



# **ANNUAL GENERAL MEETING**

## **29 November 2018**



**Mr Maurie Stang**  
**Chairman**



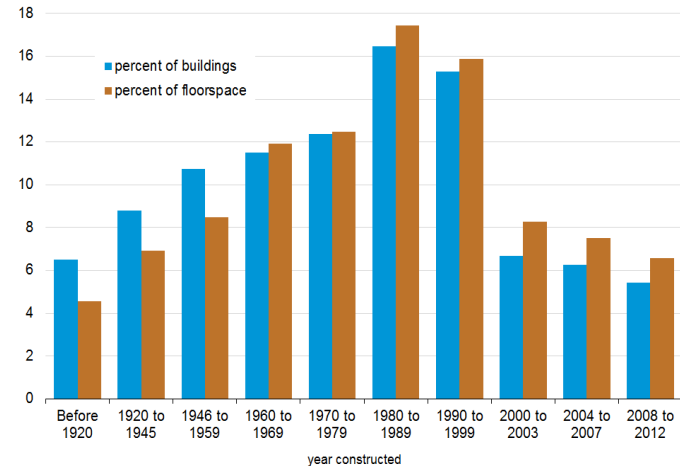
# Aeris Today



- ✓ ASX listed company – 157,950,000 shares on issue
- ✓ Over \$40Million invested in Research & Development, regulatory, market and customer validation
- ✓ Path to market in place for each business unit – platform for rapid growth in sales
- ✓ Each business portfolio provides annuity revenue
- ✓ Modest cost structure – incremental investment for high level sales expansion
- ✓ Attractive margins with targeted increase as production scales
- ✓ Highly differentiated portfolio of products, intellectual property, strong industry brand equity

- ✓ Proven to positively and measurably improve energy efficiency.
- ✓ Global focus on environmental outcomes and sustainability – increased demand for ‘green’ buildings.
- ✓ Finite resources – energy demand to increase by over 50% by 2050.
- ✓ Strong link between sustainability and brand values for consumers.
- ✓ Aging building stock – difficult to maintain, expensive to operate.
- ✓ Safety is at core of reputational risk for corporate boards and directors
- ✓ Global focus on negative impact on human health – mould exposure.

Figure 3. About half of all commercial buildings were constructed before 1980



Source: U.S. Energy Information Administration, 2012 Commercial Buildings Energy Consumption Survey

## A Good Name Matters

Areas of risk management most important to boards (aside from financial risk)



\*Percentage of survey respondents  
Source: EisnerAmper LLP

# The Aeris Edge

- ✓ Cutting edge 'green' technology that outperforms conventional toxic chemicals
- ✓ Global patents and intellectual property
- ✓ Easy to implement in existing workflow
- ✓ Rapid customer Return On Investment
- ✓ Long lasting, asset performance improvement – via proprietary residual protection
- ✓ SMART ecosystem which controls, visualises, optimises and communicates



Clean



Protect



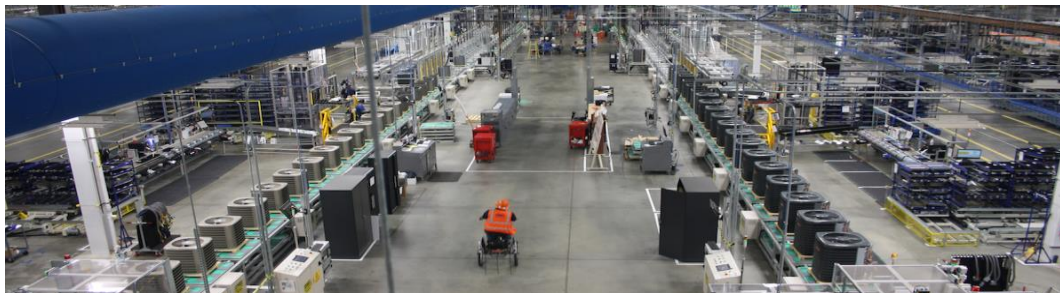
Optimise

# Global Goodman Partnership

AEI Global Strategic Alliance with Goodman Global Group, Inc, a division of Daikin Industries

- **Q1 2019 launch in USA across 210 stores and over 80,000 contractors**
- **Daikin Goodman has undertaken to supply the Aeris products into its network of over 1,000 dealers in over 60 countries globally.**
- **Strategic rollout internationally through Daikin global network**
- **Opening order commitment of circa AU\$1,000,000**

Aeris Environmental Limited (ASX: AEI) formally announces a global strategic alliance with the largest Heating and Air Conditioning (HVAC) Company in the world, Daikin Industries. This incorporates a partnership with Goodman Global Group, Inc, a leading manufacturer of air conditioning equipment in North America.



