

Annual General Meeting 2015





Mr Maurie Stang

Non Executive Chairman



Core Technology Platforms



SMARTENERGY delivers validated energy savings and improved efficiency across air-conditioning and refrigeration systems, with immediate cash flow improvements.



SMART COATINGS prevent mould and bacteria growth for the life of the product with both OEM and in-field applications.



SMART WATER leads to the remediation of biofilm in circuits, including beverage and brewery.



SMART SURFACE disinfection solutions have proven long-term residual efficacy.



SMART POLYMERS have permanent microbial resistance, whilst being environmentally-friendly.





Financial Snapshot

Aeris Environmental Ltd

Stock Exchange: AEI:ASX

Share price (26 November): 45 cents

Shares on issue: 151,428,722

Market capitalisation (26 November): \$68.14 Million

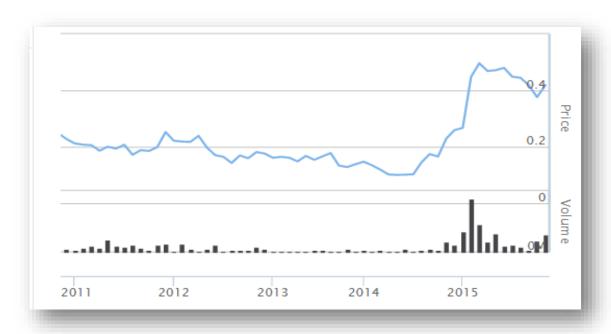
Financial:

| | 2015 | 2014 |
|--|-------------|-------------|
| | \$ | \$ |
| Income | 874,389 | 487,121 |
| Expenses | (2,891,301) | (1,555,014) |
| Loss after income tax | [2,016,912] | (1,067,893) |
| Profit / (loss) from discontinued operations | | |
| Net Loss for the period | [2,016,912] | [1,067,893] |

- ✓ Year-on-year revenue growth of 64% to \$800,886
- ✓ Year-on-year cash receipt increase of 94% to \$820,000
- ✓ Sales pipeline in excess of \$10,000,000, with continual successful customer engagement
- ✓ Cash-on-hand of \$7,500,000 representing approximately 36 months of cash at current expense burn rate

Creating Shareholder Value

AERIS ENVIRONMENTAL LTD. ORD.



- ✓ Total capital raised of \$10,025,444 through the issue of 32,792,018 shares in two tranches.
- ✓ Raised significant capital and successfully broadened its shareholder base to now include leading institutions.
- ✓ Shareholder approval sought for Directors to convert \$1,500,000 million of the Director loans into Aeris shares at the last placement price of \$0.50 per share.

Priority Vertical Markets











AerisGuard™ Cleaners

AerisGuard™ Bioactive Enzyme Coil Cleaner

AerisGuard™ Bioactive Surface Cleaner AerisGuard™ Treatments

AerisGuard™ Bioactive Coil Treatment

AerisGuard™ Bioactive Filter Treatment

AerisGuard™ Bioactive Surface Treatment

AerisGuard™ Bioactive Water Treatment

AerisGuard™ Condensate Pan Tablet Aeris Sealants and Coatings

Aeris Antimicrobial

Duct Sealant

Aeris Range Hood Coating

Corrosion Resistant Coil Coating SmartENERGY

Technology platform for Compressor optimisation



Regional Focus

- ✓ Successful major account acquisitions
- Expansion of Asian sales and technical resources
- ✓ Forging of strategic relationships in Thailand
- ✓ Developing platinum partnerships in Hong Kong, Singapore and New Zealand
- ✓ Growing revenue run rate in Philippines, Japan, United States, Taiwan, China, Europe and the Middle East



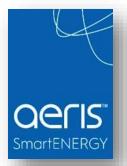


SmartENERGY

- ✓ Establishment of the SmartENERGY platform with key stakeholders across assets and facilities management, electrical contractors, energy retailers, air-conditioning and refrigeration suppliers, and the property sector.
- ✓ Validation of commercial and technical success of SmartENERGY in key reference sites.
- ✓ Independent accreditation of the SmartENERGY platform, including NSW Government ESS accreditation, demonstrated in a high-profile, national retailer's building.



