

**Announcement to ASX**

**31 January 2018**

**Shareholder Update**

Smart Marine Systems Limited is pleased to provide shareholders with the attached update in relation to the current activities of the Company.

**For and on behalf of the Board**

David McArthur  
DIRECTOR

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SMART MARINE SYSTEMS

# Smart Marine Systems Ltd (ASX:SM8) Shareholder Update – January 2018

# Corporate Overview

## Developing Sustainable Marine Technology

Committed to delivering shareholder returns

### Share Price Information

ASX Code	SM8
Share price	\$0.034 (31/1/18)
30 Day VWAP	\$0.035 (31/1/18)
Shares on issue	66,889,153
Unlisted options	18,525,000
Unissued Performance Rights	17,698,710
52 week high	\$0.16
52 week low	\$0.027
Market capitalisation	\$2.3 m
Cash	\$0.3 m
Average daily volume	43,000
Top 10 shareholders	65%
Date listed on ASX	12/05/2016
GICS classification	Technology hardware and equipment



### Craig Anderson | Director and Co-Founder

Production specialist with significant experience commercializing innovative projects



### Hamish Jolly | Director and Co-Founder

Thought leader in industry-led marine science innovation, expert in R&D and technology commercialisation



### David McArthur | Director

Accountant with significant experience in managing listed companies over three decades

# The Company – Status

## 2017 Achievements

- Company Name Change – Smart Marine Systems
- Commencement of Seabin Commercial Manufacturing
- Market Penetration for Clever Buoy into USA
- Proposed US Pilot Project Announced by US Congressman
- Direct to Market Supply Chain launched
- Bruce Hopkins engaged as Clever Buoy Ambassador
- SAMS Licence granted to US company, Boardlams
- Successful Clever Buoy deployment at City Beach, Perth
- Proposals submitted for locations in Australia, US and Europe.



# The Company – Current Status

## 2018 Objectives

- Commencement of trial installation at Corona Del Mar, Newport, California
- Commencement of a 3 year pilot program for 6 beaches in Southern California
- Completion of sales and installation of pre-sales commitments of Seabin
- Market Penetration for Clever Buoy into East Coast USA (Florida and NE Coast)
- Further deployments in Australia of Clever Buoy and other overseas jurisdictions
- Clever Buoy Consumer App launch
- Collection and Dissemination of Marine Data and Beach Information
- Penetration of Consumer wearables market



# The Company

## Smart Marine Systems (ASX:SM8)

Maritime technology company developing  
award-winning, non-invasive marine products



**SAMS™**

Visual Technology which is  
applied to marine and  
watersport products



**Clever Buoy™**

Near shore marine  
monitoring and  
communications platform  
with shark detection system



[SEABINPROJECT.COM](http://SEABINPROJECT.COM)

**Seabin™**

Automated oceans cleaning  
device that catches floating  
rubbish, oil, fuel and  
detergents for ports and  
marinas



