

AEERIS LIMITED

Market Update

New Customer Wins, New Contracts Signed

Cost Reductions Complete, Cash Burn Substantially Reduced

Highlights

Aeeris is pleased to report improved operating and financial performance following a strategic review by the board in October and November.

The Company is ending the year on a positive note as a consequence of:

- Substantially reducing operating costs;
- Improved internal business processes and efficiencies;
- New customers being switched on;
- Strong pipeline of opportunities with blue chip customers; and
- Improved pricing and margins.

More detail regarding this progress is set out in this Market Update.

New Customer Wins

Aeeris Limited and its wholly owned operating subsidiary Early Warning Network Pty Limited (**EWN**) welcome the following new clients:

SEQ Water

EWN has built and deployed a sophisticated while-label **Mobile App** service to keep South East Queensland residents and businesses informed about the latest information on dam releases and water supply levels across the Authority's 26 dams, as well as alerts and warnings for severe weather, flooding, bushfires and other recreational and lake safety information.

Insurance Advisernet

Insurance Advisernet are one of the largest and most respected general insurance brokers in Australia and New Zealand. EWN are working closely with Insurance Advisernet in providing a branded alerting solution (**Branded Alerts™**) for their large Australian customer database ensuring they are protected and reducing the risk involved in severe weather and natural hazard events.

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Major Water Utility

EWN has entered into an agreement with a major metropolitan water utility to build and deploy a Flash Flood Warning system incorporating a web portal and mobile apps for residents living within the city catchment. This system will greatly enhance the information available to the public during Flash Flood events, as well as providing an early warning alerting system via multiple channels, to enable residents to enact their response plans in a timely manner.

Automotive industry Services Group

EWN have recently teamed up with a leading automotive industry services group to provide the industry with a first in branded severe weather and hazard alerting (**Branded Alerts™**) enabling hundreds of business to better plan and prepare.

We note that all these new contracts comprise ongoing monthly "annuity-style" payments, and in some cases significant up-front revenues for design, construct and delivery of software required to run the services. IP ownership is retained by EWN.

Product and Business Development

The immediate revenue focus of the Company is aligned with our core products and services - **All Alerts™**, **Branded Alerts™**, **Situation Room™** and **Safe@Work™** although where customized feature sets are requested by corporate clients we are now approaching up-front software builds on a cost-plus basis.

We expect to be able to deliver the **SecureAMS™** product suite early in the new year, and have this compelling service ready for market deployment by the end of the first Quarter of 2017. There are significant business opportunities ahead for this product.

Aeeris is currently working to implement a number of customer core product, service and solution roll-outs, pilot trials, and substantial new revenue opportunities.

Aeeris is optimistic about future sales and customer interest in its products and services, particularly those featuring scalable monthly annuity income streams.

Cost Reduction Program

Aeeris is pleased to report improved financial performance and has undertaken a major cost and operating overheads review to substantially reduce operating cash burn.

The Company is very mindful of the expenses of operating the business and the need for capital preservation.

This review has resulted in a 30% reduction in full time head count. There are now 15 full time employees employed in EWN.

All expense lines in the business have been reviewed and where possible trimmed, including software, general expenses, external advisers, accountants and Company Secretary services.

These measures are expected to result in the monthly cash operating overheads of the Aeeris Group being reduced by more than 30% in future periods, compared with recent months.

Directors Fees

As part of the cash cost reduction measures, the Directors have agreed to defer payment of their Director's fees during January and February. To further preserve cash capital, deferred Director's fees may be settled by the issue of securities at some future point in time, subject to shareholder approval.

Summary

In summary, after a year of heavy investment in technology development and marketing activities, Aeeris is optimistic that 2017 will feature strong revenue growth, and more efficient control of costs, with the objective of achieving financial gains in the new year.

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Direct Enquiry

Kerry Plowright
Chairman and CEO
Aeeris Limited
k.plowright@aeeris.com
(+61) 02 6674 2711

Investor Relations Contact

Ben Loiterton
Executive Director
Aeeris Limited
b.loiterton@aeeris.com
(+ 61) 0418 611 161

About Aeeris

Aeeris Limited is a leading geospatial data business.

The Company's **Early Warning Network** system and proprietary **GNIS** technology platform 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, and communicate instantly with these users, especially about events which impact their safety.

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

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- 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 with our products **Safe@Work™** and **SecureAMS™**

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 personnel with regard to security, facility access, time-billing and fraud
- Improve operational efficiencies, labour scheduling and asset management

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

Aeeris is listed on ASX with the ticker code AER