- ✓ SRG and AEI are now planning for the next phase rollout of SmartENERGY efficiency solution across its portfolio of Spotlight and Anaconda buildings around Australia
- ✓ SRG installation will be implemented on the basis of validated reporting of energy efficiency
- ✓ Spotlight targeting material improvements in indoor air quality, system efficiency, improved asset life and validated carbon reduction.



Australian SmartENERGY opportunity size

<u>Supermarkets</u>

Over 10,000 supermarkets and convenience stores

Shopping centre

Over 1,338 shopping centres

Retail

Over 210,000 locations

Hospitals

Over1,300 hospitals

Nursing homes

Over 2,080 residential aged care homes.

Retail Food

Over 60,000 retail food outlets

Refrigerated transport

Estimated fleet of 28,900 refrigerated trucks and export containers

Residential

Over 11.5 million devices in residential dwellings.



Aeris Invited to Join Large Format Retail Association



- Aeris is now well positioned as a credible advisor for energy efficiency and indoor air quality to some of Australia's leading large format retailers
- Aeris has found high levels of awareness by retailers of the cost squeeze in a relatively flat economy and will be focusing on presenting a strong ROI and business case to large scale retailers in both Australia and across the region





Aeris In The News







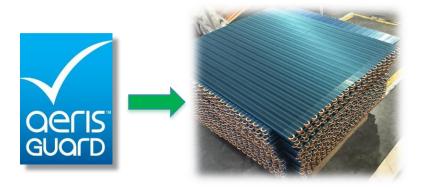
The Advertiser Messenger Sunday Mail





AerisGuard OEM Coatings

- ✓ Launch of latest generation of AerisGuard OEM coatings
- ✓ First sale to offshore oil industry for corrosion protection
- ✓ Executed a contract with SolAir World Pty Limited (SolAir)
- Executed a contract with Coils International Group (CIG)
- Ongoing business development in key OEM coatings markets





- ✓ C. I. Group to exclusively use next generation AerisCoat OEM coatings at its three facilities in Thailand.
- ✓ CIG is publicly traded on the Stock Exchange of Thailand, employs more than 1,000 staff and is a major supplier of coils to leading global air conditioner and refrigeration companies.
- ✓ CIG specializes in the custom manufacture of high performance, large capacity coils.

Anti-microbial coatings sales on track to reach \$3.3 billion by 2018 - Doubling its value in six years



AerisGuard SMART Service Products

- ✓ Initial sales to large and multinational accounts
- ✓ Commencement of wholesale distribution strategy with industry leaders
- ✓ Specification on numerous projects including a national retail chain and large-scale health authority



- Accor Initiates Platinum Partnership on Energy Efficiency and Indoor Air Quality with Aeris Environmental.
- ✓ Rollout Commencing in South East Asia.
- ✓ Follows a series of successful implementations.
- ✓ The launch phase of activity will focus on Thailand, Japan, Singapore, Malaysia, Indonesia, South Korea, Vietnam, Laos and Cambodia.







AerisGuard SMART Service Coatings

- ✓ Two key product launches in Australia, with active business development in each key market and country
- Commencement of shipping of commercial quantities of AerisGuard Antimicrobial Duct Sealant
- ✓ Launch of Aeris' novel Range Hood Coating. Recognised by way of a HACCP Australian Food Safety Certification
- Launch of service anti-corrosion aerosol

Duct Work

Commercial Kitchen Range Hoods HVAC&R Equipment and Coil Manufacturers (OEM)

AerisguardTM
Antimicrobial Duct Sealant

AerisguardTM Range Hood Coating AeriscoatTM Corrosion Resistant Coil Coatings (OEM) aeris" guard







Target Market is over 10 million discreet business/facility owners



Emerging Opportunities

ENZYMES AND WATER TREATMENT

✓ Enzyme cleaning opportunities in the HVAC circuit water treatment and hospitality industry, including beer, soft serve and beverages

BIOSTATIC POLYMERS

- ✓ Aeris is targeting a 2016 launch of its "SMART polymer" technologies
- Early market entry to be focused on high value-added applications





