ASX Announcement

Full Year Ended 31 December 2021 Results

Aerison successfully navigated through a challenging 2021 to deliver a 34.2% increase in revenue to $134.886 million and expects to continue this trend with 2022 revenue guidance of $180.0 million fully secured.

HIGHLIGHTS

- **Revenue up 34.2%** to $134.886 million (from FY20)
- **Underlying EBITDA up 19.6%** to $12.505 million (from FY20)
- **Underlying EBIT up 17.2%** to $9.849 million (from FY20)
- **Cash and available undrawn facilities up 15.9%** to $18.307 million (from FY20)
- **Well-funded for growth- bonding and bank guarantee facilities up $23.500 million** to $31.500 million (from FY20)
- **Order book up 33%** to $402.0 million (from ASX listing in July 2021)
- **Strong opportunity pipeline of $2.239 billion in diverse sectors and industries**
- **Long term strategy on track and well positioned for long term sustainable growth**
- **FY22 Revenue guidance of $180.0 million fully secured with upside potential**

Aerison Group Limited (‘**Aerison**’ or ‘the **Company**) (**ASX:AE1**), a multi-discipline engineering design and construction company, has delivered its Full Year Financial Results for the twelve months ended 31 December 2021 (‘**FY21**’).

The Company has successfully delivered another year of double-digit growth with revenue increasing to $134.886 million from $100.527 million in the prior year. In line with the trend, underlying earnings before interest, tax, depreciation and amortisation (EBITDA) also increased $12.505 million, a 19.6% increase on the prior period. Underlying EBITDA excludes non-recurring initial public offering (IPO) costs of $0.986 million.

The FY21 results demonstrate the continued strategy of the Company in delivering growth in both revenue and earnings. A stringent focus on expanding the scope and scale of Aerison’s service offering to existing customers, together with fostering new relationships with some of Australia’s leading mining companies, highlights the success of the growth strategy.

Backed by a strong opportunity pipeline of $2.239 billion the order book has increased 33.33% since the successful IPO and ASX listing in July 2021 and now stands at $402.0 million. In addition, Aerison starts the new financial year in a strong position with our revenue guidance for FY22 of $180.0 million fully secured. Buoyant economic conditions in the resources, energy and infrastructure sectors in the coming years continue to provide the Company with a strong pipeline of tender opportunities.

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Commenting on the FY21 results, Aerison Managing Director and CEO, Giuseppe Leone, said:

" Aerison continues to deliver on the execution of our strategy. In FY21, we delivered a strong set of results which was largely underpinned by new contract wins and consistent margins despite a challenging environment. We continue to deliver to our blue-chip clients safely, on time and on budget.

Looking forward, the outlook for the Australian iron ore industry is strong, with significant levels of sustaining capital and operating expenditure to maintain high levels of production driving strong demand. Similarly, maintenance is expected to grow steadily on the back of aging assets and customers deferring discretionary works in prior periods to which Aerison is well positioned to capitalise on.

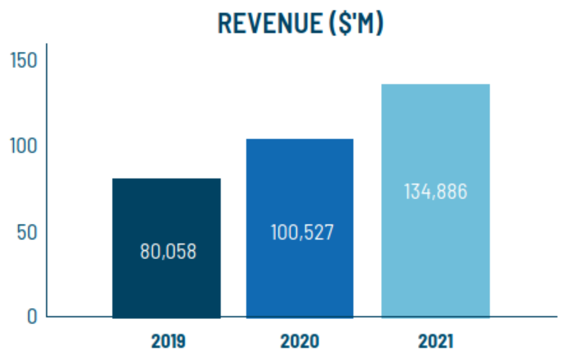
Australia's transition to clean energy continues to gain momentum. Aerison is actively involved with network power providers and critical battery mineral processors and is well placed to continue to provide services related to hybrid renewable power, such as the design and construct of liquid energy storage systems, chemical manufacturing plants and environmental control systems.

