

Azorean's long term vision is to produce innovative tools and vehicles

Deep Star 4000 (1962)

As a product focused company, we seek innovative solutions to produce low-cost specialized instruments and autonomous robots, for different market segments: from leisure to business and scientific exploration.

Start from the surface with **small and low-cost tools** to create **deep-water accessible tools** in the future.

AQUATIC GADGETS

Mass Market

STEP 1

SMART LOW-COST INSTRUMENTS

STEP 2

Professional – Monitoring, Safety

DEEP WATER LOW-COST AUTONOMOUS VEHICLES

Professional – Prospecting, Monitoring, Safety

STEP 3

In the long term, Azorean will globally provide tools for deep ocean exploration but, our first product is Ziphius - an app-controlled aquatic gadget. This will allow to get to market as soon as possible, with a mass market product and obtain financial support and technological know-how, as well as, brand recognition.



Milestones & Investments



ZIPHIUS MODEL inspired by the success of the Parrot

AR.Drone

- Parrot is specialized in voice recognition and signal processing for embedded products.
- AR.Drone launched in July 2010, generated €14
 Million in revenue with 45.000 units sold in the Q3
 2010, at 300€ each. More than 600.000 units sold
 until today.
- Parrot's stock price has risen from 12.5€ in early July 2010, to 25.2€ in 2012, with a peak of 36.8€ July 2015, reaching a maximum market cap of \$696.1 Mil on Dec. 2015€.
- At CES 2014 it has launched 2 new drones: Parrot MiniDrone and Jumping Sumo







ZIPHIUS' MARKET

The gadget market is well structured and growing

Consumer Electronics

"... revenues of the global consumer electronics market are expected to reach **US\$ 2,976.1 Bn in 2020**" (Persistence Market Research)

The APEJ, North America, led by the U.S. and Western Europe are the most relevant Consumer Electronic markets

Worldwide Mobile
Phones Accessories
market Growth
including gadgets

"The global smartphone market is still growing at a steady pace (...) We estimate the global market will hit about **2.1** billion units shipped in **2021**" (BI Intelligence)

"... The global mobile phone accessories market is projected to account for US\$ 121,726.4 Mn by the end of 2025." (Future Market Insights)

ZIPHIUS' MARKET

Main targets

Fun & Families

• **US residential and commercial swimming pools:** There are 10.4 million residential and 309,000 public swimming pools in the United States, according to the <u>Association of Pool & Spa Professionals (APSP)</u>.

Water sports

- Worldwide Surf market: "...The global market for Surfing is projected to reach US\$9.5 billion by 2022..." (Global Industry Analysts, Inc.)
- Scuba diving market: "The diving equipment market is expected to grow from USD 2.72 Billion in 2016 to USD 3.21 Billion by 2021..." (marketsandmarkets.com)
- Recreational Boating Market: "In 2015, about 15.7 million boats for recreational purposes were in use in the US, with strong purchasing habits" (<u>Statista.com</u>). "The global recreational boat market is expected to grow to \$25.3 billion by 2020" (<u>Lucintel</u>).

Nature and Outdoor activities

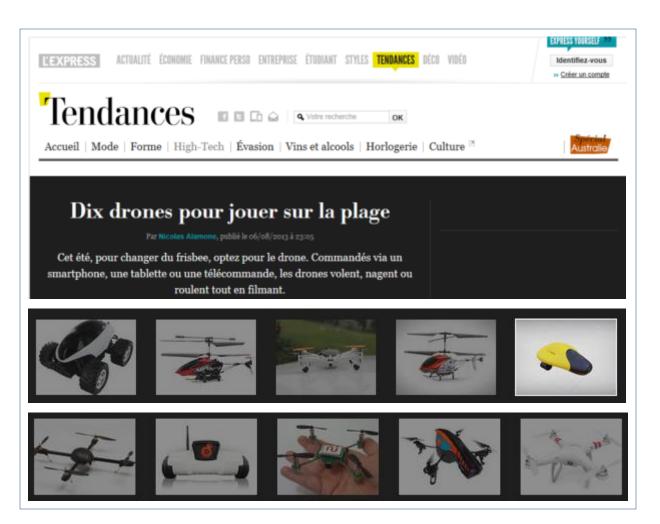
- **US Fishing market**: "...more than 45.7 million Americans still took at least one fishing trip in 2015... Most popular outdoor activities in the United States" (<u>statista.com</u>)
- **US Wildlife Photographers market:** 26 M spent \$27.2 bn in equipment in 2011 (A successful example is the GoPro with 800.000 Cameras sold in 2012)

THE OPPORTUNITY The first low-cost aquatic

drone

There are now hundreds of low cost flying drones in a growing and competitive market.

