



Aeris Environmental

ASX | AEI

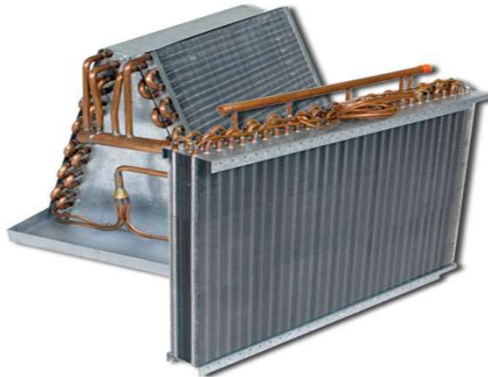
Disclaimer & Important Information

This presentation does not constitute investment advice. Neither this presentation nor the information contained in it constitutes an offer, invitation, solicitation or recommendation in relation to the purchase or sale of shares in Aeris Environmental Ltd – ACN 19 093 977 336 (the Company) - in any jurisdiction. Shareholders should not rely on this presentation. This presentation does not take into account any person's particular investment objectives, financial resources or other relevant circumstances and the opinions and recommendations in this presentation are not intended to represent recommendations of particular investments to particular persons. All securities transactions involve risks, which include (among others) the risk of adverse or unanticipated market, financial or political developments. The information set out in this presentation does not purport to be all inclusive or to contain all the information which its recipients may require in order to make an informed assessment of the Company. You should conduct your own investigations and perform your own analysis in order to satisfy yourself as to the accuracy and completeness of the information, statements and opinions contained in this presentation. To the fullest extent permitted by law, the Company does not make any representation or warranty, express or implied, as to the accuracy or completeness of any information, statements, opinions, estimates, forecasts or other representations contained in this presentation. No responsibility for any errors or omissions from this presentation arising out of the negligence or otherwise is accepted.

This presentation may include forward looking statements. Forward looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside the control of the Company. These risks, uncertainties and assumptions include commodity prices, currency fluctuations, economic and financial market conditions in various countries and regions, environmental risks and legislative, fiscal or regulatory developments, political risks, project delay or advancement, approvals and cost estimates. Actual values, results or events may be materially different to those expressed or implied in this presentation. Any forward-looking statements in this presentation speak only at the date of issue of this presentation. Subject to any continuing obligations under applicable law and the ASX Listing Rules, the Company does not undertake any obligation to update or revise any information or any of the forward-looking statements in this presentation or any changes in events, conditions or circumstances on which any such forward looking statement is based.

Heating & Air Conditioning (HVAC) Market

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.
- Aeris products lead the world for innovative, green chemistry
 - Efficiency
 - Asset life
 - Hygiene, and
 - Corrosion prevention.

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

The Hygiene and Treatment Specialist

**Air Conditioning &
Refrigeration**
Maintenance Products

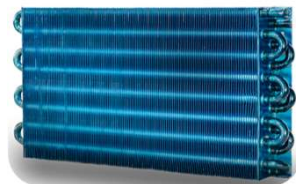


Residential, commercial and
industrial applications



Multi-Enzyme Cleaners

**Corrosion Prevention &
Protection**
Service and OEM Solutions



Manufacturing, production, off-
shore, oil & gas



Corrosion Protection

**Facilities Management &
Hygiene**
Mould, Odour & Microbial
Control Products



Hospitality, aged care
manufacturing, healthcare,
mining sectors



Inhibitors

Aeris clients enjoy multiple benefits



Aeris accreditation and independent testing

Research Partnerships



Independently Tested



Quality Systems



Third Party Accredited



HVAC Path to Market

North America wholesale distribution:

The world's largest mature market for air conditioning consumables.

- ❑ 8,500 distributor's stores, and each sells a range of maintenance consumables.
- ❑ **Goodman is a leading equipment manufacturer in this market.**
- ❑ Goodman provides a scalable path to market to thousands of trade stores and access to many large customers, with 230 company owned locations and 1,200 independent resellers.
- ❑ Additionally, there are specialist remediation, industrial, electrical and plumbing supply wholesalers i.e. online/retail fulfilment (Amazon & Home Depot).