**Goodman is the largest air conditioning manufacturer in North America**

**Daikin is the leading air conditioning manufacturer globally**

- Strategic supply agreement signed
- Aeris set up as supplier
- 2019 launch in Australia
- Upside in other markets – Canada, UK, USA
- Key customer visits commenced
- Joint development projects launched



November 2018

## *New Supply Partner*

A key element of our Business Strategy is differentiation. How do we differentiate ourselves from our competitors and add value to our customers?

One of the ways we will differentiate in the Cleaning and Hygiene team is through Innovation. This not only will make us different from our competitors it will also enable us to demand a premium in a commoditised market.

I am pleased to announce that we will be adding Aeris Environmental Ltd as a supply partner to Bunzl. They have technology that fits into all 3 of our key market sectors in Cleaning and Hygiene, Hospitality and Healthcare. |

I am very excited at the opportunities that some of there technology will be able to provide us and can confirm that we have signed a (NPD) between one of our Manufactures of Microfiber products, Aeris and ourselves to developing a product that will be a first in this space and give us a real point of differentiation.

Aeris also participated at our Innova8 Workshops which were held throughout Australia and New Zealand. These workshops are where we invited customers from our different sectors to show them the latest in innovation. During these sessions a number of Aeris technologies created some real interest in particular with some of the leading hospitals which has resulted in further work and samples being provided.

We are very excited at the opportunities that lay ahead, and we are in the process of creating a HOA which will enable us to move forward with confidence and create a profitable business partnership for both organisations.

**Mimmo Audino**

General Manager WA & NZ

General Manager Cleaning & Hygiene

**Bunzl Outsourcing Services**

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[Mimmo.audino@bunzl.com.au](mailto:Mimmo.audino@bunzl.com.au) | [www.bunzl.com.au](http://www.bunzl.com.au)



**SAFETY FIRST**  
«WORK SECOND»



**BUNZL is the leading global distributor cleaning products, catering supplies, food production and health hygiene products.**

- \$10Billion revenue
- 30 countries
- 16,000 staff
- FTSE100 listed (UK)