Ziphius is the first low-cost aquatic drone

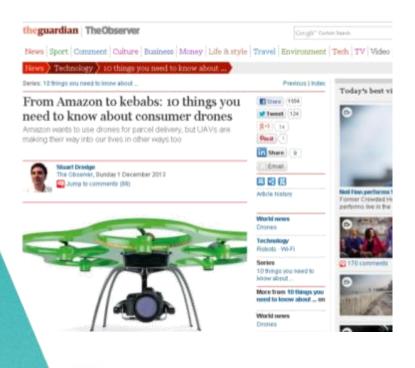


Article at L'EXPRESS about the 10 top drones for the Summer of 2013

ZIPHIUS' MARKET

Top Ten

Consumer drones rankings that mentioned Ziphius



http://www.sailfeed.com/2013/07/pool-toys-aquatic-drones-and-submarine-automobiles/

http://www.lexpress.fr/diaporama/diapo-photo/tendances/produit-high-tech/dix-drones-telecommandes-parrot-ar-drone-walkera-w100-mecam-ziphius 1271702.html

http://www.stuff.tv/my/5-killer-drones-you-can-buy-right-now/news

http://www.connectedrogers.ca/gear/3-cool-drones-you-can-buy-now/

http://dodoburd.com/2013-cool-gadgets#comments

http://www.theguardian.com/technology/2013/dec/02/amazon-consumer-drones-10-things-to-know

http://www.engadget.com/2013/12/31/dnp-insert-coin-2013s-top-10-crowdfunding-projects/

SALES STRATEGY

Focus on the US and the European Market for the launch,

Global tech device spending hit \$1 trillion in 2012. The US, UK, China, Japan, India, Germany, South Korea and Taiwan are the biggest consumer electronics markets.

... but sales globally through online channels.

In the 3Q of 2012 Amazon sold over 1B paid items for the first time in a quarter. That means 126 items sold a second.

SALES STRATEGY

Target mainly online channels and premium stores

Online stores charge smaller margins. Retail stores function as product showrooms and we have attracted the attention of some key stores such as Brookstone or RED5.

Ziphius will be available through four major different online channels:

- Azorean online shop (5% of 3rd party commission)
- Online general stores (e.g. Amazon) (15% of reseller commission)
- Gadget focused online stores (e.g. Brookstone) (35%-50% of reseller commission)
- Curated stores (e.g. Grand St) (40%-60% of reseller commission)

"My name is Nick Bourgeois and I am a buyer at a company in the US named **Brookstone**. We have a rich history in RC and you have a product that fits well with our consumers. I would like to get some more information on your product and your distribution strategy in the US."

Nick Bourgeois, eCommerce Buyer, Entertainment (www.brookstone.com)

SALES STRATEGY

Focus on online channels and premium stores

Some of the stores with ongoing contacts:

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-ThinkGeek (<a href="http://www.thinkgeek.com/">http://www.thinkgeek.com/</a>);
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- -RED5 (http://www.red5.co.uk/);
- -Brookstone (http://www.brookstone.com/);
- -NewEGG (http://www.newegg.com/);
- -Grand St (https://grandst.com/);
- -Igetit (http://iget.it/us/en/home/)
- -Touch of Modern (https://touchofmodern.com/);
- -Rad (www.raaad.fr)
- -NVY Distribution (www.nvydistribution.fr/)
- -RobotShop (www.roboshop.com)
- -Ahalife (http://www.ahalife.com/shop/gifts).



