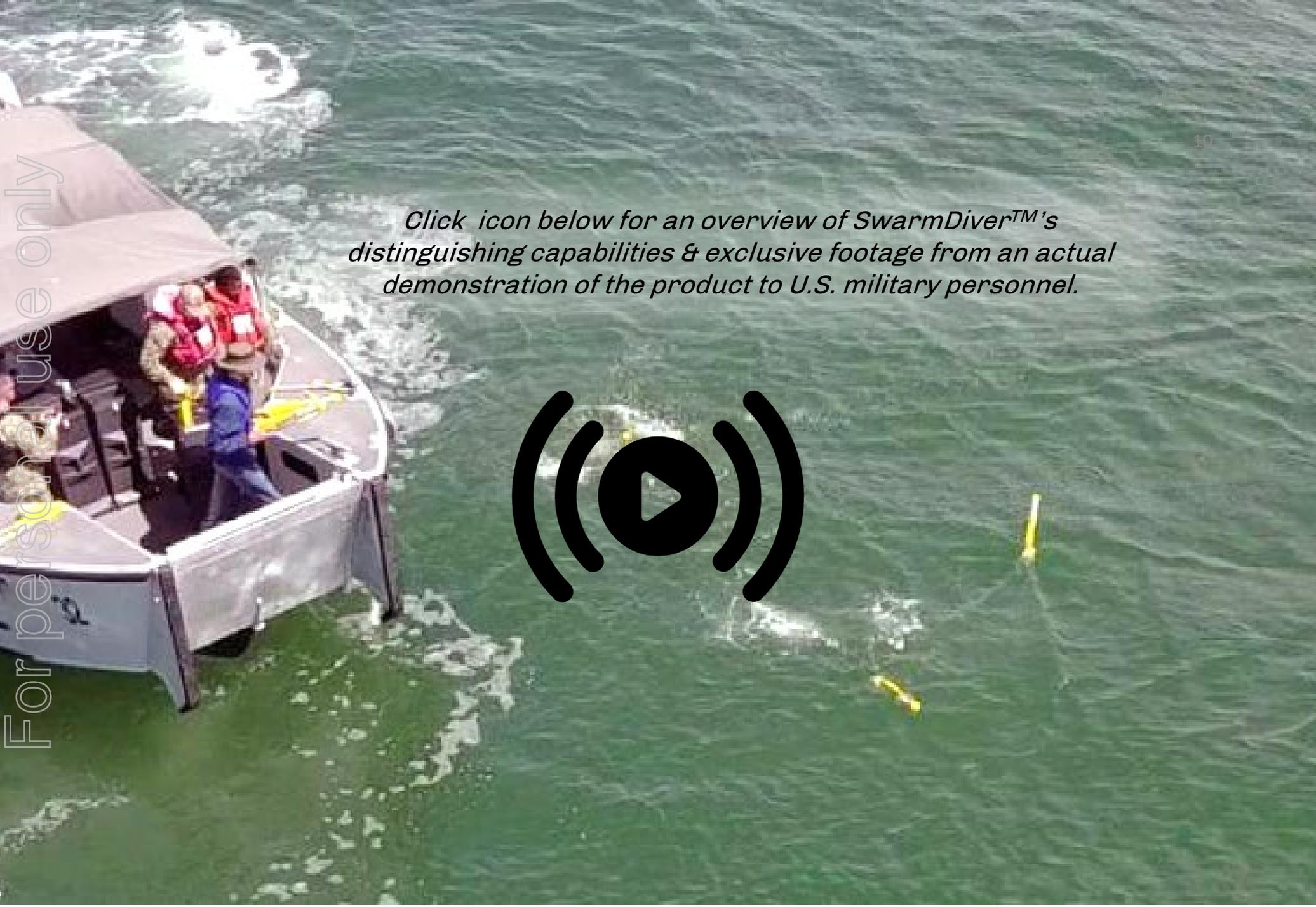
AQUABOTIX



SWARMDIVER™

SwarmDiver™ is the first in its kind: a micro-sized, hybrid autonomous surface and underwater vehicle with swarming capabilities. SwarmDivers™ are designed for operation in notoriously challenging environments like very shallow water and surf zones. SwarmDivers™ can be deployed manually or autonomously from the shore or any other platform of opportunity. Multiple SwarmDivers™ can be controlled as a single coordinated entity by one operator on the surface. This revolutionary technology can be operated as a stand-alone system or paired with other systems to support “systems of systems” or “mosaic” warfare concepts. The modularity of the system lends itself to flexible use and can be employed to support dozens of mission types, creating a large addressable market for Aquabotix.