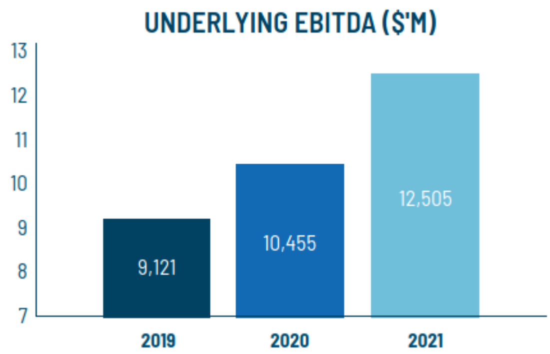
Against this backdrop, the gross pipeline of opportunities available to Aerison is $2.239 billion which includes both current tenders and identified opportunities. Going into 2022, Aerison has secured revenue of $180.000 million. Combined with strong upside potential from current live tenders and our strategy of selectively tendering for opportunities without comprising on margins, Aerison is well placed to continue its growth trajectory."

Business Overview

The Group delivered its revenue and underlying EBITDA targets in line with its previous publicly stated guidance. Revenue for the year ended 31 December 2021 increased by 34.2% to $134.886 million (2020: $100.527 million). This increase highlights the growth in scale of operating activities, with new significant contracts including the Western Turner Syncline and Robe Valley Sustaining Capital Works projects with Rio Tinto, the Saline Water Reverse Osmosis Plant and Ultrafine Iron Recovery projects with Roy Hill, combined with shutdown maintenance works under long-term Master Service Agreements at mine sites such as Roy Hill, Sino Iron, Paraburdoo, Yandicoogina and Boddington. The design, manufacture and installation of air pollution control systems, dust collectors, energy storage facilities and electrical switchrooms also contributed to increased revenue.

$'000	1H21	2H21	2021	2020
Revenue	62,349	72,537	**134,885**	100,527
Underlying EBITDA	5,210	7,295	**12,505**	10,455
Underlying EBIT	3,951	5,898	**9,849**	8,402
Underlying NPAT	1,963	4,085	**6,048**	5,059
Statutory NPAT	1,963	3,395	**5,358**	5,059





Underlying EBITDA increased by 19.6% to $12.505 million (2020: $10.455 million) for the year ended 31 December 2021, highlighting the increase in the number of active contracts in hand.

Underlying EBITDA excludes significant, non-recurring arising from the initial public offering and expensed to profit or loss of $0.986 million (2020: Nil).

Cash Flow and Funding

Aerison continues to benefit from the ongoing support of external banking partners and shareholders in achieving growth targets. Key achievements included:

- In March 2021, Aerison increased its existing and secured banking facilities to $41.000 million, increasing 69.3% on 2020.
- In July 2021, Aerison successfully raised $7.500 million from the issue of 37,500,000 ordinary shares as part of the IPO.
- In November 2021, Aerison entered a new surety bonding facility arrangement for $15.500 million to support our new contract wins.

For the year ended 31 December 2021, cash outflows from operating activities were $1.647 million (2020: $0.403 million).

Net cash outflows from operating activities of $1.647 million is attributed to the increase in trade and other receivables of $26.812 million for the year ended 31 December 2021. The increase arises from estimates of variable consideration, recognised as contract assets, which are enforceable under the contract but for which settlement is within the process of negotiation, review and certification with the customer.

	At 31 December 2021			At 31 December 2020		
Facilities ($M)	**Limit**	**Drawn**	**Available**	**Limit**	**Drawn**	**Available**
Bank overdraft	5.0	-	5.0	4.0	-	4.0
Trade finance facility	15.0	14.9	0.1	15.0	9.7	5.3
Equipment finance facility	5.0	0.7	4.3	0.1	0.1	-
Borrowings	**25.0**	**15.6**	**9.4**	**19.1**	**9.8**	**9.3**
Bank guarantees	16.0	15.0	1.0	8.0	7.7	0.3
Surety bonds	15.5	13.7	1.8	-	-	-
Bank guarantees and bonds	**31.5**	**28.7**	**2.8**	**8.0**	**7.7**	**0.3**
TOTAL BANKING FACILITIES	**56.5**	**44.3**	**12.2**	**27.1**	**17.5**	**9.5**

Balance Sheet

$'000	**2021**
Cash and cash equivalents	13,219
Trade & other receivables	64,892
Property, plant & equipment	2,591
Right of use assets	4,672
Other	54
Total Assets	**85,428**
Trade and other payables	28,464
Borrowings	14,536
Lease liabilities	5,177
Employee benefits	2,632
Deferred tax liability	838
Total Liabilities	**51,647**
Net Assets	**33,781**

At 31 December 2021, the Group's net tangible assets (NTA) increased to $33.781 million (2020: $18.035 million). NTA per share increased to 11.0 cents per share (2020: 7 cents).