SMART MARINE SYSTEMS

# Clever Buoy – Real Time Marine Monitoring

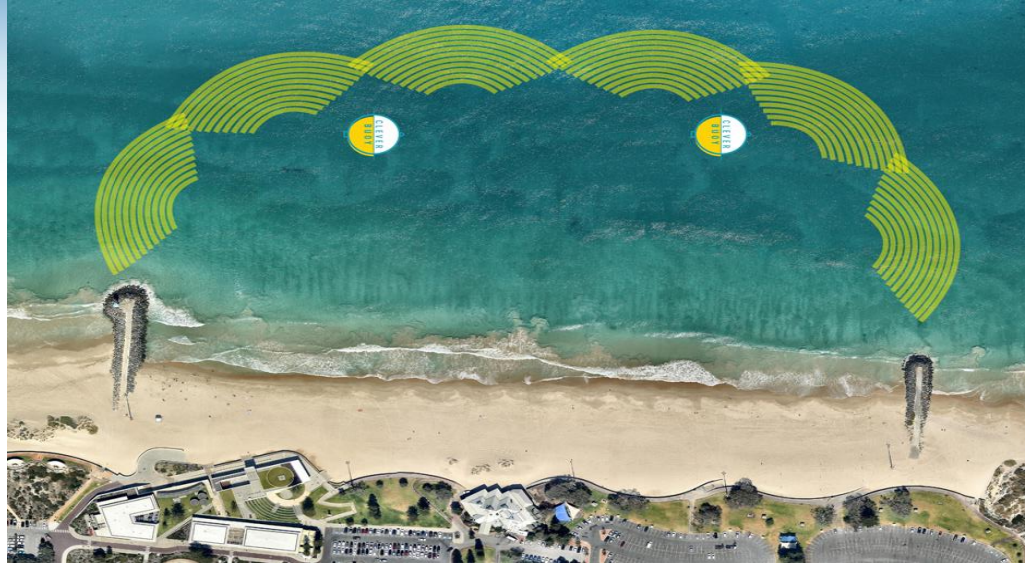
- **Automated shark detection and response system** that utilizes sonar detection to enable the establishment of a protective perimeter around a beach.
- **Autonomously identify large sharks from other species** and sends a warning signal to shore for human intervention response.
- Artificial intelligence Data Collection and Testing in Sydney Aquarium, Abrolhos Islands (WA), Esperance (WA), Sydney Institute of Marine Science, Bondi Beach and Hawks Nest
- IP is protected by international patents.
- Formally endorsed by Australian Professional Ocean Lifeguard Association (APOLA).
- **Successful pre-commercialisation deployment** at Bondi, Sydney (2016) – multiple beach closures in 2 month period prior to installation and 33 sharks with no beach closures during 3 months deployment.
- **Successful pilot deployment** at City Beach, Perth (2017) with integration into Government Emergency Services notification network.
- **Utilised by World Surf League** at Championship Events in Australia and South Africa.
- **Clever Buoy now fully commercialized and ready for rollout**