Smart **Coatings**

Smart**ENERGY**

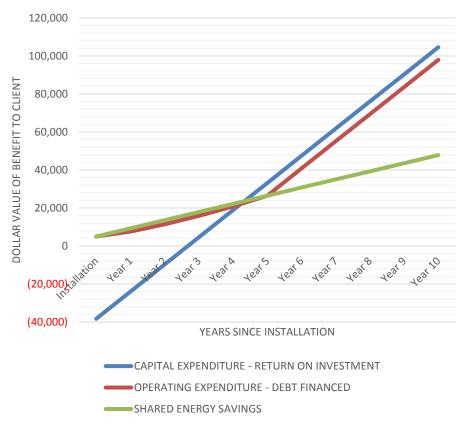
Smart Surfaces Smart **Polymers**





SmartENERGY Financial Models





| Case Study Site – Northern NSW | Single Site | 10 Site Rollout |
|--|----------------|--------------------|
| CAPEX - RETURN ON INVESTMENT | | |
| Job Value | 43,285 | 432,850 |
| Maintenance | 4,328 | 43,285 |
| Energy Saving - Client benefit | 14,285 | 142,850 |
| Energy Saving Credit - Client benefit | 5,000 | 50,000 |
| OPEX - DEBT FINANCED (7%) | | |
| Job Value | 46,314 | 463,140 |
| Maintenance | 4,631 | 46,310 |
| Energy Saving - Client benefit | 14,285 | 142,850 |
| Energy Saving Credit - Client benefit | 5,000 | 50,000 |
| SHARED ENERGY SAVINGS | | |
| Job Value | 0 | 0 |
| Annuity Revenue | 15,000 | 150,000 |
| Energy Saving - Client benefit | 4,285 | 42,850 |
| Energy Saving Credit – See Annuity Revenue | 0 | 0 |

SmartENERGY Case Study NSW

- ✓ Installed cost \$43,285
- ✓ Payback 2.2 years
- ✓ ROI 45%
- ✓ Maintenance annually 10% P.A.



Aeris Value Drivers

- ✓ Outstanding portfolio of clean-tech products
- ✓ Broad intellectual property protection and International Certifications
- ✓ Strong balance sheet and attractive margins
- ✓ Rapidly growing base of flagship customers together with platinum value-add partners
- Proven value proposition to customers across multiple sectors
- ✓ Aeris is the emerging energy efficiency partner
- ✓ Growing sales pipeline into 2016 and beyond









Mr Peter Bush

Chief Executive Officer



Aeris Ecosystem















Aeris Sales Process

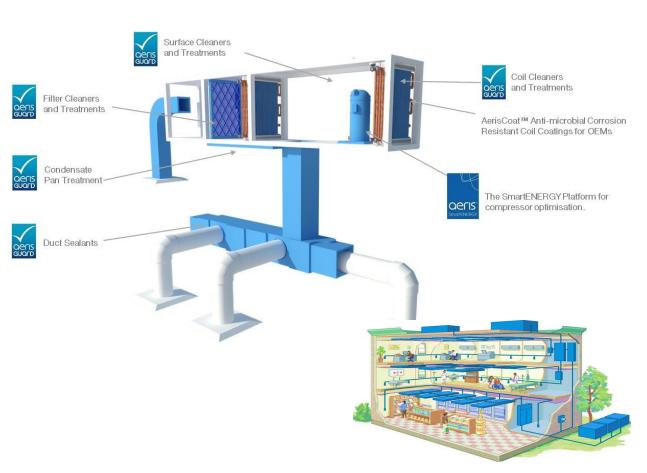


The fundamental drivers of success...

- establishment of the trusted partnership with the customer
- ✓ leads to deeper and expanded uptake of the Aeris SMART portfolio



Scalable SMART Solutions











Competitive Advantage

Aeris Accreditations

- ✓ AS/NZ 1668.2 Indoor air quality
- AS/NZ 3666 Microbial control (air-handling)
- AS/NZ3666 OH&S
- AS4351:1996 Completely biodegradable
- Food safe HACCP
- Australian Made
- NSF approved Category Code A1 toxicology approval
- Australian drinking water guidelines 6-2004. pH level equivalent to that of potable water (National Water Quality Management Strategy)



Department of Health and Ageing Therapeutic Goods Administration



















Climate Change Awareness

"You're getting a sense of inevitability that this is the path, and now the question is how are we going to get on with it," says AGL Energy chief executive Andy Vesey, who will join business leaders flocking to Paris-Le Bourget.

