



SMART MARINE SYSTEMS



Smart Marine Systems Limited (ASX:SM8)

Advanced Offshore Streaming Acquisition

Investor Presentation
October 2019

Disclaimer.

This presentation has been prepared by Smart Marine Systems Limited and its related entities (the “Company”). It does not purport to contain all the information that a prospective investor may require in connection with any potential investment in the Company. You should not treat the contents of this presentation, or any information provided in connection with it, as financial advice, financial product advice or advice relating to legal, taxation or investment matters.

No representation or warranty (whether express or implied) is made by the Company or any of its officers, advisers, agents or employees as to the accuracy, completeness or reasonableness of the information, statements, opinions or matters (express or implied) arising out of, contained in or derived from this presentation or provided in connection with it, or any omission from this presentation, nor as to the attainability of any estimates, forecasts or projections set out in this presentation. This presentation is provided expressly on the basis that you will carry out your own independent inquiries into the matters contained in the presentation and make your own independent decisions about the affairs, financial position or prospects of the Company. The Company reserves the right to update, amend or supplement the information at any time in its absolute discretion (without incurring any obligation to do so). Neither the Company, nor its related bodies corporate, officers, their advisers, agents and employees accept any responsibility or liability to you or to any other person or entity arising out of this presentation including pursuant to the general law (whether for negligence, under statute or otherwise), or under the Australian Securities and Investments Commission Act 2001, Corporations Act 2001, Competition and Consumer Act 2010 or any corresponding provision of any Australian state or territory legislation (or the law of any similar legislation in any other jurisdiction), or similar provision under any applicable law. Any such responsibility or liability is, to the maximum extent permitted by law, expressly disclaimed and excluded. Nothing in this material should be construed as either an offer to sell or a solicitation of an offer to buy or sell securities. It does not include all available information and should not be used in isolation as a basis to invest in the Company.

Future Matters | This presentation contains reference to certain intentions, expectations, future plans, strategy, revenue forecasts and prospects of the Company. Those intentions, expectations, future plans, strategy, revenue forecasts and prospects may or may not be achieved and may be forward looking statements. They are based on certain assumptions, which may not be met or on which views may differ and may be affected by known and unknown risks. The performance and operations of the Company may be influenced by a number of factors, many of which are outside the control of the Company. No representation or warranty, express or implied, is made by the Company, or any of its directors, officers, employees, advisers or agents that any intentions, expectations or plans will be achieved either totally or partially or that any particular rate of return will be achieved. Given the risks and uncertainties that may cause the Company’s actual future results, performance or achievements to be materially different from those expected, planned or intended, recipients should not place undue reliance on these intentions, expectations, future plans, strategy, revenue forecasts and prospects. The Company does not warrant or represent that the actual results, performance or achievements will be as expected, planned or intended.

US Disclosure | This document does not constitute any part of any offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of any “US person” as defined in Regulation S under the US Securities Act of 1993 (“Securities Act”). The Company’s shares have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States or to any US person without being so registered or pursuant to an exemption from registration including an exemption for qualified institutional buyers.

All figures included in this presentation are in AUD\$ unless otherwise stated.

TRANSACTION OVERVIEW

Acquisition of Advanced Offshore Streaming.

- Smart Marine Systems has agreed to acquire* Advanced Offshore Streaming (“AOS”), a market leader in remote communications technology
- AOS technology is currently deployed across oil and gas and marine industries globally
- AOS allows secure encrypted HD transfer of video, data and audio from remote locations at much lower bandwidths directly point-to-point without loss
- Allows for operation of Remotely Operated Vehicles (“ROV”) from anywhere in the world = reduced offshore personnel
- AOS is successfully operating in offshore environments in Australia, New Zealand and Europe, where it has a number of existing blue-chip clients
- Smart Marine Systems will further deploy the AOS technology through the Clever Buoy and Harvest Technology business which will accelerate market penetration