# Clever Buoy - The Virtual Shark Net

**City Beach  
Installation**  
Perth, Western  
Australia

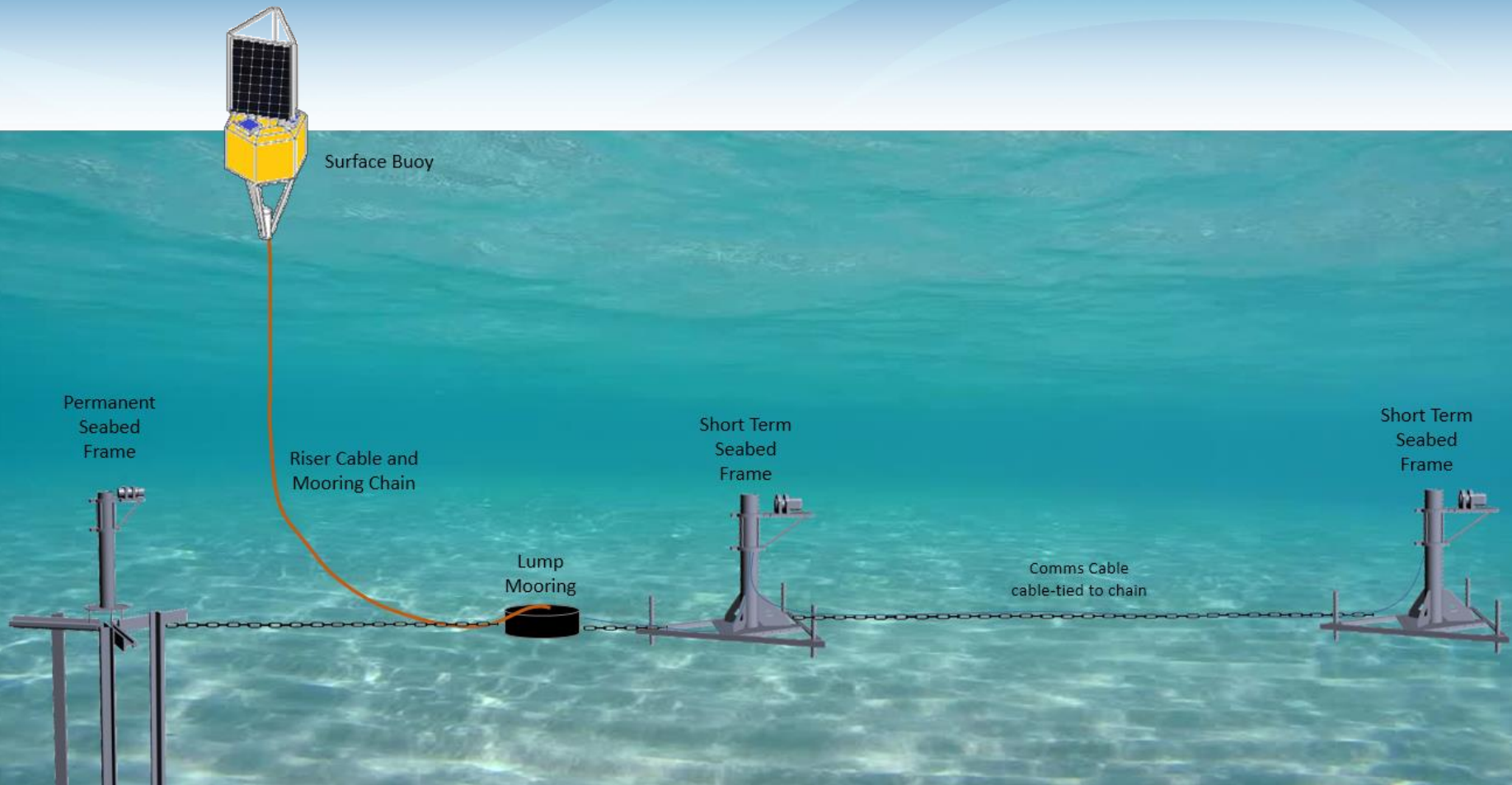


**Huntington  
Beach Design**  
California, USA





# Clever Buoy - Infrastructure



Underwater Clever Buoy components



# The US Opportunity

## **Rapidly escalating shark problem**

- Highest number of negative interactions in the world
- Large number of juvenile sharks present
- No clear mitigation strategy by US Authorities

## **Significant Market Size**

- > 3200 patrolled beaches
- Average beach size of 1 mile
- Potential Market size of US\$5B

## **Large Population Base**

- California beach visit numbers approximately 200M per annum
- LA County account for 50% of visits

## **Public and Political Will**

- Strong response from all administrative levels
- Federal Government financial support
- Immediate traction in Southern California
- Direct engagement with Congress in Florida and California



# Announcement – Orange County Congressman

## Press Conference Announcement (22nd September 2017) by Federal Congressman, Dana Rohrabacher:

- Commitment for a pilot installation at Corona Del Mar
- Planned further roll out of Clever Buoys in California
- All levels of Government excited by deployment of the technology.
- Project will be funded by a combination of local, state and federal departments, local businesses and philanthropists.
- Initial funding of \$1M will be used for the pilot installation at Corona Del Mar and if successful will be rolled out at further OC beaches as part of the proposed \$10m Shark management plan.
- Memorial Day 2018 (May 2018) given as an indicative start date.
- Discussion of a Consumer Application being made available.



# Clever Buoy USA Strategy

## Phase 1



- Establishment of US domiciled wholly owned subsidiary – Clever Buoy (USA) LLC
- Clever Buoy USA to hold exclusive rights to the Clever Buoy IP for the North American market and repatriate an annual licence fee and royalty fees to Clever Buoy (Australia).
- Clever Buoy (Australia) to novate Orange County contracts to Clever Buoy USA - \$9M in 2017/18 and all operational resourcing.
- Roll out in California with business model that will deploy infrastructure a beaches and charge State/County/City municipalities fees for the safety information service.
- Extend network to North East and South East US beaches.



# Phase 1 Progress Update



Congressman Dana Rohrabacher Announcing the 2018 Clever Buoy Trial at Corona Del Mar



California Lt Governor Newsome has delegated staff to assist Clever Buoy with necessary permits for first deployment

Newport Beach Mayor Kevin Muldoon and Lifeguard Chief Rob Williams reinforce the value of Clever Buoy in their City.