15 reading now

Comments 26



BusinessDay

November 28, 2015 - 1:24AM



Groundswell of business support for Paris climate action

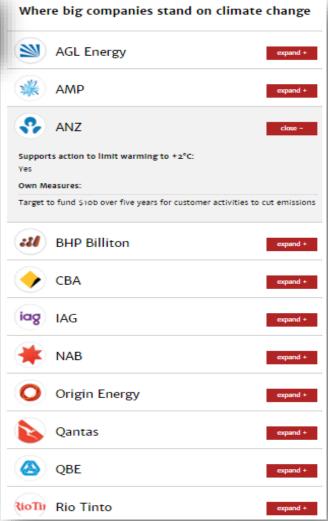
As the 40,000-plus attendees to the Paris climate summit congregate on Monday at a former

aircraft hangar in north-east Paris, a surprisingly large chunk of Australian big business will be cheering them on.

In the 12 months leading up to the 21st Conference of the Parties – more snappily known as COP21 – a groundswell of change has built across the business community and encroached on even the sector that has most to lose, energy and resources.

We fully acknowledge there is a climate change issue and we believe we need to be part of the solution. "

Rio Tinto head of coal and copper Jean-Sebastien Jacques



Read later



Energy Saving Certificates

| Financial Summa | ry | | |
|---|----|------------|-------------|
| Aeris Total Quote Price | \$ | 534,265.19 | (excl. GST) |
| Number of Rebate Certificates | | 5,385 | - |
| Rebate Value Applicable (ESC'S and VEEC'S only) | \$ | 114,768.63 | (excl. GST) |
| Project Cost | \$ | 419,496.57 | (excl. GST) |
| Return on Investment | | 2.2 | years∧ |
| Estimated Installation Budget | \$ | 85,918.00 | (excl. GST) |
| Estimated Annual Monetary Savings | \$ | 194,596.57 | (excl. GST) |



[^]Based on the inclusion of projected rebate certificates (5 yr.) at a value of \$20.00 AUD Each

| Environmental Impact | | |
|--|-----------|--------|
| Total Energy Saved | 1.4 | GWh |
| Enough Energy to Supply Homes for 1 Year | 468 | Homes |
| Total Greenhouse Gas Reduction | 1,136,911 | Tonnes |



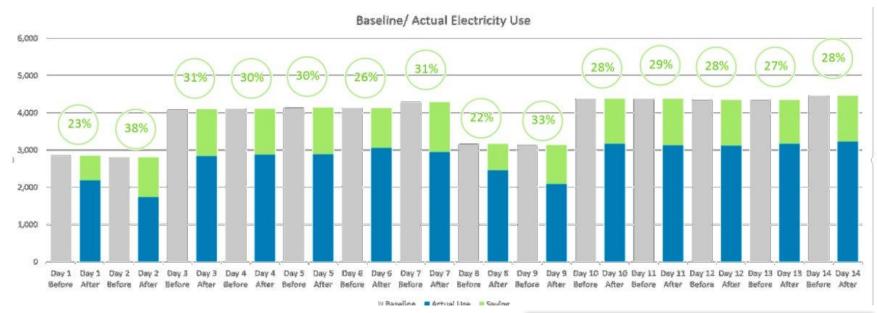








Case Study – Australian Retailer



Location

ECM Install Date ECM Type Energy Savings Project Price Monetary Savings

ROI Greenhouse Gas Reduction

Townsville, QLD

(estimated)

14/10/15 SmartENERGY 28.8% \$53,750 (\$86,000 Total Site) \$35,000 - 40,000 per annum (estimated) 1.3 – 1.5 years 12.7 Tonnes per annum

28.8% Energy Savings





Case Study - Queensland

Forecast benefits

In order to demonstrate overall potential broad scale value of intelligent compressor optimisation systems, discounted cash flow analysis was undertaken from a whole-of-Queensland perspective at project inception. The discounted cash flow analysis compares the costs to Ergon Energy of capital investment in network infrastructure against the avoided network costs resulting from the reduction in peak demand. A nominal discounted rate of 7% was adopted for the analysis.