COMMUNICATION & CHANNEL MARKETING STRATEGY focus on international media

and events

Marketing and PR in international online media and key trade events (contacts established):

- TV Shows: BBC, Dr Gadget, Discovery Channel
- Blogs & magazines: Wired, Engadget, Gizmodo, Cool Hunting
- Trade fairs such as CES, Metz Nautical Fair, NYC Toys Fair, Maker Faire

"What about those of us who prefer the water to the skies? That's where the Ziphius comes in."

By Ben Caxworth gizma



"Unlike other robotic drones,

Ziphius can express emotions, as well as
act independently from the user."

By Anita Li Mashable

"The sleek design of Ziphius calls to mind a James Bond gadget with a sense of humor."

By Hans Aschim



"Sort of cuddly looking, Ziphius is meant to be part toy, part exploration tool."



IP STRATEGY defined to create a rich and diversified IP portfolio

Patent under development:

SMAVQT - "SYSTEMS AND METHODS FOR AQUATIC VIDEO ACQUISITION AND ITS TRANSMISSION"

UAR - "UNDERWATER AUGMENTED REALITY"

WABE - "WATERCRAFT AUTOMATIC BI-PLANAR EXPLORER"

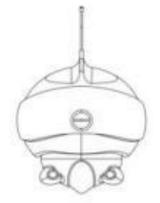
Industrial design and Copyright:

Ziphius, SUBA and Inspector (In progress)

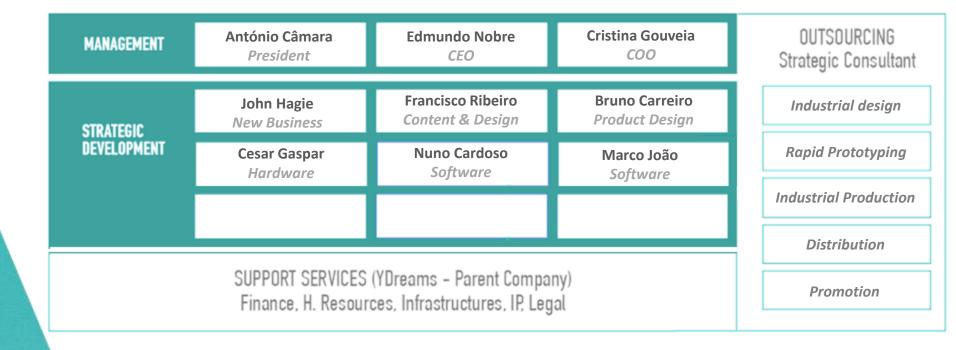
Trademarks:

Ziphius, Azorean



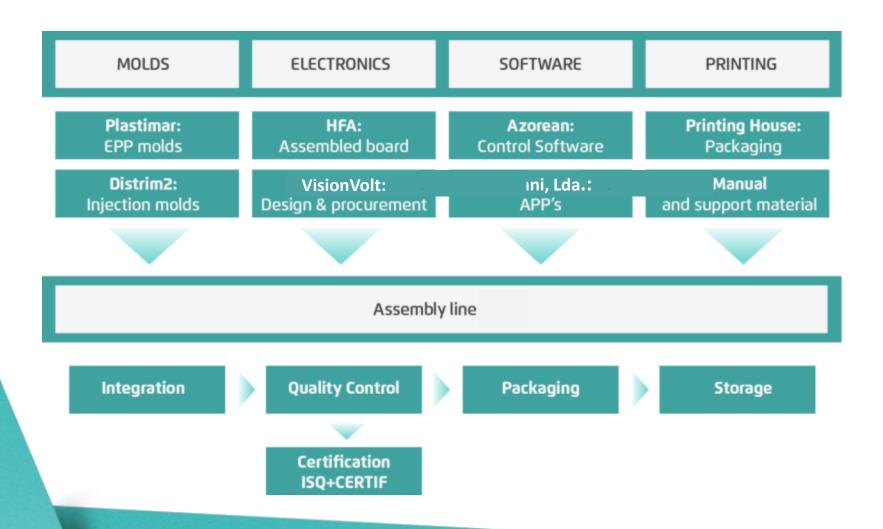


THE TEAM Small, highly motivated, extremely competent



Manufacturing process

Established partnerships and main actors



Aquatic Gadgets

The "DIY" version

A Raspberry Pi shield with Arduino compatible chip along with two built in ESC BLDC motor control:

- Raspberry Pi shield included;
- Easy control to plug and play BLDC Motors (2 motors, 10amps per-motor);
- Charging and balancing (3 cells) LiPo battery onboard;
- RGB Led control;
- PWM actuator interface;
- Expandable with sensors and actuators(digital or analog) through 6 prototyping pins;
- Onboard reed-switch included;
- Arduino core included.