Clever Buoy proposals requested by Cities of San Clemente and Coronado, and discussions underway with Los Angeles city and Martins County in Florida.





# Clever Buoy USA Strategy

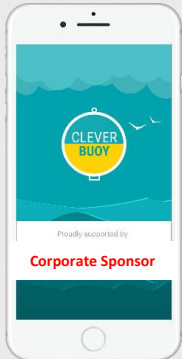
## Phase 2



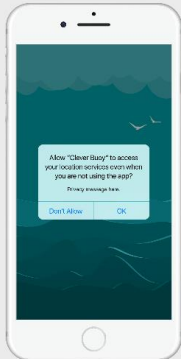
- Release of Clever Buoy Consumer App that focuses on the safety and amenities of each beach on the CB network.
- Every beach with Clever Buoy network installed has a “local” CB App that contains all live and/or historical shark detection data plus feeds of local marine data such as swell, wave height, period, temperature etc.
- The App will also include local data feeds for the total beach experience including available data feeds such as parking spaces, restaurants, surf lessons, local retailers etc to leverage local advertising revenue. Yelp for the beach.
- California has 200 million annual visits to the beach to access.
- The CB App shows historical data and a subscription will include CB Live feed and warnings.



# Clever Buoy™ | Big Data



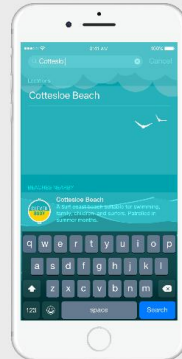
Application loading/splash screen



Request permission to use GPS



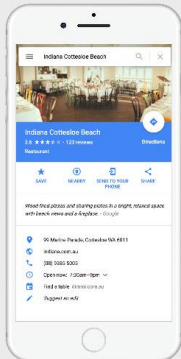
Users can sign in or register through all types of social accounts.



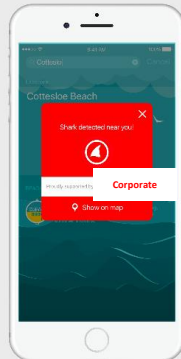
Search manually, and offer location based suggestions



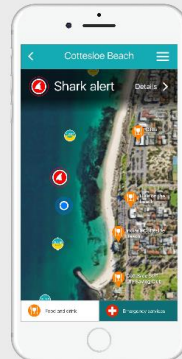
Show relevant weather data, buoy locations and status, sponsored restaurants. Allow user to view emergency service locations such as life saving club. May also locate defibrillators.



Click on a sponsored restaurant to see details and link to their menu etc.



Alert overlays the app when in use. User may dismiss or view on the map. When not in use, the user can be alerted by OS notifications.



When an alert is triggered, the buoy is highlighted, and the weather bar is replaced with a warning message. Users may click on either of these to view the detail screens.



Swimmers are alerted to activity via smart watches.



Life savers can raise shark alerts to all beachgoers after receiving alerts on smart phones or watches.



# SAMS™ | Visual Technology



## Disruptive Colouration & Patterns

New research on visual systems of predatory sharks has resulted in designs and patterns that modify how an object is seen by a shark.

## Independent Field Testing

Independently field tested by highly regarded shark scientists, since 2013.

## Online Shop

Global online store released of consumer products.

<https://shop.sharkmitigation.com/>





# Seabin | Ocean Cleaning Technology

The revolutionary ocean plastics cleaning device that catches floating rubbish, oil, fuel and detergents and makes oceans cleaner



SEABINPROJECT.COM



- Seabin is an automated cleaning technology
- Seabin catches floating rubbish, oil, fuel and detergents
- Seabin has been designed for marinas, private pontoons, inland waterways, residential lakes, harbours, water ways, ports and yacht clubs
- Seabin has a partnership with Poralu Marine, a global marina manufacturer and distributor and deployment in French port La Motte
- Seabin has received \$500,000 from Bookings.com Incubator Program
- Commercial production commenced and pre-sales exceed expectation by over 500%.



# Smart Marine Systems (ASX:SM8)

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SHARK MITIGATION SYSTEMS

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