

ASX RELEASE.



3 December 2018

Capital Raising from Strategic Investors

Key Points:

- **\$4 million is being raised from institutional and sophisticated investors, with up to an additional \$4 million to be approved at an Extraordinary General Meeting (EGM) of shareholders to be convened in January 2019.**
- **Share Purchase Plan at the same price to be offered to all eligible shareholders.**
- **Funds to provide working and growth capital, with focus on investment in the largest HVAC market, North America.**
- **A minimum of \$1.5 million of Directors' loans to be converted to shares at the same price as the placement and Share Purchase Plan.**
- **Strategic investors in both the current and proposed placements are real estate and capital market leaders chosen to enhance awareness of Aeris, and its unique, energy efficient, safety and protective solutions.**
- **Highly-experienced real estate industry advisory board to be established.**

Aeris Environmental Ltd (ASX:AEI) is pleased to announce that it has successfully raised \$4 million at an issue price of 17 cents per share. In accordance with the ASX Listing Rules, these 23.5 million shares will be issued under the Company's 15% placement capacity. Demand for the share placement has been strong, and settlement is expected to occur this week. The share allotment is expected to occur by 11 December 2018 and an Appendix 3B will then be lodged with ASX.

The Company intends to hold an EGM in January 2019 seeking shareholder approval for the proposed issue of up to a further \$4 million, being up to 23.5 million shares at 17 cents per share.

All eligible existing shareholders will be offered the opportunity to subscribe in Aeris shares under a Share Purchase Plan (SPP). The SPP will be conducted at the same price as the placement, being 17 cents per share, and is to be offered to shareholders who were on the Company's Share Register as at 7:00pm AEDT on 30 November 2018 (Record Date). Details and terms of the SPP will be announced and mailed to shareholders during the week commencing 10 December 2018.

Shareholder approval will be sought for the conversion of up to \$2.25 million of the Directors' loans into fully paid ordinary shares at the price of the placement and SPP, being 17 cents per share. Any loan that is not converted will be fully repaid from the proceeds of this capital raising, so that the Company is debt free.



The funds raised will enable the Company to fund its rapidly-growing American and global businesses. As recently announced, Aeris is entering into a strategic rollout internationally through the Daikin global network, with an opening order commitment of circa A\$1 million for a Q1 2019 launch in the USA across 210 stores and to over 80,000 contractors.

The cornerstone strategic investor group in the placement includes interests associated with Stephen Girdis and James Hodgkinson, and also interests associated with Moelis Australia and The Ray White Group. Stephen Girdis and James Hodgkinson have been invited to join Aeris' advisory board, leveraging their multi-decade track records, and expertise in global real estate and capital markets.

Stephen Girdis has over 35 years' experience in real estate asset management, financing, development, investment banking and chartered accounting, mainly at the Macquarie Group. He served as Global Head of Real Estate and has been Chairman or Director of various related ASX and SGX listed entities. Since retiring from Macquarie in 2012 Stephen has been co-investing with and/or advising Australasian real estate companies and is currently a Senior Advisor to the Ray White Group.

James Hodgkinson has worked for over 30 years in real estate investment, investment banking and accounting. He was an Executive Director of the Macquarie Group and Division Head of the Real Estate Investment Management Division. James has held governance roles, including Director or Non-Executive Director in the Goodman Group, SCA Property Group and other Macquarie-related SGX and ASX listed entities. He is a Senior Advisor to the Ray White Group.

Aeris' Chairman, Maurie Stang, said: "We are very pleased to welcome both Stephen and James to the advisory board of Aeris, and as strategic investors in the Company. Each brings outstanding industry knowledge, global networks and deep insight into the rapidly-developing demands for energy efficient, sustainable and environmentally-focussed buildings. The Company has previously communicated its strategy of partnership with some of the world's leading HVAC and environmental groups to scale adoption and supply chain availability in each of its key markets, and this programme is rapidly underway. Aeris now has additional funding to support its partners with technical services and training. The Company will be actively looking to expand its Board and recruit Independent Directors with broad skill sets to help drive the growth of Aeris into the next phase of its growth".

Maurie Stang
Chairman

Peter Bush
Chief Executive Officer

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ABOUT AERIS ENVIRONMENTAL LTD

Aeris brings proprietary and disruptive green technology to drive measurable improvements and changes in the performance and sustainability of the assets in the built environment, solving real world problems more effectively than conventional toxic technologies. Aeris' whole-of-system approach not only ensures that systems perform better, last longer and cost less to run, but also helps building owners and managers create more sustainable built environments. Aeris delivers:

- energy reduction – with an integrated approach to air-conditioning and refrigeration control, optimisation, visualisation and monitoring;
- healthier and cleaner air – using patented anti-microbial technology;
- mould removal and prevention, with long-term residual protection;
- cost savings – reduced operating costs, less maintenance and longer life of asset;
- trusted performance – environmentally-safe and OH&S compliant, with independent validation and certification from NATA, CSIRO, US EPA, HACCP, NSF and TGA; and
- uniquely scalable solutions across all climate-controlled environments, buildings, trains, planes, trucks and ships.