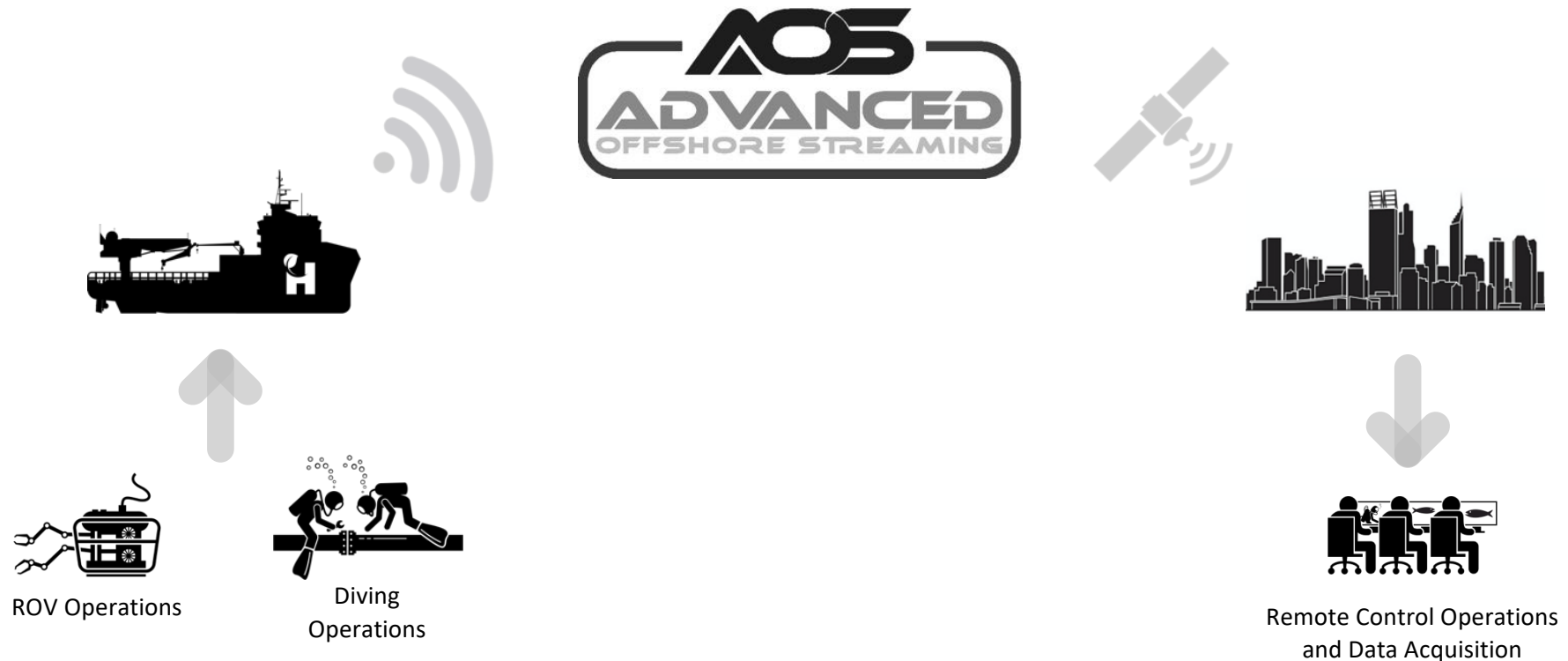
** Acquisition subject to Shareholder approval*

Acquisition of Advanced Offshore Streaming.

AOS reported (unaudited) revenue

\$2.5 million (AUD)

with pre-tax earnings of \$0.9M for year end June 30 2019



Deal structure.

Initial Purchase price: \$3.5 million (AUD)

(Initial Cash Consideration)



A\$750k

2 x A\$750k Deferred Cash
Payments at 12 & 24
months



30,000,000*

Tranche 1 Deferred
Consideration Shares vest
at 12 months



30,000,000*

Tranche 2 Deferred
Consideration Shares vest
at 36 months

Total consideration, if all
milestones are met:

A\$6.5M

It is a key Condition
Precedent to the
Agreement that the 2
vendors of AOS enter into
employment agreements
with SM8

*Deferred Consideration
Shares to be issued to be
the lesser of 30,000,000
and the total value of
A\$750k divided by the
volume weighted average
price of Shares for the 3
trading days immediately
prior to the Settlement

Strategic rationale



The AOS system allows for real time simultaneous transfers of multiple data types – critical in offshore activities



