

30 October 2025

Company Announcements Office
Australian Securities Exchange

QUARTERLY ACTIVITIES REPORT AND APPENDIX 4C

In accordance with ASX Listing Rule 4.7B, Aeris Environmental Ltd (Aeris or the Company) presents its September 2025 Quarterly Activities Report and attaches its Quarterly Cash Flow Report – Appendix 4C.

Highlights

- **Expansion of Syncromesh project pipeline with two new commercial sites commissioned in Australia, extending market reach into aged care and sports facility sectors.**
- **Successful North American market entry with US distributor H4 Enterprises completing initial commercial installation and building robust pipeline across US Federal departments.**
- **Strategic Asian expansion underway with dealer discussions and initial agreement for high-profile tier one power monitoring solutions.**
- **Selected as pillar member of NSW Government PropTech delegation to CREtech New York, generating over 70 unsolicited customer inquiries prior to event.**
- **Consumables business momentum continues with repeat orders from UAE OEM coil manufacturer, two new OEM customers onboarded and Budweiser Asia Pacific certification secured.**
- **Revenue for September 2025 quarter of \$702,639, delivering a gross margin of 52%, within targeted range.**
- **Operating expenses well-controlled and within targeted range, supporting sustainable growth trajectory.**

Financial Highlights

Aeris delivered quarterly revenue totalling \$702,639, with the Company's gross margin of 52% remaining within the targeted range. Operating expenses continued to be well-controlled, reflecting disciplined capital allocation across growth initiatives. Cash receipts were \$592,000 for the September 2025 quarter, with cash and cash equivalents of \$1,139,000 at 30 September 2025.

Aeris' strategic investments in the AerisTech Syncromesh ecosystem are creating a foundation for scalable, recurring Software as a Service (SaaS) revenues while the consumables business continues to deliver consistent sales growth across international markets.

AerisTech Syncromesh Ecosystem

Market Expansion and Commercial Traction

The first quarter of the 2025-26 financial year (FY26) marked a significant inflection point for AerisTech Syncromesh, with the platform demonstrating commercial validation across multiple markets and verticals. Domestically, the Company secured two additional commercial sites representing strategic expansion into aged care and sports facilities, with both sectors offering substantial addressable markets with hundreds of potential locations across Australia and New Zealand.

Active engagement with leading quick-service restaurants and the convenience store vertical continues to progress, with early commercial sites demonstrating encouraging operational efficiency gains, energy savings and a rapid return on investment. These results are supporting broader deployment discussions with national and international franchise networks, representing a potentially-transformative revenue opportunity whilst Aeris transitions from early commercial sites to network deployments.

North American Market Entry

The partnership with H4 Enterprises (H4) is accelerating ahead of expectations. H4 successfully completed its initial commercial installation during the quarter, and has made substantial commitments to market development, including hiring four staff for new dedicated positions, and funding exhibition booths for New York Real Estate Week and the CREtech New York conference in October 2025. This level of investment signals H4's strategic commitment to positioning Aeris solutions as a cornerstone of H4's growth strategy.

Notably, H4's focus on US Federal departments opens access to a vast market, with strong sustainability mandates and substantial budgets for building modernisation. Federal facilities represent a significant and growing opportunity given their focus on energy efficiency, security and sustainability compliance, which are all core strengths of the Syncromesh platform.

International Recognition and Pipeline Development

Aeris's recent selection as a pillar member of the NSW Government PropTech delegation to CREtech New York represents significant validation of the Company's technology leadership. Prior to the event, over 70 unsolicited inquiries from potential customers were received, demonstrating strong market demand for wireless, scalable smart building solutions. This pipeline provides a substantial opportunity for conversion in FY26.

In Asia, strategic meetings with potential Syncromesh dealers advanced during the quarter, with an initial agreement secured to implement high-profile tier one branded power monitoring solutions. This represents the early stages of broader Asian market penetration, complementing the established consumables business in the region.

Technology Development and Competitive Positioning

The Company made significant advances in research and development, particularly enhancing the cloud-based AerisView command centre and expanding integration capabilities with existing building automation systems. These technical improvements strengthen AerisTech's competitive differentiation, providing unmatched flexibility, scalability and ease of deployment compared to currently available legacy building management systems.

With over 80% of commercial buildings globally still lacking advanced digitalisation, and the smart building market projected to triple from \$127 billion by 2030, Syncromesh is well-positioned to capture a meaningful share in the wireless retrofit segment – a market underserved by traditional building automation providers.