The Opportunity - HVAC Consumables - USA

"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 \$USD250 million per annum."

Rick Mabry – MD Global Parts and Procurement for Goodman/Daikin distribution, North America



Aeris has significant opportunity in North America:

- ❑ Market for HVAC maintenance and hygiene consumables in excess of \$USD250 million pa.
- ❑ Largest individual chemical supplier in this segment has approximately \$100Million revenue. Legacy products lacking environmental compliance and benefits.
- ❑ Aeris has a relationship with a large national master distribution partner servicing a further 3,300 distributor branches - in addition to Goodman's 230 company owned locations.
- ❑ Additionally, Aeris directly supports specialist platinum partner applicators in multiple locations around USA.

The Opportunity - HVAC Consumables - Global ex USA

"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."

Tom Dendy – Goodman
Vice President International



AERIS opportunity in Asia and beyond:

- ❑ **Daikin, largest air-conditioner manufacturer in Asia**, active in over 150 countries.
- ❑ AERIS is working to launch **HVAC consumables and corrosion products** in multiple markets throughout SE Asia, Middle East and Europe.
- ❑ Joint marketing and sales with over 100 training events planned around Australia to their 500 Daikin authorised dealers.
- ❑ In addition to Daikin, AERIS sells products in Asia to 3M, Carrier, Accor Group as well as dozens of leading platinum partner applicators and end customers.

Aeris' Opportunity in China

- ❑ China FDA (CFDA) approved products with strong medical and consumer claims.
- ❑ Environment and health care are stated priorities for the Chinese government.
- ❑ Distribution agreement signed, products manufactured, sales and marketing commenced.
 - ❑ Regional distributors appointed.
 - ❑ Online channels established.
 - ❑ Consumer retail placement in high-end chain supermarkets, department stores and pharmacies.
 - ❑ Online, TV, billboard and print advertising campaigns.
- ❑ Business development with leading hospitals and health care institutions.



Achievements FY2019

□ **Transformative investment in USA - worlds' largest market**

- Establishment of operations base including hiring experienced team.
- Worldwide strategic alliance with Goodman, a division of Daikin Industries.
- Made, shipped and invoiced first orders (payments received). Refined product range and packaging specific for USA market.

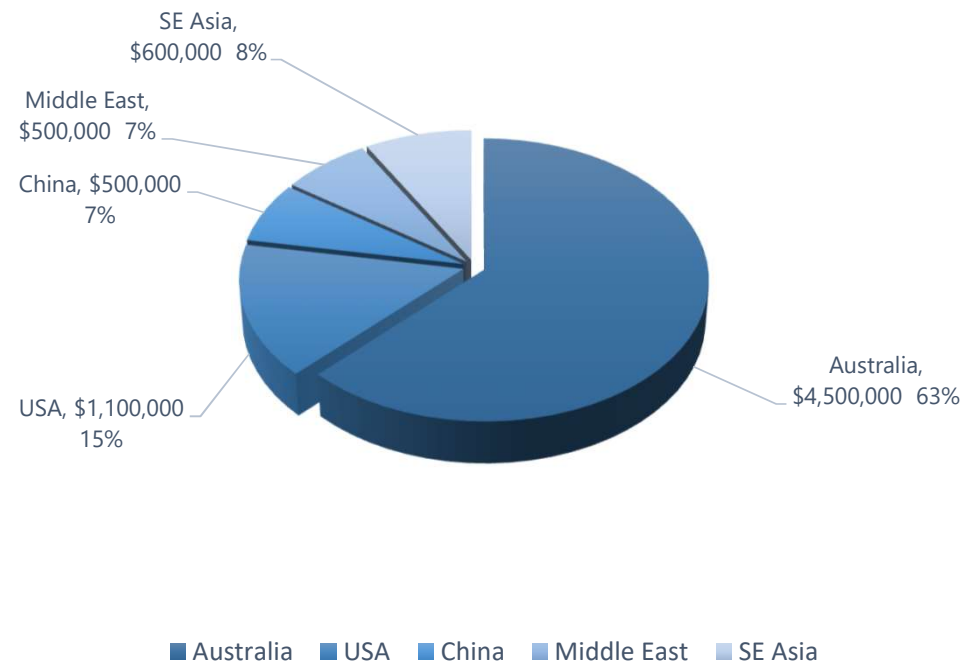
□ **Obtained exclusive rights to new environmentally sustainable, paper-based alternative to plastic wipes - branded Southern Cross.**

- Entered into multi-million-dollar distribution agreement with experienced Chinese distributor Aus. Made Express.
- Aus Made have made substantial investments in branding, packaging facilities and product launch in China.
- First shipments completed & payments received.