AOS has specific application for SM8's existing business units:

- Clever Buoy technology where it can ensure real time communication solutions between data buoys and the mainland
- Harvest Technology where AOS significantly improves data transfer capability for subsea and asset integrity risk mitigation activities



AOS will have the ability to enhance the Company's existing technology and provide business opportunities complementary to the existing operations of the Company



Expanded geographic footprint covering Australia, New Zealand and Europe

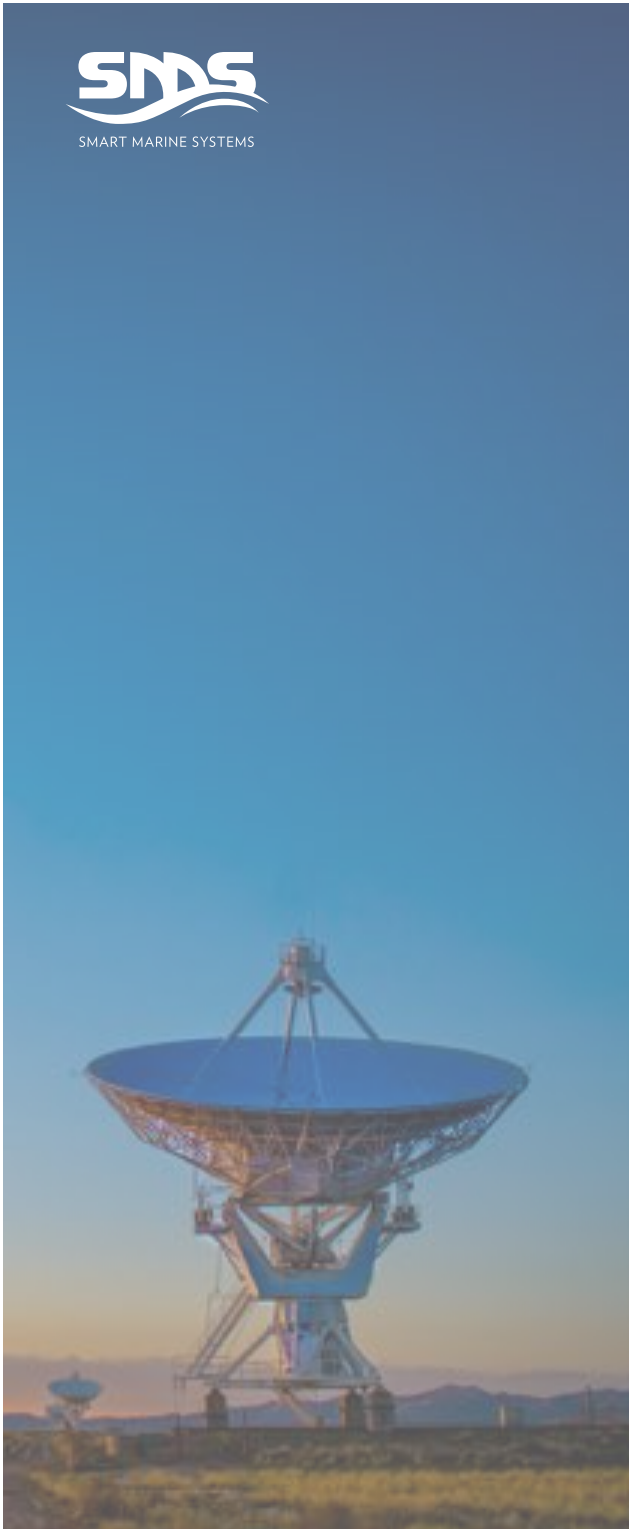


Safer operations through reduced offshore personnel exposure

ABOUT AOS

About AOS.

- AOS has developed proprietary algorithms and computing hardware which enables the transferring of secure, encrypted high definition video, data and audio from remote or satellite locations to single point to point or global multi-cast locations with a dedication to ultra low bandwidth consumption and quality of service
- Technology is currently deployed in remote control, communication, automation and monitoring applications across the global oil and gas and marine industries
- The technology is industry agnostic and can be utilised in mining, defence and agricultural sectors both on land and at sea
- Product range includes Remote Inspection, Monitoring systems, Ultra low bandwidth video / data streaming, Advanced Vessel Management Systems (AVMS), Offshore live streaming buoys, HD Multi-frequency camera and visions solutions and remote area communications systems



AOS products.