Click icon below for an overview of SwarmDiver™'s distinguishing capabilities & exclusive footage from an actual demonstration of the product to U.S. military personnel.

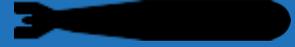
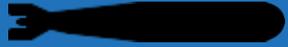




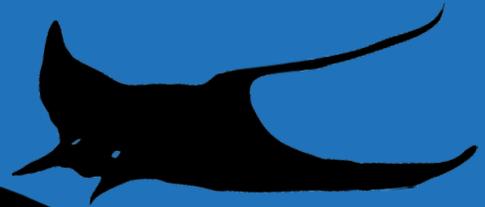
RECENT NEWS

- 05 Sept 2019 – \$520k Order by Major Asian Military Agency, Largest in Aquabotix's History
- 23 May 2019 – US\$150k U.S. Military Order
- 14 May 2019 – ManTech Teaming Agreement Signed
- 08 April 2019 – First U.S. Navy SwarmDiver Purchase
- 07 March 2019 – Defense Innovation Network Non-Dilutive Funding Grant
- 03 Jan. 2019 – Second U.S. Navy-funded Development Contract
- 21 Dec. 2018 – Thales Development Agreement for Strategic Cooperation
- 29 Nov. 2018 – EDGE, STEALTH, and NIGHTLINE Products Launched
- 22 Oct. 2018 – Granted U.S. Federal Explosives License
- August 2018 – Successful Demonstration at U.S. Navy's Advanced Naval Technology Exercises

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APPENDICES



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**A HIGHLY CAPABLE
BOARD OF
DIRECTORS &
LEADERSHIP TEAM
WITH SIGNIFICANT
RELEVANT INDUSTRY
EXPERIENCE**



Peter James
Independent Non-Executive Chairman



Hon. Jay Cohen
Non-Executive Director



Rob Clisdell
Non-Executive Director



Whitney Million
Chief Executive Officer

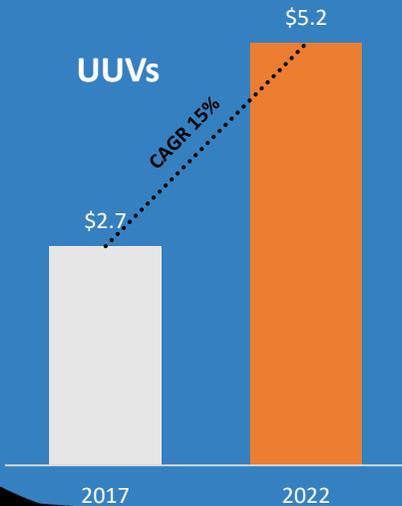


Winton Willesee
Chief Compliance Officer

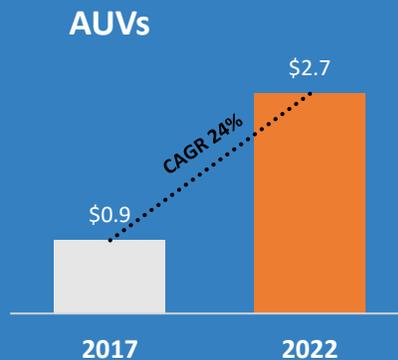


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The unmanned underwater vehicle (UUV) market is forecast to grow from US\$2.7 billion in 2017 to **US\$5.2 billion in 2022**



Autonomous unmanned vehicles (AUV) sub-category is forecast to grow from US\$0.9 billion in 2017 to **US\$2.7 billion by 2022 at a CAGR of 24%**



The Swarm Intelligence Market was estimated to grow to **US\$450 million by 2030, at a CAGR of 40%** from 2020 to 2030; and

The broader Artificial Intelligence (AI) Market to be worth **US\$190 Billion by 2025.**

Significant growth projected in swarm intelligence and AI



GROWTH

Forecasts from MarketsandMarkets, an independent research firm.
 Reference Report Code AS 2327; <https://www.marketsandmarkets.com/PressReleases/swarm-intelligence.asp>;
 and <https://www.marketsandmarkets.com/Market-Reports/artificial-intelligence-market-74851580.html>

Several high-value M&A transactions have closed, including:

