

# Company Profile - April 2019



**ASX : AEI**

- ✓ Proprietary solutions for maintaining and optimising plant & buildings
- ✓ Energy efficiency and operating savings
- ✓ Improved health and indoor air quality with positive environmental impact

**Clean | Protect | Monitor | Save**

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# Commercialising technology to enhance sustainability

- **Extensive intellectual property and regulatory approved portfolio of disruptive technology** - leveraging decades of leadership in microbial control research into non-toxic, enzyme based, cleaning and anti-microbial coatings and corrosion protection.
- **Core technologies provide environmentally friendly, economical solutions with outstanding financial return on investment for a broad range of commercial uses and customers** – key areas being air conditioning, refrigeration, mould remediation, hygiene and corrosion prevention.
- **Historic investment in innovation, independent testing, trials, industry education and adapting to market needs** has achieved market validation by leading global customers.
- **Cost effective solutions, with attractive revenue mix:**
  - Recurring consumables product sales.
  - Consulting and project management services for energy efficiency and mould remediation.
- **Global commercial footprint via team of Aeris specialists in each vertical market** - focussed on product enhancement, technical support and marketing.
  - Distribution mainly via volume wholesalers and accredited service partners.
  - Outsourced manufacturing in Australia, United States and China.
- **Strong sales momentum** driven by energy and plant maintenance costs rising and demand for action on sustainability intensifies.
- Company recapitalised Nov 2018 to fund growth. Debt free, operating leverage to increased sales.

# The Aeris Range



## Air Conditioning, refrigeration and Facilities Management

- Cooling tower and water
- Cold storage & cool room
- Commercial kitchen & food service
- Hard surface disinfection

## Hygiene Consumables

Non-toxic/non-corrosive  
Safe to use, exceeds hygiene standards  
Energy efficiency and sustainability  
Environmentally friendly non-plastic wipes

## Anti-Corrosion Coatings

Water based  
Ultra thin coating  
Over 30,000 hours independent testing  
Reduced maintenance cost and extended life



## Manufacturing, off-shore oil & gas sector assets

- On-site corrosion protection (service of coils in place)
- Long term corrosion protection (Original Equipment Manufacturer, mainly air conditioning and refrigeration)

## Plant efficiency, maintenance, optimisation and control

- Data collection / M&V
- Building Management System / Control
- Internet of Things



## Control and Optimisation

Open source controller which is economical in smaller buildings  
Data capture and visualisation  
Energy and Greenhouse reporting

## Mould Remediation & Prevention

Indoor Air Quality consulting  
Compliance with health and safety standards  
Asset maintenance, protection & lifecycle optimisation

## Remediation – mining, households, healthcare, aged care and building

- Long term prevention
- Odour control

## Mining | Education



# Aeris' solutions used by a wide range of customers...

## ... and engages at different points of the supply chain

### Hygiene, Mould, Energy Efficiency & Building Management

- Aeris enjoys a strong global network of trade distributors, who on-sell to large networks of customers and applicators (service companies).
- Trade distributor buys in bulk at wholesale pricing – products are either Aeris branded or white label for large volumes.
- Aeris assists with marketing, application and technical support to trade distributors and their customers.



- Some large facility management companies engage Aeris as specialist mould remediation or energy efficiency sub-contractor for large consulting projects.
- Product components sold to them by trade distributors, in the relevant region.
- Aeris assists with marketing, application and technical support to trade distributors and their customers.



- Aeris works directly with property owners, occupiers and tenants who have in-house asset management capabilities.
- Product components sold to them by trade distributors. Aeris assists with application and technical support.



### Corrosion Prevention

- Leading original equipment manufacturers (OEM) incorporate technology at point of manufacture.
- Service companies either re-sell or recommend product for ongoing maintenance or remediation.
- Predominantly air conditioning