AVR 2.0: A fully customisable low bandwidth plug and play offshore video and data platform, ready for immediate deployment



NODECAST: Simplistic network communications platform, designed for maximum reliability and noisy environments



AVMS: The advanced vessel management system is built from the ground up to give project management and engineering an unprecedented overview of asset deployment and status



OPERATIONS CENTRE DESIGN: AOS offers complete remote operations centre design and fitout, with the ability to design software and hardware in house to make your vision a reality



REMOTE INSPECTION SYSTEMS: System is used to remove ROV inspection teams completely from the vessel into versatile onshore operations centers



SELF POWERED BUOYS: Self powered deep ocean buoy systems are currently deployed to conduct automated well site monitoring to allow clients to decide the need for vessel intervention



SUBSEA CAMERA SYSTEMS: New evolution of subsea camera and lighting equipment, combining multiple sensors and new technologies with an unbeatable pricing model



BESPOKE REMOTE-CONTROL SOLUTIONS: AOS has designed and developed multiple remote-control systems where remote control was not originally a possibility. An example is our T4 manipulator remote control software



AOS technology in use.

- AOS technology is used exclusively by Fugro in the Offshore Industry and forms the basis of the Fugro neXt Remote Operations
- Fugro neXt Remote Operations had the “successful first live remote pilotage of ROVs, executed from remote operations control centre in Perth” as part of the 3-year framework contract for Woodside Energy*
- Remote operations have the ability to remove personnel from hostile locations, offer clients immediate access to data and have the ability to reduce the size of the offshore operating vessel
- The Fugro Remote Operations Centre based at Telstra’s Perth International Telecommunications Centre in Gnangara, Western Australia is *“A Perth technology innovation hub that is already sending remote-controlled submersibles to the bottom of the ocean now has its sights set on outer space”***

* Fugro N.V. Annual Report 2018

** The West Australian - Friday, 4 October 2019



Future market applications.

- With further development, SM8 believes AOS technology potentially has market application outside the offshore industry such as:
 - Emergency communications
 - Defence applications
 - Airline Industry
 - Satellite Applications
 - Remote land-based communities and operations



