

AEERIS LIMITED

29 July 2021

Quarterly Activities Statement for the period ended 30 June 2021

Cash inflows from customers for the quarter \$700,816 - Annual cash received FY21 \$2,921,613

Summary

- Unaudited customer receipts for the quarter \$700,816. \$114k of pending receivables were received within 7 days of the EOFY
- **Net operating cashflows** FY21 \$2,921,613
- Cash and cash equivalents \$1,426,958
- Net cash from operating activities \$182,693
- New customers include one of Australia's largest banks and additional services for two of Australia's largest insurers
- Three new senior full time staff appointed; Data Scientist, Spatial Risk Project Manager and a Senior Developer. These are in addition to contracted marketing services
- Investment in digital marketing identifying strong customer lead generation

Quarterly Commentary

Aeeris Limited (ASX:AER) is pleased to provide an overview of its quarterly activities for Q4 FY2021. Aeeris had estimated cash receipts of between \$2.9M and \$3M for the year. Actuals (unaudited) were \$2.92M with an additional \$114k received within seven days of the end of the year. This is a 55% increase from FY20 revenues.

While COVID will be an ongoing business concern for many, the annuity nature of Aeeris' current business, plus new customers, shields its revenues as extreme weather and other natural hazards remain an immediate risk to clients and companies.

As announced in its last quarterly activities report, Aeeris' Climate Risk Disclosure Platform (CRDP) is now available at <http://www.climateriskdisclosure.com.au/>. The defining difference for Aeeris' CRDP is the use of historical geospatial data that is uniquely mapped and analysed by the Company to obtain an accurate physical risk score for any location within Australia.

The historical data includes categorical event data going back to the 1900's for some hazards. This is then combined with Aeeris' own 12 years of spatial operational data to produce a reliable estimate of event recurrence probabilities. It is advantageous to use historical data over 'black-box' model outputs, such as used by some of Aeeris' competitors, as it can provide real quantification of recurrence probability over the short term (1-20 years); making it more meaningful for the user in adaption and mitigation options.

In response to this data availability and a gap in the industry, Aeeris has developed a first generation interactive commercial platform that can output the event recurrence probability based on asset location and the number of extreme weather events. These results can be viewed interactively or exported with other climate based information pertaining to a client's assets. In turn, this data can be used for public disclosures, as recommended by the Task Force on Climate-Related Financial Disclosures (TCFD), which states that "Financial markets need clear, comprehensive, high-quality information on the impacts of climate change."

An article published by the Australian Financial Review on 29 June 2021 (<https://bit.ly/3hK5SeD>) reiterated TCFD's recommendation and stated that **"lawyers say company directors could be liable for failing to understand and disclose climate risks, could be sued for failing to act on those risks once known, and may be liable for misleading or deceptive conduct for selectively disclosing exposures to climate change"**.

Operations

Operationally Aeeris has increased activity with multiple new and large customers using the hail forecasting and API services in addition to current customers expanding their requirements, primarily in the insurance and banking industry. COVID has had no impact on operations, but has slowed prospective customer response times especially with the NSW lockdown. Despite that, Aeeris is delivering more services to more customers.

Hail services went live this quarter with one of Australia's largest insurers and one of Australia's largest banks with both taking up the offering. Aeeris is looking to expand and promote the service over the next few months as we enter another potential large hail storm season from October. This service is the first of it's kind in Australia and looks to redefine the way we work with hail events.

Going to market

As mentioned, Aeeris has partnered with XEN (www.xen.com.au), digital marketing and HubSpot experts, to develop and execute its marketing initiative. This is paying off. Aeeris has never attracted as much enquiry and of such quality as it has during this part of the year.

Aeeris has previously provided a list of our target market. While it will pursue all these avenues, the market is coming to us. Large players are after the data, but will likely need our algorithms to initially make sense of it. This is the case with Aeeris' main product set. The Climate Risk Disclosure Platform (CRDP) looks to be taking the same course.

Business Activities and Expenditures

Payments made to related parties during the quarter were directors' fees and consultancy expenses. Other expenditures - D&O and general insurance, digital marketing, continued. Climate Risk R&D investment, and \$150,000 spent on alerting, monitoring and customer support within the quarter.

- ENDS -

Direct Enquiry

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Chairman and CEO

Aeeris Limited

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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, assets and operations. Risks are communicated instantly over multiple channels to those that need it, where and how they want it.

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

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, mitigate and report on risk
- 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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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

AEERIS LIMITED

ABN

18 166 705 595

Quarter ended ("current quarter")

30 JUNE 2021

Consolidated statement of cash flows	Current quarter \$A	Year to date (12 months) \$A
1. Cash flows from operating activities		
1.1 Receipts from customers	700,816	2,222,337
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(178,784)	(976,676)
(c) advertising and marketing	(37,778)	(37,778)
(d) leased assets	-	-
(e) staff costs	(175,625)	(737,004)
(f) administration and corporate costs	(88,700)	(386,723)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	71	1,918
1.5 Interest and other costs of finance paid	(144)	(1,955)
1.6 Income taxes paid	(12,049)	(99,496)
1.7 Government grants and tax incentives	-	697,358
1.8 Other (provide details if material)	(25,114)	(46,738)
1.9 Net cash from / (used in) operating activities	182,693	635,243
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(3,770)	(8,142)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter \$A	Year to date (12 months) \$A
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(3,770)	(8,142)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,248,035	799,857
4.2	Net cash from / (used in) operating activities (item 1.9 above)	182,693	635,243
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3,770)	(8,142)

Consolidated statement of cash flows		Current quarter \$A	Year to date (12 months) \$A
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,426,958	1,426,958

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A	Previous quarter \$A
5.1	Bank balances	1,426,958	1,248,035
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,426,958	1,248,035

6. Payments to related parties of the entity and their associates

6.1 Aggregate amount of payments to related parties and their associates included in item 1

6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A
65,500
-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Directors fees and consultancy expenses.

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7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

- 7.1 Loan facilities
- 7.2 Credit standby arrangements
- 7.3 Other (please specify)
- 7.4 **Total financing facilities**

	Total facility amount at quarter end \$A	Amount drawn at quarter end \$A
7.1	-	-
7.2	-	-
7.3	-	-
7.4	-	-

7.5 Unused financing facilities available at quarter end

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- 7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

8. Estimated cash available for future operating activities**\$A**

8.1	Net cash from / (used in) operating activities (Item 1.9)	182,693
8.2	Cash and cash equivalents at quarter end (Item 4.6)	1,426,958
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	1,426,958
8.5	Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	7.81

- 8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 July 2021

Authorised by: The Board of Aeeris Limited
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.