# Key Customer Adoption

DAIKIN



أرامكو السعودية  
saudi aramco





# 2018 Marquee Sites



SODEXO FLY CAMP



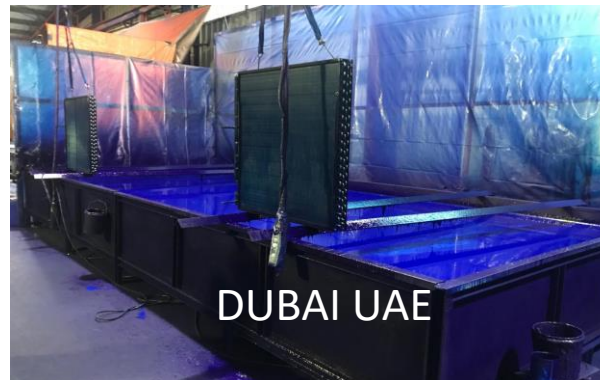
JAMES COOK UNIVERSITY



WOODSIDE OFFSHORE WA



DNATA – SYDNEY AIRPORT



DUBAI UAE



BLUECOPE PORT KEMBLA



CHARTER HALL - RYDE



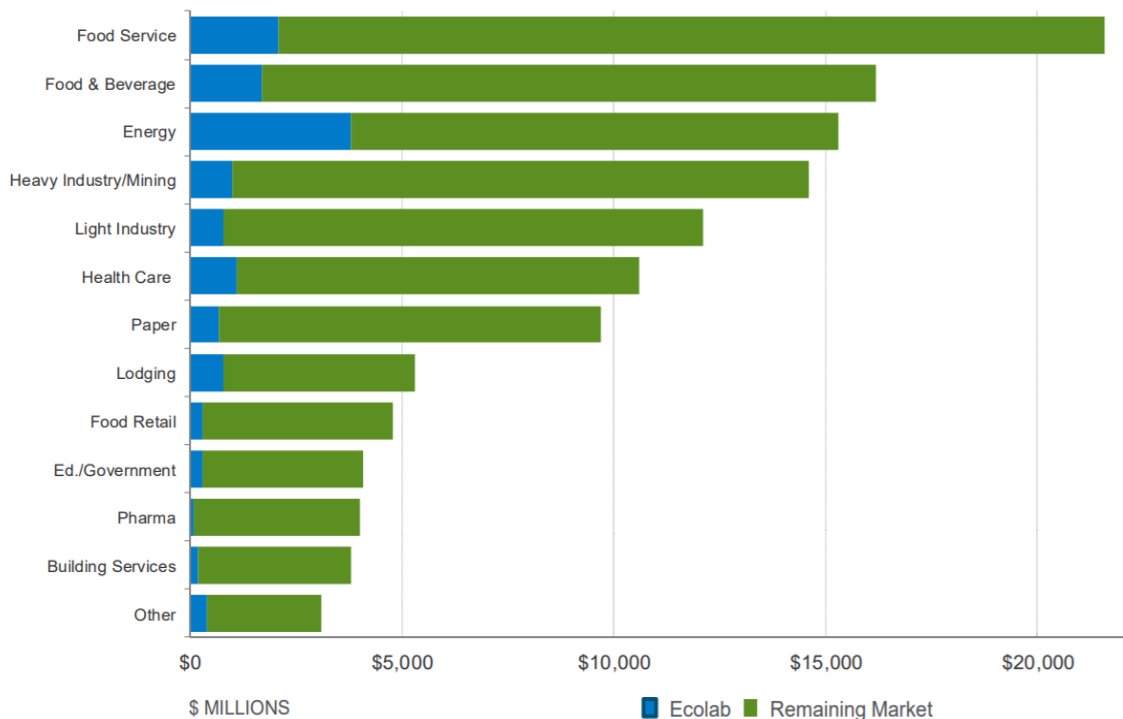
SHANGRI-LA MARINACAIRNS



VISY TUMUT

## Major Opportunities in Existing Markets

Estimates by Market Segment



**ECOLAB**

19

Market share data are current estimates of the relevant immediately addressable market

Aeris' mission is to leverage our proven technical leadership

- Advanced microbial control
- Mould prevention
- Corrosion prevention
- Asset level energy efficiency...

into large existing and future markets....



**Mr Peter Bush**  
**Chief Executive Officer**



# Aeris Global Network

104 customers in 17 Countries



Australia
China
HK
India
Japan
Macau
Malaysia
Malta
NZ
Phillipines
PNG
S Korea
Singapore
Thailand
UAE
Vietnam

- North America is the worlds' largest single market for air conditioning consumables.
- USA opportunity of \$USD250million PA.
- Goodman has over 220 Company Owned stores, sells through over 1,000 third party distribution stores
- Over 8,000 individual outlets for HVAC maintenance consumables in USA.
- Goodman global in 60 countries with over 1,000 dealers



"Our entire team has been very impressed with the advanced technologies and know-how the Aeris brings to the market. In conjunction with the USA launch, we will be offering Aeris products to our global customer base in over 60 different countries. **Mr. Tom Dendy, Goodman's Vice President of International**

"We are pleased to align with Aeris products and technology after completion of our relationship and product evaluation process. We look forward to offering the technology and innovative products to our network of over 80,000 contractors. The market for HVAC maintenance and hygiene consumables is in excess of \$USD250million per annum."

**Rick Mabry, Managing Director of Global Parts and Procurement for Goodman Distribution, North America**

- **Aeris has novel and differentiated products in each BUNZL core business.**
- **BUNZL distribution is has cost advantages due to scale and is broadly based.**
- **Global opportunity with operations in 30 countries.**
- **High value joint technology development opportunities being explored.**



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We are very excited at the opportunities that lay ahead and we are in the process of creating a HOA which will enable us to move forward with confidence and create a profitable business partnership for both organisations.

**Mimmo Audino**

**General Manager Cleaning & Hygiene**  
**General Manager WA & NZ**



# The Aeris Range

- Air-conditioning & refrigeration
  - Cold storage & cool room
  - Food safety & compliance
  - Commercial kitchen & food service
  - Beer line maintenance
  - Cooling tower and water circuits
- 
- Air-conditioning efficiency and optimisation.
  - Data collection / M&V
  - Building Management System / Control
  - Internet of Things

**Hygiene Consumables**

**Anti-Corrosion Coatings**

**SMART Control and Optimisation**

**Mould Remediation and Prevention**



- On-site corrosion protection (service)
- Long term corrosion protection (OEM)



- Remediation
- Long term prevention
- Odour control



**CLEANS**



**PROTECTS**  
• ANTI-MICROBIAL  
• ANTI-CORROSION



**OPTIMISES**



**CONTROL**



**VISUALISE**



# Global Validation of Aeris solution



"ISO 9001 Certified" means an organization has met the requirements in ISO 9001. It defines an ISO 9000 Quality Management System (QMS).



Accredited certification body (ISO 17065) offering certification against the Australian and NZ building code.



Food Safe



Independently Tested



Quality Production



Environmentally Friendly



Food Safe



Independently Tested



# End-to-End Customer Solutions

- Proprietary – global patents and intellectual property
- Trusted brand
- Independently tested / regulatory approvals
- Market leading customers in each business vertical

- Reduce energy consumption – +30%.
- Reduce peak / total demand
- Less than 2-year Return on Investment
- Ideal for managed service/annuity contracts

## AERIS TOTAL SOLUTION

Hygiene and  
Maintenance

Energy  
Efficiency

System  
Optimisation

- Non-toxic, environmentally friendly range outperforms conventional toxic chemicals.
- Unique residual protection, unmatched globally.