□ **Capital raised of approx. \$7,500,000 via share placement and SPP to a cornerstone strategic investor group and existing shareholders.**

2019 Financial Overview

FY2019 Revenue by Geography



- **Record sales revenue of \$6,851,000 – up 250% YOY.**
- **USA and China business' both 'early days'.**
- **Normalised go forward operating costs c\$5.5Mil.**
- Sustainable gross margin over 45%. **Positive impact on margins as the core Aeris range forms a greater part of the revenue mix going forward.**
- 2019 Gross Margin of 38% reflected mix of 'white label' products supplied to OEMs, and project work, blended with the higher margins from the Aeris branded products.

Capital Structure

Company Name:	Aeris Environmental Ltd
ASX Code:	AEI
Current Price:	27.0 cents
Trading range:(last 12 months):	11.5 – 42.0 cents
Total Issued Shares:	213.5 million
Market Capitalisation:	A\$57 million
Price on 7 October 2019	

Commercial Priorities FY2020

- ❑ Successful execution of a 'few to very many' strategic channel partnerships replicated in key markets globally.
- ❑ Priority is to focus on a few key initiatives to gain a step change profitability.
- ❑ Scale worldwide strategic alliance with Goodman, a division of Daikin Industries:
 - **Launch and grow master distribution** for North American HVAC maintenance market beyond Goodman.
 - **Leverage Daikin** network in SE Asia and beyond for consumables and corrosion protection.
- ❑ Grow Southern Cross paper hygiene range in Greater China market and beyond.
- ❑ Execute facilities management and remediation business through wholesale distribution – BUNZL, Carpet Cleaners Warehouse and beyond.
- ❑ Grow OEM customer base for corrosion protection including expanding Carrier in the Philippines.

Aeris Environmental – drivers of value

- ❑ Fully recapitalised – clean balance sheet. No Debt.
- ❑ Investment already made – product development, regulatory and path to market development (expensed in prior years).
- ❑ Roadmap to profitability – 2020 and beyond.
- ❑ Solves large and growing global problems – proven solutions.
- ❑ Experienced team – Executive, Board & Advisors have track record of success.
- ❑ Market leading strategic partners now in place in USA, China and SE Asia – the three largest and fastest growing markets for microbial control.

Experienced Team & Key Management



Mr. Maurie Stang

**Co-founder and Non-Executive
Chairman of the Board**

Co-founder of the Regional Health Care group, one of the region's leading healthcare product suppliers, with a key joint venture in the Australasian dental market with Henry Schein (NASDAQ).
Co-founder and Non-Executive Chairman at Nanosonics Ltd since March 2007 (ASX).



Mr. Peter Bush

Chief Executive Officer

Over 20 years of experience in Chartered Accounting, Consulting, Mergers & Acquisitions, operations and general management including senior management roles mainly at Regional Healthcare, GryphonCapital, BDO and Merivale Group.



Mr. Steven Kritzler

**Co-founder and
Technical Director**

Co-founder and Director of Novapharm Research, a world-leader in infection control science. Inventor of core technologies for Aeris, Novapharm and Nanosonics with 35 years experience in commercial R&D in the areas of pharmaceutical, medical, cosmetic and specialty industrial products.
Mr. Kritzler has an MSc from UNSW in the field of Polymer Chemistry.



Mr. Bernie Stang

Non-Executive Director

Co-founder of the Regional Health Care group, one of the region's leading healthcare product suppliers, with a key joint venture in the Australasian dental market with Henry Schein (NASDAQ).
Chairman of Regional Health Care Group, Chief Executive Officer of Stoneville Ltd. and Chief Executive Officer & Director at Stangcorp Pty Ltd.



Aeris Environmental Ltd

ASX | AEI