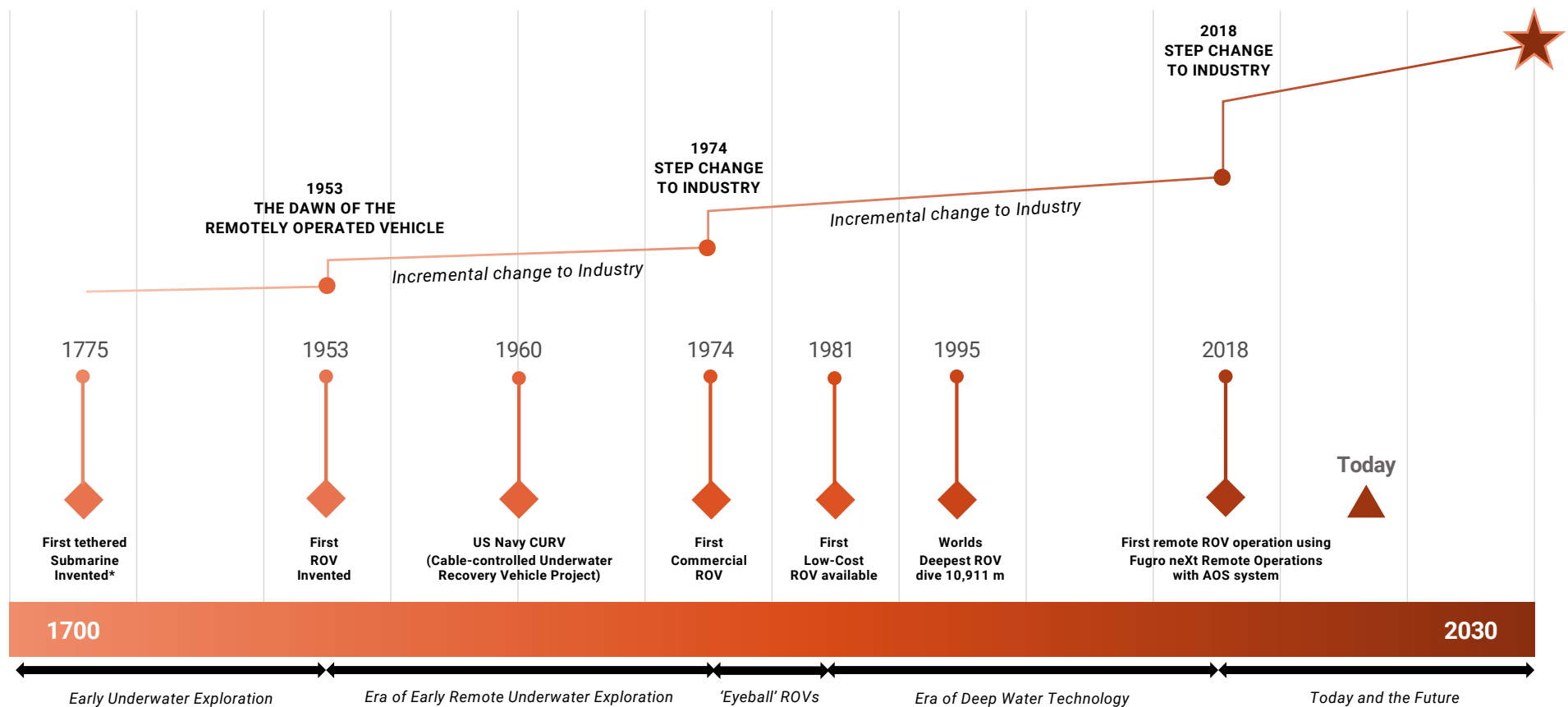
Market size.

- At present there are ten major oil and gas projects under construction in Australia, with a further nine in the pipeline*
- This investment activity – and the implications for the Australian economy – is significant. The Gorgon, Inpex Ichthys and Wheatstone projects are the three largest private sector projects currently under construction in Australia. All involve offshore gas extraction and LNG production facilities and are worth a combined \$115 billion*
- Another ten projects involving offshore gas extraction, worth a combined \$58 billion in potential investment, are in the planning phase*



* Source: Geoscience Australia

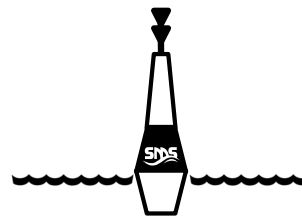
Step change to the Remote Subsea Intervention.



ABOUT SMART MARINE SYSTEMS

The Group.

Smart Marine Systems is a dynamic technology based solutions provider to the marine, subsea technology, renewable energy and oil and gas sectors.



Clever Buoy™

Marine monitoring technology and warning system



Harvest Technology

Offshore Vessels, ROV, Diving and associated support

Dynamic, new and forward thinking

High-performance management team

Marine and subsea industry experience of more than 60 years



Advanced Offshore Streaming

Remote control, communication, automation and monitoring applications

Harvest Shine.

- 60m Dive Support Vessel / Offshore Supply Vessel
- Lloyds classed DP2 system & 4-Point Mooring capabilities
- 330m² of clear deck and 4.6m draft
- Crane - 12t@19m and 24t@18m with 190m of wire
- Project accommodation of 27 with a total of 49 beds
- 481m³ MGO capacity with ~10mt/day @ 11.5kts – endurance: ~45 days