Category: DIY

Target: Makers community

Function: open hardware

Autonomy: n/a Max depth: n/a Price: 99€





The Ziphius™ Drone

The first app-controlled aquatic drone that plays augmented reality games and shows autonomous behaviors



Category: Superficial Drone

Target: Family & Fun

Function: Wi-Fi control, capture image

Autonomy: 1h

Max depth: superficial

Price: ~399€





OUR NEXT PRODUCT: SUB.A™

"Your first personal submarine"

A submarine attached to a floating dock through a cable. The Wi-Fi system installed in the floating dock transmits the image captured the submarine camera to your tablet or Smartphone.

The same technology developed for Ziphius with some added complexity in a product with a highly perceived value for the market

Category: Underwater Drone

Target: Family & Fun

Function: Wi-Fi control, capture image

Autonomy: 1h
Max depth: 10m
Price: ~499€



Aquatic Gadgets

Aqua Scooter™

The Aqua Scooter™ is a gadget to play in the water. It provides locomotion and the possibility to record your scuba dive experience.

Category: Underwater Gadget

Target: Family & Fun

Function: Locomotion & image

capture

Autonomy: 1h
Max depth: 10m
Price: ~249€



The Inspector™

A tool specially designed for boat owners to easily inspect hulls. This tool is based on the Ziphius technology but targets the professional market.

Category: Underwater Tool

Target: Recreation (boats)

Professional

Function:

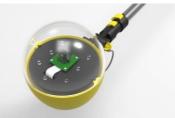
Inspection; record image

Autonomy: ~3h Max depth: 3m

Price: ~349











AquaSpy™

A tool for quick deep water inspection (until 30m depth).







Category: Underwater Tool

Target: Professional

Function: Inspection; record image

Autonomy: ~3h
Max depth: 30m
Price: ~249€



Water Cleaner™

A low-cost "robot" for autonomous swimming pool cleaning.

Category: Cleaning Tool

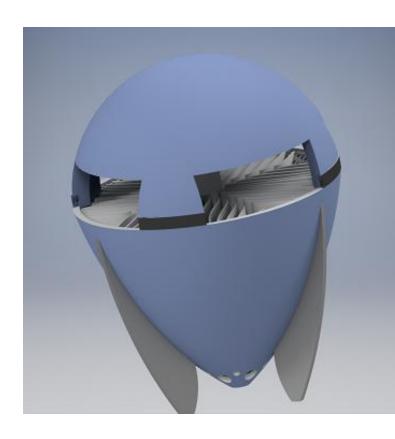
Target: Home

Function: Superficial cleaning tool

Autonomy: 2h

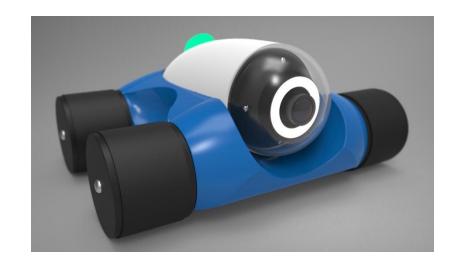
Max depth: Superficial

Price: ~249€



MagTor™

A low-cost magnetic Robot to explore metal surfaces, specially designed for Hull ship inspection but also suitable for all metal structures.



Category: Superficial tool

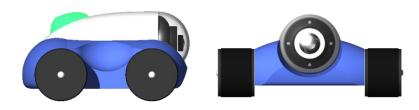
Target: Professional

Function: Inspection; record image

Autonomy: 2h

Max depth: Superficial

Price: ~349€







"The Oceans are full of opportunities still unexploited.

Those equipped to get there first will be the fortunate winners..."