Product Evolution and Market Readiness

The Company is expanding product development capabilities to address broader market segments. Development is progressing on Syncro Net, a plug-and-play energy, lighting and indoor air quality solution targeting the wholesale market for global distribution. This off-the-shelf product approach will complement the existing bespoke project capabilities, enabling faster deployment and reduced customer acquisition costs across mid-market opportunities. This off-the-shelf new platform will enable contractors, integrators and electricians to rapidly implement the Syncromesh ecosystem whilst the majority of the SaaS revenues remain with Aeris.

This dual-product strategy includes bespoke solutions for enterprise customers and standardised offerings for mid-market customers, and positions the Company to be able to address a substantially larger, total addressable market while maintaining premium margins on complex deployments.

Consumables

Middle East Expansion

In the Middle East, Aeris received a second order for corrosion protection solutions from a major United Arab Emirates (UAE) original equipment manufacturer (OEM) of air-conditioning coils. This represents the second manufacturing site with this customer to migrate to the Company's product line, demonstrating product performance and customer satisfaction, and driving organic expansion within existing accounts.

New OEM customers in the Middle East and Asia placed initial orders for corrosion protection products during the quarter, validating the global marketing campaign and expanding Aeris' geographic footprint. The successful commercialisation of AerisGuard Performance Corrosion Coating positions the Company for ongoing quarterly demand and provides a platform for further regional expansion as climate-stressed markets increasingly require advanced heating, ventilation and air-conditioning protection solutions.

Asia-Pacific Growth

Aeris achieved a significant milestone with certification and qualification from Budweiser Asia Pacific (vetted by Budweiser Global) following successful plant trials in China. Implementation across multiple sites demonstrated the superior efficacy of the Company's new specialty hard surface disinfectants and proprietary enzyme formulations. Initial orders are expected to follow soon. This certification establishes a strong foundation for expansion across Budweiser's broader Asia Pacific network, and provides valuable reference credibility for approaching other major beverage and food manufacturing customers in the region. The food and beverage manufacturing sector represents a substantial market for specialty cleaning and disinfection solutions, with stringent safety requirements favouring proven, certified products.

Related-Party Transactions

Payments to Aeris' related parties and their associates during the quarter were: Non-Executive Directors' fees totalling \$77,000, being paid to Maurie Stang (\$25,000), Jenny Harry (\$19,000), Abbie Widin (\$17,000) and Steven Kritzler (\$16,000). Property outgoings, rent, corporate overheads, distribution, administration expenses and other charges of \$127,000 were paid to Regional Corporate Services Pty Ltd, of which Non-Executive Director Maurie Stang is a director. Patent expenses of \$2,700 were paid to Novapharm Research (Australia) Pty Ltd, of which Non-Executive Directors Maurie Stang and Steven Kritzler are directors.

In June 2025, three additional new unsecured loan facilities for a total of \$2,500,000 were entered into with two of the Non-Executive Directors (Maurie Stang – \$1,000,000 and Steven Kritzler – \$500,000) and one of the Company's shareholders (Bernard Stang – \$1,000,000). Each loan is an unsecured facility that attracts 10% interest per annum, with interest being capitalised and can be repaid without penalty if Aeris secures alternative funding. The maturity date of the loan facilities is 28 June 2027. The loan balances, inclusive of capitalised interest, as at 30 September 2025 are \$2,080,493 for Non-Executive Director Maurie Stang, \$2,071,646 for Non-Executive Director Steven Kritzler and \$1,900,634 for the Company's substantial shareholder Bernard Stang. As at 30 September 2025 the total loan facilities are \$7,168,625, with an amount drawn down of \$6,052,773, leaving \$1,115,851 of the loan facilities left undrawn, providing financial flexibility for growth initiatives. As partial consideration for the loan facilities of \$7,000,000, the lender will receive Aeris options on a 1:1 ratio with an exercise price of \$0.20 and an expiry date of four years from the date of issue. The issue and exercise of the options will comply with ASX Listing Rules.

Summary

Aeris' first quarter of FY26 demonstrated substantial commercial momentum across both the AerisTech Syncromesh ecosystem and the consumables segments, positioning the Company for accelerated growth. The quarter's standout achievements include successful North American market entry through H4 with initial commercial installation completed, domestic expansion into aged care and sports facility sectors, and selection as a pillar member of the NSW Government PropTech delegation to CREtech New York. Consumables delivered important milestones, including repeat orders from a UAE OEM coil manufacturer, initial orders from new OEM customers and successful Budweiser Asia Pacific certification following plant trials in China.