The analysis returned a Net Present Value (NPV) of \$108 million based on key assumptions provided below.

Table 3: Forecast value of energy savings to Queensland from adoption of intelligent compressor optimisation systems

| Parameter | Yaliia (\$NPV) |
|--|-----------------|
| Present value of costs | \$22,618,079.15 |
| Present value of benefits | \$130,905,432 |
| NPV | \$108,287733 |
| Key assumptions mode led | Value |
| Model term (years) | 20 |
| Avoided infrastructure spend (kVA/per annum) | 220 |
| Implementation costs per shopping centre | \$50,000 |
| Cumulative shopping centres targeted | 470 |
| Cumulative MVA reduction | 94 |
| Peak demand saving (air-conditioning only) | 10% |
| Energy saving (air-conditioning only) | 10% |
| | |

There are estimated to be 2,350 shopping centres of varying sizes across Queensland with 1,250 potential customers on the Ergon Energy network. This concept could also be extended across the Energex network.

| Total number of business customers | Of total business customers, the retall segment represents | Retall segment represents | Of the 8% retall segment, key retall businesses make up | Percentage of business electricity consumption attributed to the key retail businesses |
|--|---|---------------------------------------|---|--|
| 110,000 | 8% | Third largest electricity consumer | 10% | 53% |

Present Value of benefits to QLD if SmartENERGY broadly implemented \$130 Million





| Supply and installation price | \$519,590.50 |
|--------------------------------|----------------|
| Savings achievable | 21% |
| ROI | 52% |
| Pay Back Period | 1.9 |
| predicted yearly savings | \$270,784.92 |
| predicted savings over 5 years | \$1,502,856.28 |



SmartENERGY – Specific Opportunities

SmartENERGY Metrics

Australian domestic

Workers Club NSW - \$33,000 Leagues Club QLD - \$34,000 Shopping Mall NSW - \$50,000

Asia Pacific

300 room hotel HK - **\$346,000** Govt. hospital BKK – **\$314,000**

Vertical markets, rollout (Phase I)

Australian Retailer –
23 sites x \$22,600 ea. **\$519,800**Australian Retailer –
34 sites x \$14,500 ea. **\$493,000**Australian Retailer –

90 sites x \$27,000 ea. **\$2,430,000**











SmartENERGY

- ✓ Average Installation \$25,000
- ✓ Average Payback 2.2 years
- ✓ Average ROI 45%
- ✓ Average Recurring 10% PA

Australia / NZ focus

Hospitals, Airports, Hotels, Shopping Malls, Retail, Hospitality, Council, Government, Corporate



Hospitals, Airports, Hotels, Shopping Malls & Retail





SmartENERGY – Specific Opportunities

Specification / Energy Performance Contracting (EPC)

Consultants, Specifiers, Mechanical Services & Engineers

- EPC Multinational Hospital VIC \$30,000
- EPC Consultant University NSW \$50,000
- EPC Consultant Hospital NSW \$100,000
- Project Consultant Mall in NSW \$50,000

Pipeline conversion

Installed base upgraded to SmartENERGY

- Shopping mall for Australian REIT \$30,000
- Sites for Australian Government Utility –
 50 x \$4,000 (\$200,000)

Refrigeration

Cool room, refrigerated trucks and containers

• Fresh Freight - 97 refrigerated containers used for produce - \$20,000



Case Study – Monash House

- Coil remediation (done)
- Coil coating (done)
- Duct coating (done)
- SmartENERGY
- Hard Surface

Estimated fleet of refrigerated
Trucks
28,900





Wholesale Service Range – Specific Opportunities

Wholesale Distribution of Service Range – Asia Pacific

- ✓ Implement supply chain and logistics across multiple countries.
- Continue to build brand recognition and technical leadership
- ✓ Leverage branch sales force (project & retail point of sale)
- ✓ Lead generation for value add opportunities SmartENERGY
- ✓ Leverage growing national customer base
- Potential to be stocked in branches (over 250 nationally)