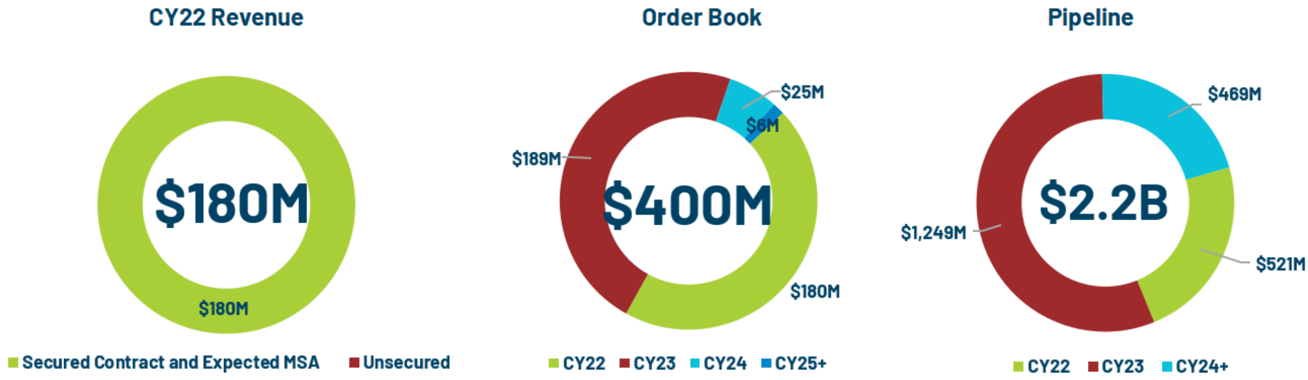
Working capital was $33.676 million (2020: $21.795 million). The increase in working capital mirrors the increase in scale of operating activities, driving a $26.812 million increase in trade and other receivables and $14.515 million increase in trade and other payables.

Net debt was $6.494 million (2020: $9.976 million). Net debt comprises cash on hand of $13.219 million (2020: $7.754 million) offset by lease liabilities of $5.177 million (2020: $2.780 million) and interest-bearing loans of $14.536 million (2020: $14.950 million).

Order Book and Pipeline

At 31 December 2021, the Company had an order book of $402.0 million, an increase of 33.3% since the IPO and ASX listing in July 2021. The order book consists of work secured under contract and repeat panel revenue from master services agreements and approved vendor status agreement. $180.0 million of the order book is expected to be delivered in FY22, $189.0 million for FY23 and with the balance in later years.

The pipeline, which consists of both tendered opportunities as well as identified opportunities, consists of over 200 projects of which approximately 70% are for existing clients for projects predominantly based in Western Australia within the resources sector. Approximately 30% of the pipeline consists of projects for new clients who are also predominantly based in Western Australia within the resources sector.



Business Outlook

An array of new contracts secured in the back-end of 2021 places Aerison in a compelling position to grow its existing customer base and significantly increase revenue and underlying earnings for the year ended 31 December 2022. Contracts secured include engineering, procurement, fabrication, construction and shutdown contracts valued at circa $140 million, highlight the businesses continued focus on top-tier, multi-asset mining clients seeking strong financial and safety performance.

Revenue guidance for the year ended 31 December 2022 increased by 25% to $180.0 million, of which 100% is fully secured. Order book increased to $400.2 million, representing 2.2x 2022 revenue guidance.

The Company’s tender pipeline reflects scalable diversification across the energy, iron ore, nickel, lithium, chemical and electrical infrastructure sectors with existing and new customers.

- Ends -

This announcement was authorised for release to the ASX by the Board of Aerison Group Ltd.

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About Aerison

Aerison Group Ltd (ASX:AE1) Aerison is a multi-discipline engineering design and construction company self-performing multi-disciplined EPC, engineering and design, construction and maintenance services to various industries and clients across Australia. Aerison is also recognised as ESG industry leaders for its specialist expertise in environmental services and social governance, including emission mitigation performance studies, compliance testing and custom designed and build solutions engineered to reduce the impact of industry on the environment. The success of Aerison has been built on its ability to provide a quality turnkey service, and this is only possible by having in-house engineering and design, procurement, project management, manufacturing, construction, mechanical installation and commissioning capabilities. Safety, quality and schedule are our key drivers.

Please visit www.aerison.com for further information.