The convergence of regulatory drivers for sustainability compliance, building performance standards and rising energy costs creates highly favourable market conditions for Aeris' integrated ecosystem of Internet of Things (IoT) hardware, SaaS platforms and specialty chemical solutions. The smart building market is growing at over 30% annually and more than 80% of commercial buildings lack meaningful digitalisation, presenting an attractive market opportunity for the Company.

Syncromesh's wireless retrofit capability and near universal IoT compatibility position Aeris to capture significant market share. The multiple revenue stream model of proprietary hardware, recurring SaaS revenue from Syncromesh and consistent consumables growth, provides business resilience while supporting continued investment in technology leadership. Management remains focused on converting the expanding pipeline into commercial deployments, deepening channel partnerships, and accelerating product development to deliver sustained growth throughout FY26 and beyond.

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The Company's Quarterly Activities Report was authorised by the Board of Directors.

About Aeris Environmental Ltd

The Company is focused on growing an ecosystem of products in the smart building market, solving the growing demand for energy efficiency and carbon neutrality solutions.

Aeris' ecosystem of products allows customers to measure, verify and act on their carbon footprint via a range of products, including hardware, software and consumables. The Company's whole-of-system approach delivers measurable outcomes, and is highly scalable and easy to install, ensuring that systems perform better, are safer, last longer and cost less to run.

AerisTech Syncromesh operates under an incorporated joint venture (JV) named AerisTech Pty Ltd, 60% owned by Aeris and 40% by Cognian Technologies Ltd (Cognian). AerisTech, which is focusing on commercialisation and further product development of the joint technology, is jointly funded by Aeris and Cognian proportionally to their interests in the JV.



Appendix 4C

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

Name of entity

Aeris Environmental Ltd

ABN

19 093 977 336

Quarter ended ("current quarter")

30 September 2025

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 months) \$A'000
1 Cash flows from operating activities		
1.1 Receipts from customers	592	592
1.2 Payments for		
(a) research and development	(34)	(34)
(b) product manufacturing and operating costs	(658)	(658)
(c) advertising and marketing	(88)	(88)
(d) staff costs and Directors' fees	(408)	(408)
(e) administration and corporate costs	(525)	(525)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	4	4
1.5 Interest and other financial costs	(8)	(8)
1.6 Income tax refund received (including R&D tax offset)	65	65
1.7 Government grants and tax incentives	-	-
1.8 Others (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,060)	(1,060)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
2 Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(4)	(4)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
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 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	(4)	(4)
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	6	6
3.4 Transaction costs related to issues of equity securities	-	-
or convertible debt securities	-	-
3.5 Proceeds from borrowings	1,315	1,315
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	1,321	1,321

4 Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	883	883
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,060)	(1,060)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(4)	(4)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	1,321	1,321
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	1,139	1,139

Consolidated statement of cash flows

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'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,139	883
5.2 Term Deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Deposits at call	-	-
5.5 Cash and cash equivalents at end of quarter (item 4.6)	1,139	883

6 Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	207
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-

7 Financing facilities available

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

	Total facility \$A'000	Amount drawn \$A'000
7.1 Loan facilities	7,169	6,053
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	7,169	6,053
7.5 Unused financing facilities available at quarter end		1,116

- 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.

There are three loan facilities totalling \$7,168,625 that have been entered into with two Directors (Maurie Stang and Steven Kritzler) and one Substantial Shareholder (Bernard Stang). Each loan is an unsecured facility that attracts 10% interest, with interest being capitalised, and can be repaid without penalty if Aeris secures alternative funding. As partial consideration for the loan facilities of \$7,000,000, the lender will receive Aeris options on a 1:1 ratio with an exercise price of \$0.20 and an expiry date of four years from the date of issue. The issue and exercise of the options will comply with ASX Listing Rules. The loan maturity date is 27 June 2027.

8 Estimated cash available for future operating activities

	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,060)
8.2 Cash and cash equivalents at quarter end (item 4.6)	1,139
8.3 Unused finance facilities available at quarter end (item 7.5)	1,116
8.4 Total available funding (item 8.2 + item 8.3)	2,255
8.5 Estimated quarters of funding available	2.127

(item 8.4 divided by item 8.1)

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

- 8.6.1 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?

- 8.6.2 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?

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

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: **30 October 2025**

Authorised for release to the market by the Aeris Board of Directors.

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.