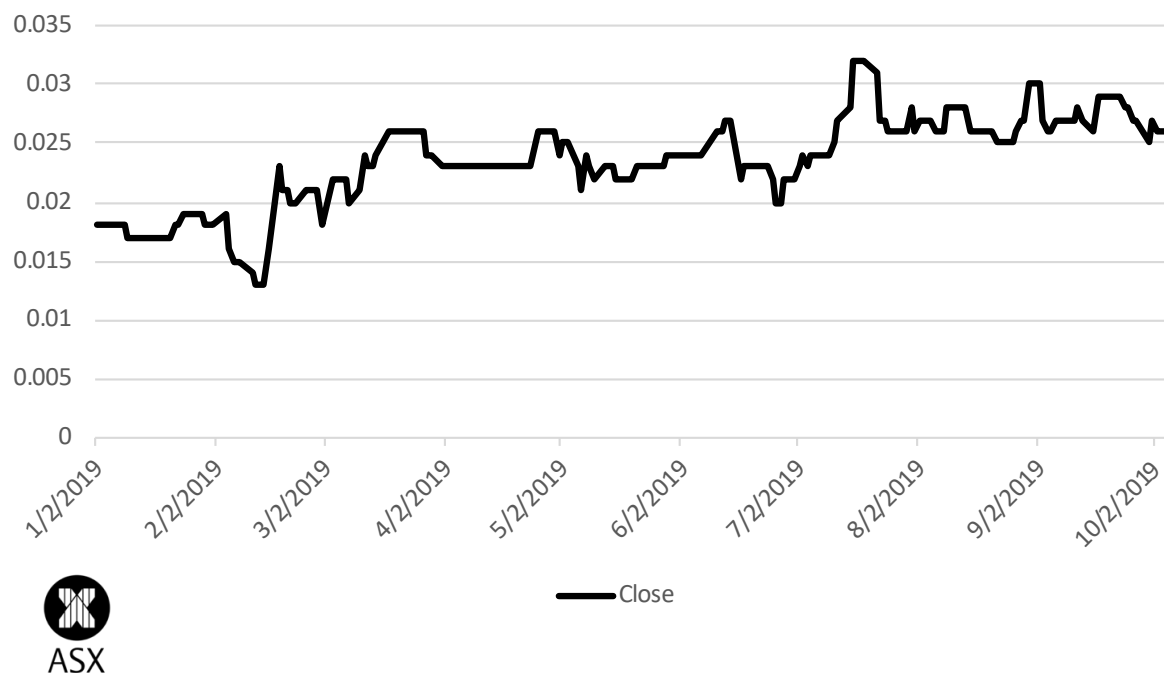
Current projects in conjunction with Fugro Collaboration Agreement:

- Tiwi Island Cable Lay Project
- Beach Energy Geophysical/ Geotechnical/Environmental Survey Project



Corporate Overview.

ASX code	SM8
Ordinary shares	307,856,338
Market capitalisation (4 October 2019)	\$8m
Listed on ASX	9 May 2016
52 week high	3.3c
52 week low	1.2c



Near Term Growth Drivers.

- Award of new customer contracts and further strengthening of order book
- Immediate access to new technology
- Expansion into both new markets and key target markets within Energy Sector
- Explore future alliance and joint venture opportunities



Experienced Management Team.



Paul Guilfoyle | Managing Director

Having been involved in a number of senior roles throughout his career and with a proven track record in business transformation, he is well-versed in spearheading strategic shifts within an organisation to drive future competitive advantage and profit performance, and ensure Clients receive top-notch service quality



Colin Napier | Chief Financial Officer

Over 30 years' experience in the accounting profession. Extensive practical experience in sale and purchase of businesses, developing Board and management reports, preparing financial reports, raising debt funding (in excess of \$125M), cashflow projections and control, and capital investment analysis



Linda Shields | Chief Commercial Officer

With over 25 years' experience spanning retail, hospitality, finance, property, marine, oil & gas, and mining industries, Linda Shields has spent the majority of her career in key roles involving marketing services, client relations, business system development and implementation, contract and commercial management



Diranne Lee-Renwick | Chief Technology Officer

Dynamic and experienced professional with a proven background in logistical engineering, technology and software solutions in the Oil and Gas Industry. With over 26 years of direct Subsea Integrity, remote operations and commercial diving throughout Australia, the United Kingdom and the USA and boasts a 14 plus year Operator tenure

SAFER OPERATIONS THROUGH REDUCED OFFSHORE PERSONNEL EXPOSURE

Smart Marine Systems Limited (ASX:SM8)

Paul Guilfoyle
Managing Director

Smart Marine Systems Limited
enquiry@smartmarinesystems.com
<https://www.smartmarinesystems.com>

<https://www.harvest.technology/>
info@harvest-tech.com.au