- Proprietary algorithms drive efficiency & peak performance
- Reduce labor – lower total cost and risk of injury
- Maximizes uptime of all key operational assets

# Key Market Opportunities

## Air Conditioning

- Coils
- Filters
- Ducts
- Surfaces
- Water treatment
- Corrosion

## Facilities Management

- mould – hard surface
- mould – carpet and soft furnishings
- Odor – drain and line
- Corrosion
- Control and visualization

## Food clean / sanitize

- Hard surface
- Ice Cream Machine
- Ice Machine
- Beer and soft drink
- Processing equipment
- Corrosion

## Refrigeration

- Cool Room
- Freestanding
- Transport, ships, rail, trucks
- Corrosion



Building  
Mgmt./  
Service



Food &  
Beverage



Food  
Service



Retail



Lodging



Health  
Care





# Key Customer Adoption



- Sales and Marketing – key accounts
- Technical support – platinum partners
- Product & know how - Intellectual Property
- Research & Development - regulatory
- Manufacturing and logistics – to wholesale

Hygiene  
Consumables

Anti-  
Corrosion  
Coatings

SMART  
Control &  
Optimisation

Mould  
Prevention  
and  
Optimisation



## Wholesale

- Logistics, fulfilment, inventory
- Sales and Marketing – key accounts

## Key global accounts

- Direct with Aeris



## Platinum Partners

- Specialist application – warranty and after sales service
- Sales and marketing – vertical expertise and specification
- Technical support – scalable across multiple geographies

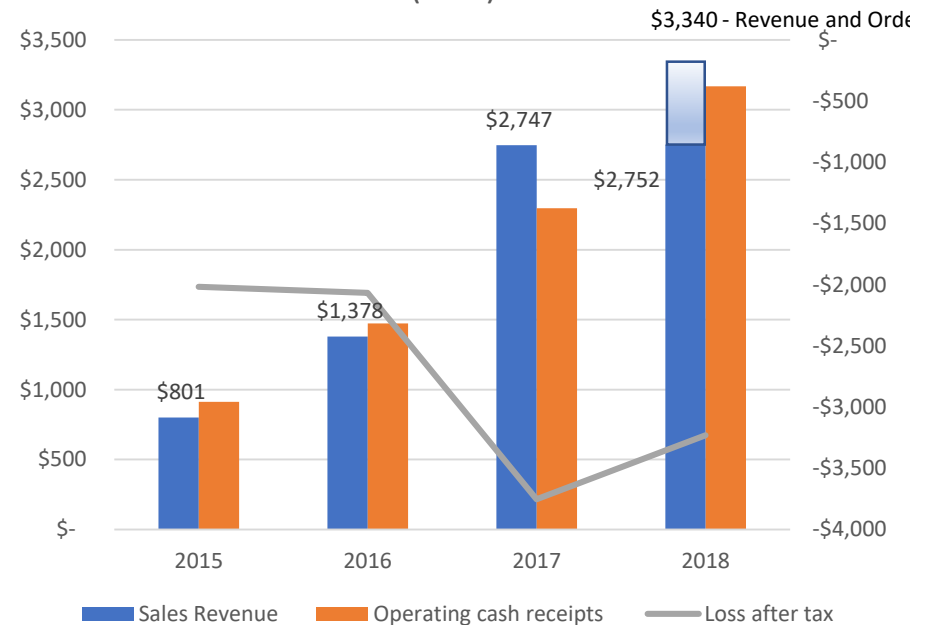


Building / Facility

## FY2018

- ✓ Sales revenue of \$2.75Mil – reflecting major investment in global strategic partnerships
- ✓ Additional Purchase Orders received but not delivered by 30 June – \$590k
- ✓ Operating cash receipts \$3,167,000 – 38% increase on FY2017
- ✓ Reduction in net loss after tax of 14%.

Sales Revenue & Cash Receipts  
( '000)