Purchase orders and current pipeline

| • | BlueScope / Transfield - | \$300,000 PA |
|---|-------------------------------------|--------------------|
| | | (3,000 HVAC units) |
| • | TVH NSW Police - | \$147,000 PA |
| • | National tender - 3,000 sites - | \$150,000 |
| • | National tender - 10 mines - | \$300,000 |
| • | SM Group Philippines - | \$128,000 |
| • | 3M Japan - | \$126,000 |
| • | Smart House - 15,000 homes x \$15 - | \$225,000 PA |









- ✓ 20 new accounts opened since 1 July
- Average account spends \$15k PA



OEM Coatings

Worlds most advanced HVAC coating system

- Provides up to 10 years residual protection to control, prevent and inhibit mould, fungi and odour causing bacteria
- Provides up to 10 years acid or acid/alkali corrosion protection
- ✓ Compliance with 6000 hour salt spray test (ASTM B117-11)
- ✓ Easy to apply spray or dipped application.
- New breakthrough "Auto cure" coating
- Highest levels of environmental compliance
- ✓ Broadest range of consumer claims

| AerisCoat™ Product Matrix | AerisCoat™ Maintenance | AerisCoat™ U OEM | AerisCoat™ R OEM | AerisCoat™ C OEM | AerisCoat™ P OEM |
|---------------------------------|---------------------------|---------------------|--|----------------------|----------------------|
| Aluminium Adhesion | /// | VVV | /// | /// | 111 |
| Microchannel Aluminium Adhesion | /// | /// | _ | <u></u> | /// |
| Copper Adhesion | // | 11 | - | /// | VVV |
| Galvanised Steel Adhesion | // | 111 | all the same of th | 111 | 111 |
| Curing Cycle* | Air Dry | Air Dry | 15-60 min @ 160°C | 45-60 min @ 160°C | 45-60 min @ 160°C |
| Appearance | Translucent Blue | Clear or any colour | Clear or any colour | Clear or any colour | Clear or any colour |
| Acid Corrosion Resistance | V | 111 | 1111 | 111 | 111 |
| Alkaline Corrosion Resistance | ✓ | /// | 41 10 | /// | 111 |
| Formic Acid Resistance | V | // | //// | /// | 111 |
| Salt Corrosion Resistance | V | VVV | /// | //// | VVVV |
| Operational Longevity | V | 111 | 1111 | 111 | 111 |
| Water/Moisture Resistance | ✓ | /// | 111 | /// | 111 |
| Abrasion Resistance | V | /// | //// | VVV | 111 |
| Biofilm Growth Resistance | V | 11 | VVV | // | VV. |

[&]quot;Where a heat curing cycle is indicated the specific temperature and time is dependent upon the size, configuration and weight of the substance. A minimum temperature of 160C is recommended.







Specialty Surface Coatings

World leading speciality coatings

- Developed by Aeris in response to customer demand
- Environmentally friendly and cost effective
- Greenfield opportunity in cleaning industry
- Provide better outcomes as well as being more efficient

Range Hood

- Melbourne Cricket Ground MCC facilities
- David Jones Market Street TVH
- Burger King TVH

Duct Sealant

- Treasury Casino QLD TVH
- Pacific Fair Boongala
- Monash House Cool Clean
- MFB Boongala
- Department of Defence, Science & Technology Boongala
- Chapel St Police station Boongala
- Cairns Airport, Rockhampton Airport Air Systems Australia
- QLD University Campuses Air Restore







Peels off easily for simple reapplication



SMART Surface Coatings

Advanced Mould Remediation and Long Term Anti-Microbial Protection

- ✓ Anti-microbial and anti-mould hard surface provides long term residual protection
- ✓ Provide Non Toxic solutions
- Can be applied to virtually any substrate, multiple presentations (wipes, towels, sprays)
- ✓ Idea companion sell with other Aeris SMART platforms

Priority target markets

- ✓ Disaster recovery
- ✓ Mould removal
- √ Food hygiene
- ✓ Hospitality
- Cruise ships
- ✓ Airlines
- ✓ Public transport
- Cleaning and remediation