- General Dynamics acquired BlueFin Robotics, a manufacturer of large-bodied unmanned vehicles, in February 2016;
- Boeing acquired Liquid Robotics, maker of a wave and solar-powered autonomous robot, in December 2016, reportedly for a consideration in the hundreds of millions of dollars;
- L3 Technologies acquired OceanServer Technology, a Massachusetts-based manufacturer of autonomous unmanned undersea vehicles, in April 2017;
- L3 Technologies acquired Open Water Power, a Massachusetts-based company that develops high-density aluminium batteries for unmanned undersea vehicles, in May 2017; and
- BAE Systems acquired Riptide Autonomous Solutions, which manufactures unmanned, underwater vehicles for the U.S. Navy and other institutions in June 2019.

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INDUSTRY CONSOLIDATION

MARKET UPDATE

➤ Since June 2019, a string of attacks on maritime vessels took place in the Middle East. Several of these attacks centred around oil tankers travelling through geographical bottlenecks. These attacks spurred an increase in maritime security spending.

➤ In June 2019, U.S. Officials announced a goal of building up a coalition designed to deter Iranian attacks in the Persian Gulf. This so-called “Sentinel Program” is designed to keep eyes on maritime trade routes.

➤ In April 2019, the U.K. Defence Secretary, Gavin Williamson, announced that the government will provide a £75 million fund for the Royal Navy to develop more lethal and autonomous technologies. The Navy will use the investment for mine hunting drones and autonomous vessels designed to find and destroy mines.

➤ The U.S. Department of Defense is seeking sharp spending increases to its autonomous weapons programs, according to the fiscal year 2020 budget request submitted to Congress in March 2019.

➤ The U.S. Pentagon 2020 budget requests asked for a nearly tenfold increase to the Navy's spending on large unmanned surface vehicles, and the Army aimed to boost robotics development from US\$74 million to US\$115 million at the same time.

MARKET UPDATE

U.S. Military is taking measures to increase the speed of acquisition for urgent, out-of-cycle requirements to support its forces, including increased funding allocations for the Navy's rapid prototyping programs to field capabilities quickly.

A long string of strikes by Houthi rebels on vessels transiting the Red Sea, a crucial global maritime lane, using anti-ship cruise missiles, explosive-laden remotely operated boats, and improvised weapons have created a more urgent need for advanced naval defence systems globally and demonstrated the need for the specific unmanned underwater vehicles/unmanned surface vehicles for mine countermeasure operations.

April 2018, U.S. Navy leadership publicly announced that it is embracing unmanned systems for future combat, stating these technologies are "absolutely intrinsic to how we're going forward" in the Navy and Marine Corps during a panel discussion at the Navy League's annual Sea-Air-Space conference.

The U.S. Navy commitment to the further development of underwater drones is evidenced by its recent contract award to Raytheon of a US\$83 million base value contract, with options up to US\$363 million to develop an autonomous underwater vehicle for the US Navy to use in the detection and mitigation of sea mines. The U.S. Navy also sought a vehicle that could operate in shallow waters and be an expendable modular neutraliser with a kill mechanism, propulsion and sensors.

MARKET UPDATE

➤ In November 2018, Maj. Gen. David Coffman, Director of Expeditionary Warfare for the U.S. Navy stated that the Navy is focusing on developing sensors and effects that are applicable to mine warfare that can be mixed and matched with various manned or unmanned offboard vehicles, rather than relying so heavily on littoral combat ships for these missions.

➤ In October 2018, the U.S. Naval Sea Systems Command received Pentagon approval to develop a mine countermeasure unmanned surface vehicle as part of the Navy's ongoing effort to replace its aging mine countermeasure infrastructure. The goal is to create a platform that can accommodate several different modular systems for mine hunting, mine sweeping, and mine neutralisation, officials stated.

➤ In September 2018, the U.S. Marine Corps Rapid Capability Office issued a request for information seeking autonomous and artificial intelligence technology to "increase Marines' ability to detect, analyse, and neutralize Explosive Ordnance in shallow water and the surf zone.

➤ In August 2018, at Southeastern New England Defense Industry Alliance's Defense Innovation Days, the Assistant Secretary of Navy Research, Development, & Acquisition, Mr. James "Hondo" Geurts spoke about the Navy's increased focus on agility, citing the use of Other Transaction Authorities and collaborative research agreements as examples of ways the government intends to speed its acquisition processes and progress technology development under its new strategy.

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