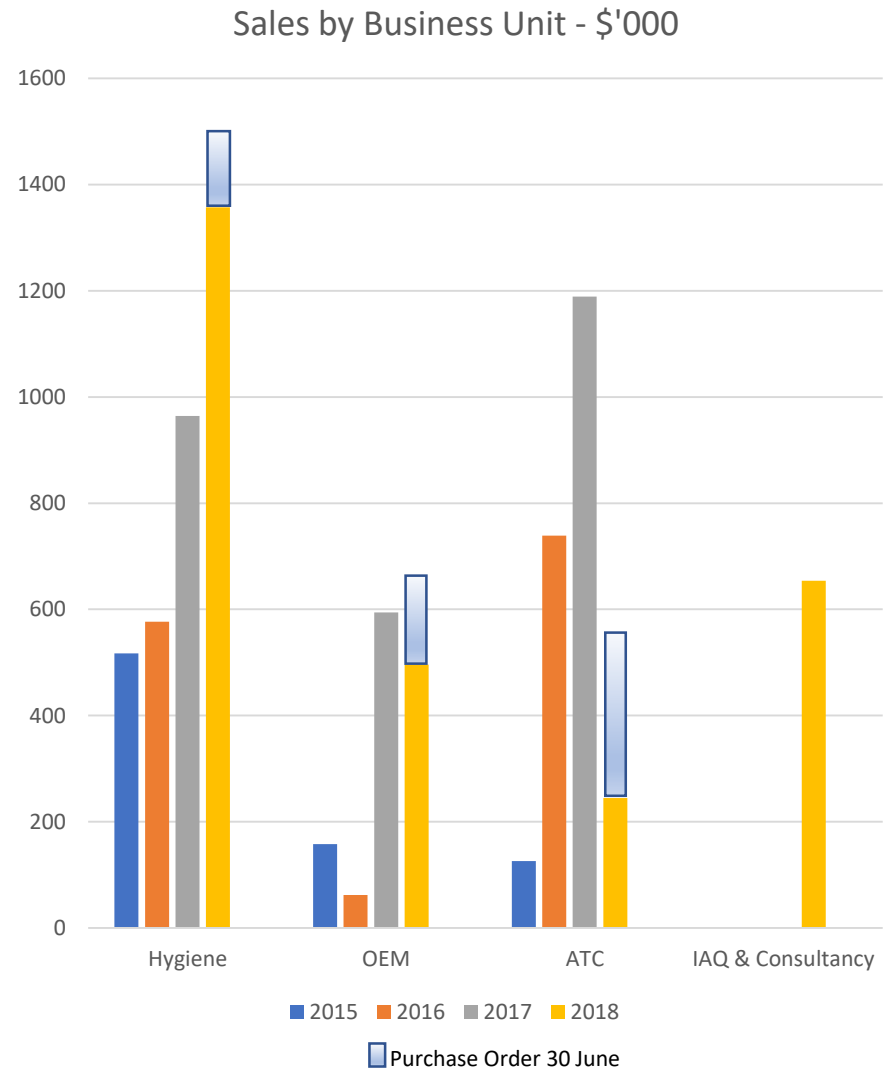


\$667,000 R&D cash-back received in July 2018.



# Strong Business Unit Growth

- ✓ Several global strategic partnerships moving towards final agreement / commercial rollout.
- ✓ Strong pipeline of sales opportunities with leading customers, platinum partners and specifying consultants, particularly in the USA, Asia and Europe.
- ✓ New business unit launched – 'IAQ & Consultancy' – \$654,000 revenue in 2018.
- ✓ Revision 2 of SMARTthub launching q1Calendar19.

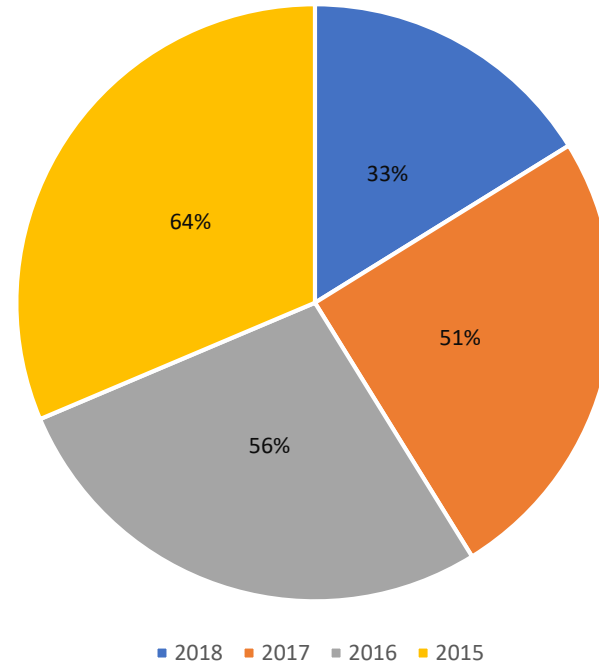




# Diversified & Growing Customer Base

- ✓ Diversified customer base.
- ✓ Aeris no longer dependent on a few, large customers.
- ✓ Increase in recurring revenue, coming from more accounts.
- ✓ Contracted recurring revenue streams, improving operating cash flows with the potential for accelerated growth driven by current deal flow.