Water Treatment

Environmentally friendly enzymatic solutions

- Directly leverage Aeris' powerful and proven enzymatic cleaning technologies
- Highest levels of environmental compliance
- Fit into existing workflow
- Enhanced operator and customer safety and compliance

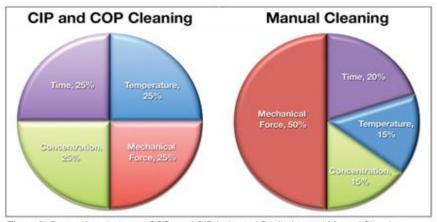


Figure 2: Comparison between COP- and CIP-balanced Sanitation and Manual Cleaning



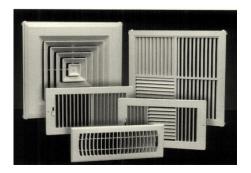


SMART Polymers

Value Added Polymer Additives With Proprietary Benefits

- ✓ Patented class of anti-microbial, biostatic polymers that can control, prevent and inhibit mould, fungi and odour causing bacteria
- ✓ Partially co-developed with the Australian Government Research Organisation (CSIRO)
- ✓ Ideal for manufacturers wanting to differentiate their product lineup with superior long-lasting performance. Applications include:
 - ✓ Hospital and healthcare surfaces
 - ✓ Building materials exposed to high moisture levels
 - ✓ Protective clothing and footwear
 - Consumer durables
- ✓ The U.S. antimicrobial plastics market was valued at USD 662.3 million in 2013 and is anticipated to reach USD 1,227.4 million by 2020, expanding at a CAGR of 9.3% during the forecast period from 2014 to 2020.
- ✓ Healthcare was the largest application segment, accounting for approximately
 44% of the market share in 2013. Higher number of patients with hospitalacquired infections is projected to augment demand for antimicrobial plastics.





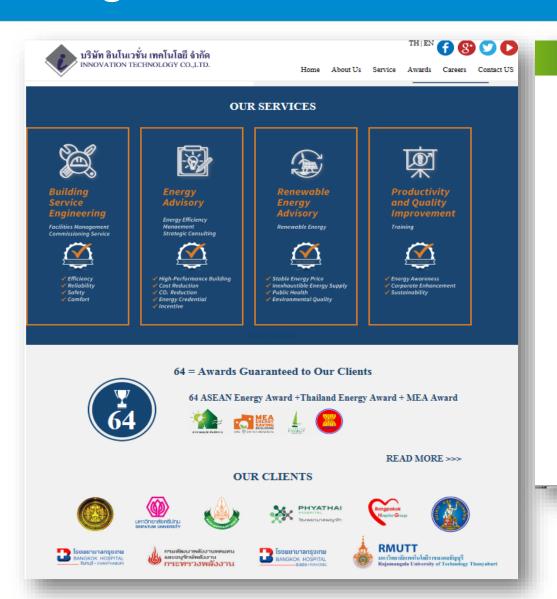




Clean - Green - Protect



Regional Platinum Partners



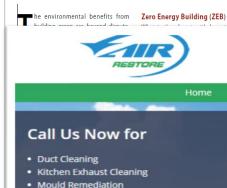
GREEN BUILDINGS Supported by Siemens Building Technologies
Low Energy / Zero Energy Buildings



THE GREEN BUILDING MOVEMENT

Article by Benjamin Kwek of ETHA Engineering.





- Mould Remediation
- HVAC System Hygiene & Condition Assessments
- HVAC System Cleaning
- · Decontamination & Restoration
- · Air Conditioning Systems Refurbishment



Aeris Environmental

SUSTAINABLE BUILDINGS OPTIMISE NOT REPLACE VALIDATED

REDUCE ENERGY COSTS ENVIRONMENT OF SOLUTIONS

REAL TIME REPORTING VALIDATED ENVIRONMENTAL SOLUTIONS

IMPROVE INDOOR AIR QUALITY BIOLOGICAL MOULD PROTECTION

GREEN BUILDING WHOLE OF SYSTEM ELIMINATE TOXIC CHEMICALS HVAC&R OPTIMISATION

VERIFICATION & CONTROL INCREASE SYSTEM EFFICIENCY





AERIS ENVIRONMENTAL LTD