# Aeris meeting the sustainability challenge

Corporate Objective	Aeris Solution	Reportable and Deliverable Outcomes
<b>Cost savings</b>	<ul style="list-style-type: none"> <li>• Annual coil maintenance cleaning and protection, instead of quarterly, due to residual protection.</li> <li>• Real time monitoring, measurement, control and optimisation of individual plant.</li> <li>• Cost effective and adaptable visualisation and reporting with AerisView.</li> <li>• Ultra-thin, long life, anti-corrosive coatings - easy to apply for point of coil manufacture.</li> </ul>	<ul style="list-style-type: none"> <li>• Operating savings – preventative maintenance, less unplanned service callout, electrical demand, energy consumption</li> <li>• Improved airflow and temperature control. A clean coil is more efficient.</li> <li>• Extension of asset life, meaning reduced replacement cost.</li> <li>• For original coil manufacturers, cheaper to apply and more efficient operation than other coatings.</li> </ul>
<b>Improved Sustainability</b>	<ul style="list-style-type: none"> <li>• Replace toxic, acidic, and corrosive maintenance chemicals with non-toxic cleaning and protection products.</li> <li>• Replace non-biodegradable plastic based wipes with paper-based eco wipe.</li> <li>• Real time monitoring, measurement, control and optimisation of individual assets.</li> </ul>	<ul style="list-style-type: none"> <li>• Reduction in greenhouse gas emissions.</li> <li>• Reduction in non-biodegradable plastic based waste.</li> <li>• Measurable and sustainable energy savings.</li> <li>• Make existing assets last longer by cleaning and then treating coils, preventing corrosion, leading to longer asset life.</li> </ul>
<b>Risk Management &amp; Increased Compliance</b>	<ul style="list-style-type: none"> <li>• Compliance with new standards (e.g. DA19 imminent) for HVAC maintenance.</li> <li>• Replace toxic, acidic, and corrosive maintenance chemicals with non-toxic cleaning and protection products.</li> </ul>	<ul style="list-style-type: none"> <li>• Reported improvement in indoor environment quality for building occupants</li> <li>• Best practice risk management.</li> <li>• Ongoing safety and wellbeing of customers, employees, visitors and contractors.</li> <li>• Compliance with all legislation and regulation.</li> </ul>



# Aeris' current growth strategy and key examples

- Aeris' customers are broadly trade distributors, manufactures of equipment, large facility management companies, asset owners and occupiers.
- Prioritise sale of consumables and delivery of consulting to select customers who have a networks that potentially can generate scale demand for our products and services.
- Typically, initial engagement is via a localized pilot program for consulting services or selected regional trade distributor for product.
- Success in initial engagement is leveraged across customer network and geography.
- **Aeris' role is to work with these major customers to:**
  - Support any sales effort required by them.
  - Offer technical input and guidance in the best use of Aeris product and services to solve problems.
  - Arrange appropriate manufacturing and supply.

## HVAC Consumables



## Global Facilities Maint.



## Global HVAC Corrosion



## Global Visualisation/IOT



# HVAC Consumables - USA

## Progress since November 2018 AGM

- **November '18** – Goodman Manufacturing (USA) is the largest residential air conditioner manufacturer in North America and it sells service consumables through 220 company owned stores to 80,000 contractors.
- Goodman agrees to purchase Aeris product for initial stocking, to resell and market the range - further volumes subject to demand generated within that network. Goodman to market white-label (volume) and Aeris branded (unique products).
- **December '18** – Key hires - North America VP of Sales and VP of Operations.
- **January '19** – Aeris awards Manufacturing agreement to strategic and highly regarded, USA based, contract manufacturer.
- **March '19** – Goodman signed purchase order for approximately \$1 Million received.
- **April '19** – First commercial shipments to Goodman.



## Opportunity

- North America is the worlds' largest mature single market for air conditioning consumables.
- USA opportunity for HVAC maintenance consumables of \$USD250million per annum, with over 8,000 individual outlets USA.
- Largest individual chemical supplier in this segment believed to have approximately \$100Million revenue. Non-differentiated legacy products lacking environmental compliance and benefits.

### **Rick Mabry – MD Global Parts and Procurement for Goodman distribution, Nth America:**

"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."





# HVAC Consumables – Global excluding USA

## Progress since November 2018 AGM

- **November '18** – Goodman International, the global arm of Goodman Manufacturing (USA) to market service consumables to its over 1,000 dealers in 60 different countries (i.e. excluding USA). Product will be supplied by Goodman Manufacturing under the USA agreement.
- **December '18** – Joint technical marketing visits to Malaysia, Hong Kong, Thailand and Philippines clients of Goodman. Aeris trains Goodman technical team.
- **January '19** – First consumable sale to Goodman client in Hong Kong. Commence technical validation of anti-corrosion, point of manufacture, coatings in Daikin factories in Malaysia and Taiwan.
- **February '19** – **New relationship with Daikin Australia for consumables and corrosion.** Successful product due-diligence and training.



## Opportunity

- **April '19** – Head office Daikin Japan commits Daikin Australia pilot launch in 10 stores. \$140K opening order. Joint marketing and sales with over 100 training events planned around Australia to their 500 Daikin authorised dealers.
- Daikin, largest air-conditioner manufacturer in Asia, active in over 150 countries.
- 10 air conditioners will be sold every second over the next 30 years. Residential Air Conditioners estimated to increase from 1.2 billion units today to 4.5 billion units by 2050—a nearly 3.7-times increase.

### Tom Dendy – Goodman Vice President International:

**“Our entire team has been very impressed with the advanced technologies and knowhow 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.”**

# Global Facilities Maintenance Market

## Progress since November 2018 AGM

- **November '18 – BUNZL Australia, signs supply agreement with Aeris** – to jointly market Aeris' solutions through its over 300 sales representatives and 55 locations in Australia.
- **December '18** – Presentations to BUNZL sales teams including training. Development of joint marketing materials. Global BUNZL Innovation Committee presentation. Meeting with BUNZL Canada.
- **January '19** – Client visits with BUNZL team in health, hospitality and food service.
- **February '19** – Memorandum of Understanding signed including joint marketing and new product development roadmap.
- **March '19** – First sales to BUNZL customers.
- **April '19** – First orders fulfilled. Aeris presented at global BUNZL Hotel and Hospitality Committee meeting.