SHARE OF CUSTOMERS INDIVIDUALLY AMOUNTING TO  
+10% TOTAL REVENUE



Average customer value – top 80%	\$50,000
Average customer value - ex OEM	\$33,000
New accounts '18	32
Total active accounts	105
Increase in number of new accounts	31%



# Hygiene Consumables – global path to market now established

- ✓ Focus on:
  - Global path to market:
  - Strategic partners that determine product use
  - Platinum Partners & Key Accounts
  - Geographic strength
- ✓ Fulfillment by wholesale supply chain.
- ✓ Industry leadership, training, technical support.
- ✓ Differentiation through case studies, independent testing and regulatory approvals.

I have been using Aeris products in our HVAC business since 2007. How do I convey the merits of this product and what I have seen it do for my clients? I elected for this one simple, honest sentence. **'Aeris are the best range of HVAC Hygiene and Corrosion products I have come across in 34 years as a HVAC professional.'**

David Jones – Director



## Key Conferences Attended FY18



## Australia / SE Asia



Heatcraft Refrigeration  
(Trade Customers only  
online)  
[Click Here for  
Smart@ccess](#)



Ideal Electrical  
Wholesale  
[Click Here To Purchase](#)



JRT Electrical Wholesale  
[Click Here To Purchase](#)



Rexel Electrical  
Wholesale  
[Click Here To Purchase](#)



Big Bill's Cleaning  
Supplies  
[Click Here To Purchase](#)



Locations in Brisbane &  
Mackay  
[Click Here To Purchase](#)

### QLD

- Air Construct
- VAE
- Clean Air Aust
- Pacific HVAC
- TVH
- Boongalla Group
- Green APS
- Tecair
- Exilis

### NSW

- TVH
- Clean Air Aust
- Pacific HVAC
- Air Construct
- Boongalla Group
- IAQ Services
- SAS water
- Tecair
- Exilis

### VIC

- Boongalla Group
- Pacific HVAC
- Air Construct
- TVH
- Clean Air Aust
- Tecair
- Exilis
- Coolclean

### SA

- Boongalla group
- Pacific HVAC
- Clean Air Aust
- TVH
- Tecair
- Exilis

### WA

- Exilis

### NT

- Boog Air
- Tecair
- Exilis
- Clean Air Aust

## North America

- ✓ 25 platinum partners active and pending



## Europe



HOUSE OF  
REPRESENTATIVES  
PARLIAMENT OF MALTA



- ✓ Admin Office
- ✓ Cold storage
- ✓ 9 restaurants phase I – possibility of 274 across the Balkan states .

## Cleaning & Food Service



Bunzl Australasia consists of four business units

- Bunzl Outsourcing Services,
- Bunzl Food Processor Supplies,
- Bunzl Safety and Bunzl
- Specialty Healthcare.

## Food Manufacturing



- ✓ Headquartered in Alabama.
- ✓ Distributor of industrial parts and has 150,000 customers and annual sales of \$4.9 billion



- ✓ 12 month product trial successful.
- ✓ Awaiting trade.

## Specialist Distribution



- ✓ One of the largest parts distributors in USA, serving all 50 states



- ✓ Cortland Partners is a global real estate firm that owns and manages over 45,000 apartment communities in the U.S.

- ✓ Due diligence complete
- ✓ Account set up for commerce
- ✓ Key customer visits and demonstration
- ✓ Sales representative training commenced
- ✓ Each 'owns' their vertical market and doesn't compete



# Anti Corrosion Coatings – differentiated solutions

Now doing business with the global giants



**HITACHI**



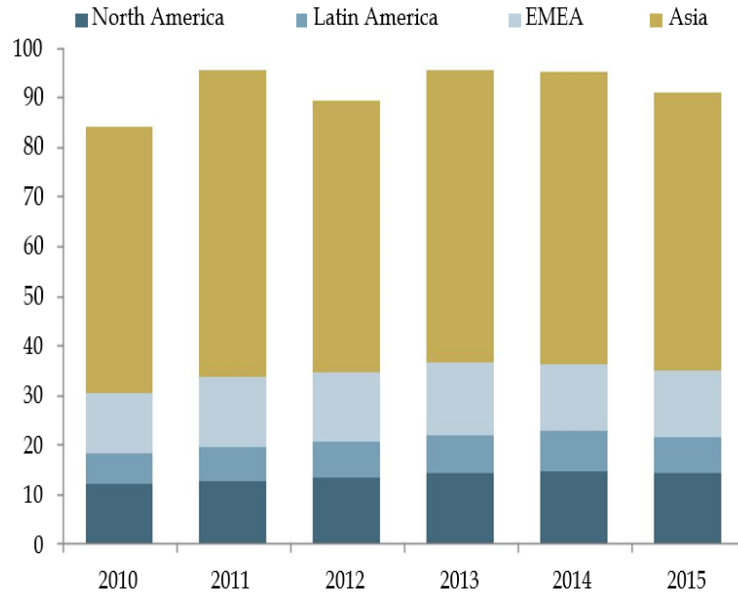
- ✓ Longest independent salt spray testing in the world – +30k hours
- ✓ Uniquely water based / low VOC
- ✓ Environmentally friendly
- ✓ Easy and cost effective to apply
- ✓ OEM and Service





