



30 May 2018

ASX RELEASE

2018 Chairman's Address to Annual General Meeting

Good morning, ladies and gentlemen. My name is Peter James. I am the Independent Non-Executive Chairman of UUV Aquabotix Ltd. On behalf of the Board, it is my pleasure to welcome you to the 2018 Annual General Meeting.

It is now 10:00am and there being a quorum present, I declare the meeting open for business. I confirm that the meeting has been properly constituted.

I would like to introduce you to the rest of the Board present here today:

- Brendan Martin – Executive Director
- Robert Clisdell – Non-Executive Director
- Durval Tavares – Non-Executive Director (*remotely*)

The Hon. Jay M. Cohen, Rear Admiral, United States Navy (Ret.), Non-Executive Director, is an apology for today's meeting.

Also present are the Company's Chief Executive Officer, Whitney Million (joining us remotely), the Company's auditor, Gary Sherwood from RSM Australia Partners, and the Company Secretary, Anand Sundaraj of Sundaraj & Co.

The agenda for today's meeting is as follows:

- I will provide the Chairman's address;
- Following which, we'll proceed to the more formal matters to be considered today, as set out in the Notice of Meeting that was dispatched to all shareholders on 30 April 2018.
- Ms. Million will provide an update on the business and the outlook for 2018; and
- Finally, there will be an opportunity for questions and discussion.

After the meeting has closed, I invite you to stay for tea and coffee and our Directors and executive staff who are here today can answer any further questions you might have.

I am pleased to present to you today my review of the past year, my first as Chairman and the first for Aquabotix as a publicly listed company, and an overview of the Company's prospects going forward.

This past year has been one of change for Aquabotix. The Company took great strides in developing its intellectual property, increasing its distributor networks, and securing new human capital to better position itself for short- and long-term wins. From a financial perspective, the year has proven to be a challenge with revenues falling from 2016 to 2017 combined with an increased cost base, plus the significant one-offs associated with the IPO; however, Aquabotix remains uniquely positioned for future growth.

The Company is focusing its efforts and resources towards the high growth prospects in autonomous and swarming unmanned underwater and surface products, especially in those areas where limited competition and no commercially viable alternatives exist. Aquabotix announced, in early April, the release of *SwarmDiver*TM, a micro, hybrid unmanned surface vehicle and

underwater vehicle. This product is in a class of its own, as it is, to the best of our knowledge, the only micro hybrid vehicle of this type and the only swarming unmanned vehicle with diving capabilities commercially available to both corporate and governmental users. This product has been well received, and the level of interest generated in *SwarmDiver*[™] from potential partners and customers has exceeded the Company's expectations. Aquabotix is actively exploring various applications, potential sales and co-operation agreements, and non-dilutive funding options with a range of interested parties, and a general emphasis on development with the United States and allied defence communities.

Recent discussions indicate there is likely to be a market for the technology underlying our existing underwater vehicle lines, the Integra and Endura. Out-licensing of the technology to other industry participants (as opposed to relying on direct sales of the physical product) is a substantially less capital-intensive activity and is more scalable than the direct sales model employed by the Company to date. While we continue to offer these product lines, we will be focusing on such out-licensing of existing technology.

This improved focus is key to the Company's near-term strategy. With the generated interest in and competitive advantages of *SwarmDiver*[™], the Company is well positioned to partner with both government and large defence companies for mission-specific product development. It is anticipated these types of partnerships will enable the Company to continue advancing its technology and differentiating itself from competitors with customer support, limiting reliance on funding methods that would dilute shareholder's equity or add debt for the Company. Additionally, these offerings, especially when developed further to meet specific user challenges, fall into high growth prospect markets, namely swarm intelligence and autonomous unmanned underwater vehicles, so exploiting the intellectual property developed in these arenas is fundamental to the Company's future trajectory.

These changes, which I have briefly described, leave the Company well positioned to secure wins for the many opportunities currently identified as well as those on the horizon. We enter this coming year confidently and with a bright outlook and are looking forward to updating the market on developments over the coming months.

Further Information

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About UUV Aquabotix Limited

Based in Sydney, Australia and Fall River, Massachusetts, USA, Aquabotix is an established underwater robotics company which manufactures and sells commercial and industrial-grade underwater drones for commercial, high-end consumer and military applications. It is also the first company globally that is offering commercially-available swarming underwater drones. Please visit www.aquabotix.com