

AEERIS LIMITED

30 January 2023

Quarterly Activities Statement for the period ended 31 December 2022

Highlights:

- 26% increase in ARR in the first half of FY23
- Revenue for the quarter was \$641,241 (unaudited)
- Cash and cash equivalents at the end of period were \$2,561,227
- Demand for services continued throughout the Christmas and new year period
- Appointment of new Chairman, Bryce Reynolds



Figure 1 – Graph showing annual increase in ARR

Quarterly Commentary

Aeeris Limited (ASX:AER) is pleased to provide an overview of its quarterly activities for Q2 FY2023.

Sales & Marketing

Revenue growth continued during Q2, with the team adding \$22,955/month in Annual Recurring Revenue (**ARR**) for the quarter. This follows on from the additional \$22,120/month of ARR added in Q1 2023.

The Company's increased ARR is attributed to new product launches, product updates, and broader market penetration due to enhanced sales and marketing activities. New customers include major retail, automotive, insurance, aged health care and freight customers. New products launched in Q2 include Heatwave Alerts, radar-derived rainfall alerts and Hail Tracker.

To support the Company's increasing flow of business enquiry and continued revenue growth, the Company is expanding its sales team with the recruitment of an additional Sales Account Manager. The Sales Account Manager will manage the Company's existing portfolio of clients, seek further revenue growth from additional product and service offerings and manage any potential customer churn.

Over the next quarter, Aeeris will further implement new technologies and improvements to its existing suite of products.. The Company's GIS Platform is expected to benefit from significant enhancements and updates, including improved hail technologies.

Climatics

The Company's Climatics platform is Australia's most comprehensive historic severe weather and all hazards database covering 11 major perils. The service continues to add new customers backed up by a rapidly growing sales pipeline. Climatics is now being employed by large enterprises helping them to mitigate risk and meet new regulatory requirements.

Under consistent enhancement based on user feedback and requirements, some major initiatives are currently underway with the development of the Climatic Futures API incorporating unique CMIP6 projections data. The CMIP6 data will complement existing Climatics data, providing the most in-depth physical risk data across 11 hazards in Australia. The addition of this data is expected to expand the reach of potential users, businesses and sectors of Climatics.

Climatics was presented to the scientific community at the 2022 Australian Atmospheric and Oceanographic Societies Annual conference in Adelaide during late November 2022. The overwhelmingly positive feedback from climate risk members of the government, industry and academia ensured continued scientific integrity and robustness of the platform.

Operations

The continuation of the effects of wet climatic drivers saw a busier quarter than usual due to increased weather events. October ended up the second wettest on record across Australia, and the highest on record for large parts of Murray-Darling and Victoria. This led to significant flooding across large parts of eastern Australia.

Whilst not as wet as October, November continued with significant rainfall across parts of Australia and ended up being the 10th wettest November on record. Ongoing floods from October were bolstered by the additional November rainfall and moved downstream in the Murray-Darling leading to further major flooding along with a flash flood disaster in Eugowra NSW.

Throughout December, the country was further battered combining floods, giant hail events, damaging winds and a cyclone. TC Ellie caused havoc across parts of the Northern Territory and North Western Australia. 2022 ended up being Australia's ninth wettest year on record.

During this period the EWN Spatial Risk Operations team continued to provide clients with 24/7 service ensuring all forecasts and alerts provided them with advanced notification of these events, limiting asset damage and destruction whilst keeping employees safe.

The wet climatic indicators across Australia continue to weaken with forecasts showing this should continue throughout 2023. Many long-term climate models are suggesting a flip from wet to dry conditions by next summer with El Nino taking over. Interestingly, statistics show El Nino's normally occur immediately after a 'triple dip' La Nina (where La Nina occurs 3 years in a row).

IT Operations:

The upgrading of the Company's network and cloud infrastructure continued during the quarter with major improvements and new capabilities realised. With the continuing increase in clients accessing the Company's products, the team continue to provide the quickest and most accurate services in the industry.

The Spatial Alert and Risk Platform (SARP) with managed IIS development is complete and alert engines now fully web-based, meeting the Company's development schedule.

Updates are underway across the GIS platform with planned additions being programmed including our hail data, not found anywhere else in Australia.

To allow for continued growth and development, the team has expanded with additional developer resources being on-boarded.

Business Activities and Expenditures

Payments made to related parties during the quarter were directors' fees and consultancy expenses. Other expenditures include additional IT to expand SARP capabilities, Climatics features (CMIP6 inclusion) and mobile apps in support of flood mitigation. SMS costs remain high but both recoverable and profitable.

This announcement has been approved and authorised for release by the Board of Aeeris Ltd.

- ENDS -

Direct Enquiry

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About Aeeris

Aeeris Limited is a leading geospatial data business. The Company's **Early Warning Network** system and proprietary **SARP** technology ingests and maps vast amounts of live data from multiple sources regarding severe weather, fire, traffic, and other geospatial hazards.

The technology allows us to track and monitor very large numbers of users, assets and operations. Risks are communicated instantly over multiple channels to those that need it, where and how they want it.

Our technology enables Aeeris to provide critical services to our enterprise and government customers:

- Live data, content, alerts and notifications on natural and man-made hazards affecting our clients, including severe weather, fire and traffic conditions, with our products **All Alerts™** and **Situation Room™**
- Pioneering innovative systems and apps to digitally track, monitor, map and protect workers and assets on the move

Our technology solutions provide many benefits to our clients including the ability to:

- Monitor, map and track staff, contractors, assets and operations
- Communicate with multiple staff regarding live safety hazards in real time
- Improve Workplace Health & Safety, and reduce risk and liability

- Manage, mitigate and report on risk
- Improve operational efficiencies, labour scheduling and asset management

Our product offerings solve natural disaster awareness problems and promotes personal and employee safety, asset protection, risk management, as well as helping to mitigate the financial impact of adverse events, geospatial hazards, personal injury and workplace safety.

Aeeris is listed on ASX with the ticker code AER

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

AEERIS LIMITED

ABN

18 166 705 595

Quarter ended ("current quarter")

31 December 2022

Consolidated statement of cash flows	Current quarter \$	Year to date (6 months) \$
1. Cash flows from operating activities		
1.1 Receipts from customers	584,365	1,372,620
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(318,463)	(583,986)
(c) advertising and marketing	(18,016)	(47,818)
(d) leased assets	-	-
(e) staff costs	(283,408)	(590,389)
(f) administration and corporate costs	(36,858)	(169,245)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	13,732	20,569
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	(57,979)	(143,129)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	(30,326)	(30,326)
1.9 Net cash from / (used in) operating activities	(173,953)	(171,704)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(4,689)	(6,284)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$	Year to date (6 months) \$
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(4,689)	(6,284)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,739,869	2,739,215
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(173,953)	(171,704)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(4,689)	(6,284)

Consolidated statement of cash flows		Current quarter \$	Year to date (6 months) \$
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,561,227	2,561,227

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$	Previous quarter \$
5.1	Bank balances	2,561,227	2,739,869
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,561,227	2,739,869

6.	Payments to related parties of the entity and their associates	Current quarter \$
6.1	Aggregate amount of payments to related parties and their associates included in item 1	80,400
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Directors' fees, consultancy expenses and secretarial fees.</i>		

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$	Amount drawn at quarter end \$
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$
8.1 Net cash from / (used in) operating activities (item 1.9)	(173,953)
8.2 Cash and cash equivalents at quarter end (item 4.6)	2,561,227
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	2,561,227
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	14.72
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer:	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30th January 2023

Authorised by: The Board

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.