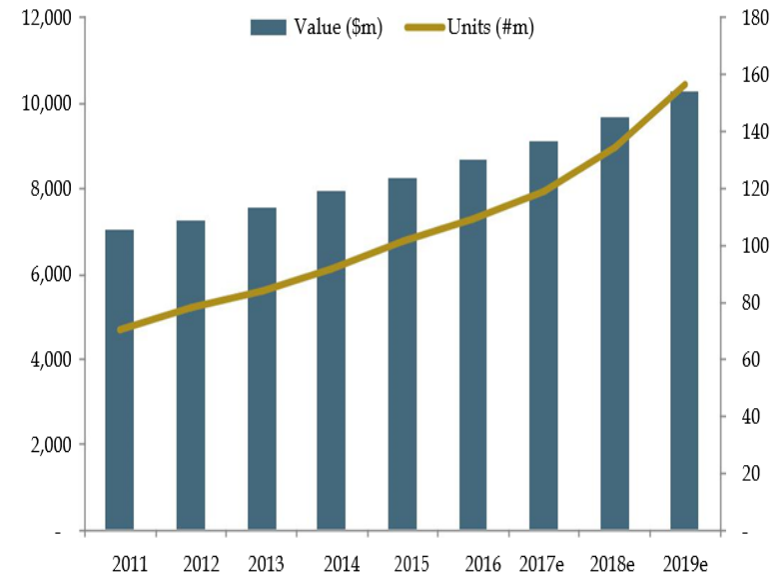
# Anti Corrosion Coatings – Global demand

Global Air Conditioning Market (# million units p.a.)



Source: Moelis analysis, transparencymarketresearch.com

US Air Conditioner Market



Source: Moelis analysis, transparencymarketresearch.com



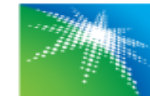
## Strategic Partnerships

- ✓ Existing customer base.
- ✓ Staff and infrastructure.
- ✓ Desire for differentiated technologies.



## Oil & Gas

- ✓ High value opportunity
- ✓ Aging assets in high risk locations
- ✓ Require safe and effective, long term solutions





# SMART Control – Major high-profile projects successfully delivered

## Charter Hall

- ✓ West Ryde Shopping Centre – Completed, achieved reductions in Demand (kVA) of 64% and operational power usage (kWh) 54%
- ✓ Next sites being quoted – 63 in portfolio.



## Dexus Property Group

- ✓ Completed the installation of a complete BMS system for the Willows Shopping Centre.
- ✓ Integrated the AerisView and Aeris Controls with existing TAC systems to give Site level information and control including “Energy Reporting” allows Dexus to individually bill tenants.



## Broad Spectrum engagement – BlueScope Port Kembla

- ✓ Installed AerisView on critical production unit for servers second project is now being engineered
- ✓ Providing visualisation and reporting on units
- ✓ Site wide integration required to provide critical systems and load control across the complete site.







# SMART Control – Focus on our proven strengths

## Indoor Environment Quality

AERIS BYRON – IAQ THERMOSTAT



- ✓ PM2.5/ PM10 particle monitoring and control
- ✓ CO2 monitoring and control
- ✓ Humidity monitoring control
- ✓ Free IOS & Android App Plus Web Portal
- ✓ Large Bright Backlit Touchscreen
- ✓ 365 Day Scheduling (Via APP or Web Portal)
- ✓ Single or 3 Speed Fan Control Plus 0-10V Fan Control
- ✓ Active Energy Management and Control Logic
- ✓ Alerts sent to mobile phone
- ✓ Comprehensive 3 Year Warranty RTB