## Opportunity

- BUNZL large global operation with in over 30 countries, with 9 Billion Pounds revenue.
- In 2019, BUNZL reported that 11% of their total revenue is in the cleaning and hygiene segment. Aeris believes that its' product range can address a large part of this category's requirements.

### Mimmo Audino, General Manager Cleaning & Hygiene Australia

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.



# Global Facilities Management – Mould Remediation

## Progress since November 2018 AGM

- **Previous** – Master Service Agreement with Sodexo Australia, making Aeris the consulting hygiene sub-contractor for remote mining site air conditioning - \$1Mil gross contract value, recurring per annum, to Aeris. Sodexo is present on 34,000 sites in 80 countries. Aeris is an accredited global supplier. Aeris quotes its sub-contract services on a site-by-site basis, alongside Sodexo who is the master contractor and facility manager.
- **February '19** – Commenced new customer with Aeris as the master contractor, estimated \$3Mil+, for works on major remediation project in Townsville, QLD. Also completed several previously won projects, where Aeris is the head contractor.
- **March '19** – Recruitment of key staff to grow remediation project management division. Complete projects including Townsville Entertainment Centre.
- **April '19** - Complete multiple projects including Townsville Civic Centre.

## Opportunity

- In addition to ongoing Sodexo business development, Aeris has won other high profile hygiene projects. Mould remediation project management pipeline over \$10Million, of which, known revenue (work won, not yet completed/ invoiced) over \$5Million. This is via a mix of head and sub-contract agreements.



**Universities  
Schools  
Hospitals  
Housing and aged care  
Food manufacturing**

# Global Corrosion Prevention

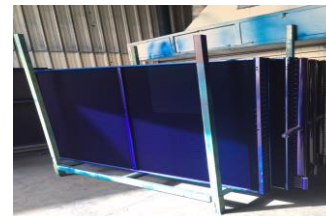
## Progress since November 2018 AGM

- **January '19** – Daikin factories in Asia visited, technical validation and plant trials commenced.
- **March '19** – Successful plant coating application trial completed at world's largest coil manufacturer in Texas, USA. Awaiting the customers independent testing to be completed.
- **April '19** – Following over two years of testing, first order from **Carrier in the Philippines** – USD\$50,000 first order – to supply corrosion coating for factory application to coils for brand new residential and commercial air conditioning units.

## Opportunity



- Aeris believes that it has the thinnest, longest lasting, water based and quickest to apply coatings in the world, specifically designed for air conditioning coils and components.
- 10 air conditioners will be sold every second over the next 30 years. Residential Air Conditioners estimated to increase from 1.2 billion units today to 4.5 billion units by 2050—a nearly 3.7-times increase (\*).
- Worldwide - Daikin has 90 factories, Carrier has 51. Each factory can be a customer of Aeris coatings for between USD\$200,000-\$5,000,000 in coatings purchases, per annum.



(\*) Solving the Global Cooling Challenge How to Counter the Climate Threat from Room Air Conditioners By Iain Campbell, Ankit Kalanki, and Sneha Sachar

## Progress since November 2018 AGM

- **To January '18** – Total rework of technology solution offered prior to January 2018 was undertaken.
- **To November '18** – Successfully completed pilot projects with revised solution to Dexus, QLD Schools, Charter Hall, Bluescope Steel, etc over a 12 month period. Predominantly in Australia.
- **February '19** – Following successful pilot, additional projects won for Bluescope steel, average value \$15k per project.
- **March '19** – Multiple building management system (BMS) maintenance agreements signed for management of buildings for leading property owners including Australia Post, Cushman & Wakefield etc. at an average value of \$7K per annum for 3 year agreements.

## Opportunity

- **Immediate focus is to convert pilot sites to rollout in Australia.** Multiple additional new pilot opportunities for large-scale asset owners currently in pipeline.
- Increased focus on sustainability, energy reduction and cost savings by corporate owners.
- Government has announced subsidy programme for energy saving and demand management starting in 2020 – opportunity to leverage with Aeris offer. In Australia alone, market opportunity for hotels, shopping centres, retail, schools and nursing homes, revenue per site, to Aeris range from \$25,000 to \$250,000 for AerisView/SmartENERGY and \$7,000 for annual maintenance contracts.



# Aeris accreditation and independent testing

## Research Partnerships



UNSW  
SYDNEY

## Government Approved



## Quality Systems



## Industry Memberships



## Independently Tested



## Third Party Accredited





# Aeris products are being used globally

## Active in 14 Countries



Australia
China
HK
India
Japan
Macau
Malaysia
Malta
NZ
Philippines
PNG
Sth Korea
Singapore
Thailand
UAE
Vietnam

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