

**AEERIS LIMITED****Quarterly Report for Q4 of FY17 - Quarter Ended 30 June 2017**

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***Strategic repositioning and cost rationalisation process complete***

***EWN business unit continues to incrementally progress***

***Annuity contracts renewed by major customers***

***Merger & acquisition discussions continue***

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**Financial Highlights**

- Total cash receipts of \$339,705 for the quarter
- Net decrease in cash held during the Reporting Quarter of (\$245,934), compared with (\$290,440) for the previous March 17 Quarter, and compared with (\$410,577) for the December 16 Quarter
- Cash position at end of quarter (30<sup>th</sup> June 2017) of \$751,284 (unaudited), with Accounts Receivable of \$173,483 (unaudited)

**Strategic Repositioning Complete**

In the two years since our IPO in April 2015, Aeeris' wholly owned subsidiary **Early Warning Network (EWN)** has invested heavily in expanding operations, sales, marketing, product improvement and software development.

This heavy expenditure was aimed at growing revenues quickly with the objective of creating substantial earnings in the medium term.

But it became clear in mid-2016 that the expected revenue growth curve was slower to appear, and that heavy spending for growth and R&D investment was rapidly diminishing the Company's available cash capital base.

Also, the loss of a major client in July 2016, at this time of high expenditure meant that a decision to reign in spending to preserve capital was sensibly taken in October 2016.

Since that time the Company has reduced costs and made up ground in revenue terms.

**Cost Rationalisation Complete**

Consequently the Company's objective over the last nine months has been to reduce operating expenditure and increase revenue, without compromising current services or our efforts in bringing critical new products and services to market.

The fiscal objective was to bring the Company as close to sustainable break-even as possible, and while various redundancy and restructuring costs were incurred in the reporting quarter (and some are likely in the current September Quarter), at an operating cash flow level, the Company has largely achieved this objective at this time.

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While we are not continuing a heavy investment in expansion and business development, EWN continues to incrementally add new customers and contracts. The business is no longer materially exposed to any individual customer account.

Since October 2016 Aeeris has worked hard to reduce monthly expenditure from over \$250,000 per month to around \$120,000 in the month of July, approximately in line with monthly customer revenues, which are recurring monthly annuity in nature.

Unfortunately the Company had to farewell around 20 talented personnel to achieve this, and the directors would like to thank those departed staff for their excellent contribution during the past two years.

### Recent Business Progress

Despite the reduced scale of the operating platform, and the challenges of scaling income with limited resources, Aeeris continues to make small, but significant, progress with the EWN business, focusing on revenue generation from our core products and services, **All Alerts™**, **Situation Room™** and **Safe@Work™**

All of our key customers have renewed their annual contracts in June/July 2017, providing a secure flow of annuity income to the Company for the year ahead. Some examples include:

- We have extended our severe weather alert and data coverage for major long-haul rail customers, such that our systems now service all of Australia's major intercity rail freight routes, with the exception of Queensland;
- Australian Rail Track Corporation (ARTC) has extended services including a new custom forecasting and alerting service for the ARTC North-South corridor covering NSW and QLD;
- Linfox Transport have signed a new contract to expand EWN services Nationally;
- We have concluded the substantial development of a flood warning system, which has been successfully piloted by one of Australia's largest water authorities. This is unique and can be used by other water authorities anywhere in the world;
- We continue to provide critical data and service to protect many of Australia's local governments, including recent renewals for example by Gladstone Regional Council and Lake Macquarie City Council;
- We have renewed the severe weather alerting contract with the *Spirit of Tasmania*, providing critical data to protect Australia's main shipping line crossing Bass Strait;
- We have just renewed a contract to provide critical live severe weather and bushfire data to a major insurer worth around \$250,000 over two years, with other similar deals in discussion;
- Queensland Public Works and Asset Management have renewed an agreement for alerting services across that State for 12 months;
- South 32 have renewed a 12 month contract for alerting services.

EWN continues to pursue a number of channel partner and distribution relationships which may bring significant revenue opportunities to the Company.

EWN continues to be optimistic about revenue growth and new sales opportunities. We provide critical information and capabilities to our customers, many of which have important

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responsibilities for the safety of their people and protection of their assets from the impact of severe weather events and other destructive hazards.

## Mergers & Acquisitions

Aeeris is currently entertaining discussions with a number of potential merger and acquisition targets with the objective of restoring and driving future shareholder value.

- ENDS -

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## 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:

- 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

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