## Demand Management

### OVERVIEW RESULTS

Charter Hall  
Retail REIT



64%

% Average interval demand reduction

51%

% Energy reduction with upgrade

272.97 kWh

Energy reduction with upgrade

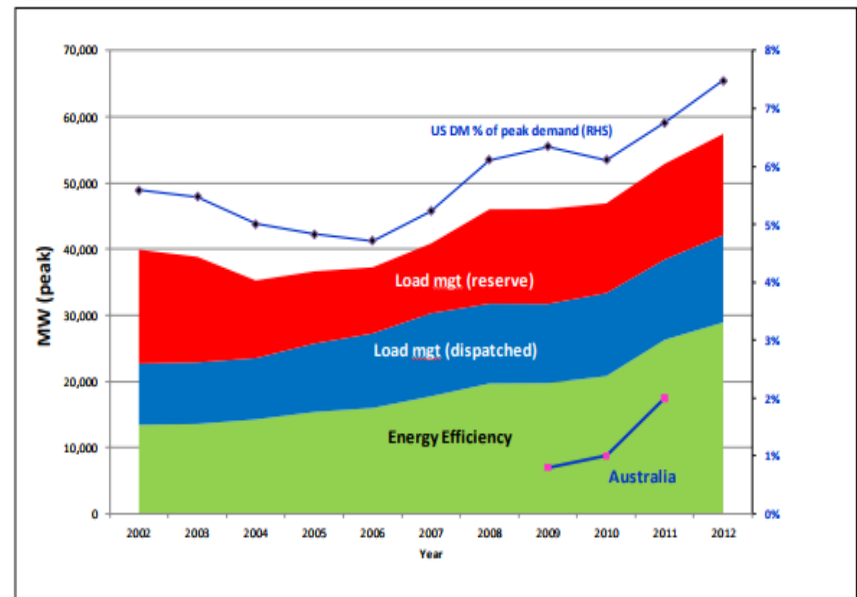


Figure 3. Annually reported utility DM in the US (Source: US Energy Information Administration, ISF)

# Mould Remediation – limitless potential

- ✓ Awarded a Master Service Agreement by Sodexo.
- ✓ For hygiene protection systems to be utilized for the built environment for on-site camps, such as mining, in Australia.
- ✓ This follows an extensive evaluation of Aeris' products, their performance, OH&S and environmental characteristics and quality compliance systems.



Universities  
Schools  
Hospitals  
Housing  
Food Production

- ✓ First year complete
- ✓ Additional projects awarded
- ✓ Second site about to commence
- ✓ 5 other sites quoted



# Mould Remediation – the time is now...



## City Council Passes Bill to Protect Tenants from Mold and Pests

### For Immediate Release

December 19, 2017

Contact: Brooke Havlik, 212-961-1000 ext. 320, [communications@weact.org](mailto:communications@weact.org)

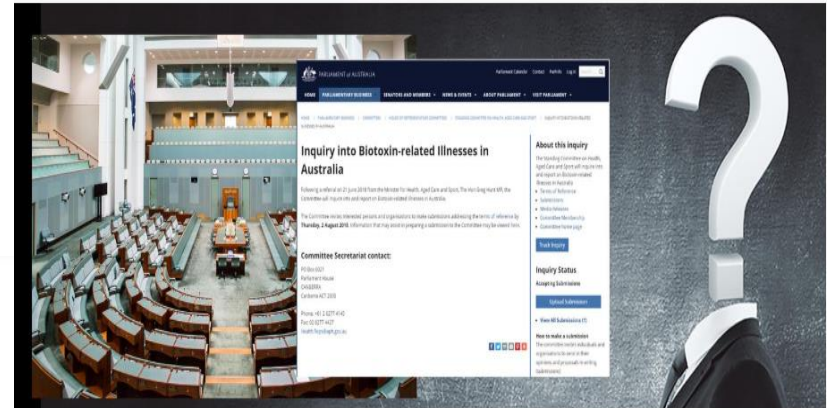
NEW YORK, NY – The New York City Council voted today to pass the [Asthma-Free Housing Act \(Intro385C\)](#), a bill that allows renters to live safely in homes free of mold, pests, and indoor health hazards. Councilwoman Rosie Mendez (D-2) worked for ten years alongside advocates, including the Coalition for Asthma Free Housing, to pass the bill that mandates landlords clean up dangerous asthma triggers inside city apartments.

**The Asthma-Free Housing Act (Intro 385C)** requires New York City landlords to annually inspect and correct indoor allergen hazards, including mold, pests, and underlying symptoms that may cause hazardous conditions, such as water leaks and pest entryways (holes and cracks), in the homes of residents diagnosed with asthma, COPD, or lung cancer.



### Australian Government

## Australian parliamentary inquiry into biotoxin-related Illness



NSW

## Lucy Wicks MP reveals mystery illness of high mould sensitivity

JORDAN BAKER, EXCLUSIVE, The Sunday Telegraph  
August 20, 2017 12:00am





- ✓ Global strategic partnership with Daikin / Goodman – strategic rollout internationally through global network across 60 countries
- ✓ Weighted distribution for key products in worlds largest market USA Q1 2019 launch in USA across 210 stores and over 80,000 contractors – \$1Mil opening order Q1-2019
- ✓ Launch with BUNZL – large global cleaning supplies company
- ✓ Growing margins underwritten by from IP and proprietary technologies
- ✓ Increasing momentum for regulation in the built environment – covering mould, safety, IEQ, energy efficiency
- ✓ World trend towards integrated SMART control
- ✓ Over 100 large scale projects in launch mode – calendar 2019
- ✓ Over 104 trade customers from 17 countries
- ✓ Multiple global strategic alliances with large trade partners in late-stage discussion

