

30 July 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 June 2025 Quarterly Activities Report and attaches its Quarterly Cash Flow Report – Appendix 4C.

Highlights

- **Strong commercial interest for AerisTech Syncromesh resulted in approximately \$70,000 in revenue from three new enterprise customers for the month of June 2025.**
- **A purchase order valued at \$346,000 was received for new generation anti-corrosion coating products from a high-profile original equipment manufacturer (OEM) coil manufacturer based in the United Arab Emirates (UAE).**
- **The Company progressed its environmentally-friendly Aeris next generation surface disinfectants, with initial orders received from major corporations in China.**
- **Revenue for the June 2025 quarter was \$1.10 million, being a 62% increase from the previous quarter. The gross margin of 44% was within the targeted range.**
- **Operating expenses continued to be well-controlled and were in the targeted range.**
- **Cash receipts totalled \$1.15 million, with cash and cash equivalents of \$883,000 at 30 June 2025.**

Financial Highlights

The Company delivered quarterly revenue totalling \$1.10 million, with Aeris' gross margin for the quarter being 44% and within the targeted range.

Operating expenses continued to be well-controlled and were in the targeted range. The Company's cash receipts were \$1.15 million for the June 2025 quarter, and cash and cash equivalents were \$883,000 on 30 June 2025.

AerisTech Syncromesh Ecosystem

In Australia, strong customer acceptance for AerisTech Syncromesh smart building solutions led to significant expansion in the new customer pipeline, with several new sites and national customers generating approximately \$70,000 of invoiced revenue for the month of June 2025.

AerisTech continues to gain positive customer feedback for its relevance, cost-effectiveness and scalability, translating into a strong and growing customer pipeline, with positive initial conversion rates from qualified quotes to commercial sales. Additionally, Aeris is expanding its portfolio of channel partners, systems integrators and installers, with strategic support from a globally-recognised leading electrical wholesaler.

During the fourth quarter of the 2024-25 financial year (Q4 FY25), the Company engaged one of Australia's leading financial institutions, deploying AerisTech across several locations. Under the initial agreement, Aeris received an upfront payment of \$42,000 in hardware and software fees,

and the positive progress of the initial sites could serve as a gateway to a broader rollout across further sites nationwide.

The first US-based channel partner was onboarded in Q4 FY25, securing the first US commercial installation of AerisTech solutions and generating hardware revenue of US\$10,000 in addition to monthly upfront software revenue commencing in the 2025-26 financial year. The Company is also in active discussions to expand AerisTech to two additional sites in the partner's commercial pipeline.

Alongside the growing Australian and US markets, Aeris has taken steps to expand its geographic footprint in several international markets, with an early focus on the Asia-Pacific (APAC) region.

Consumables

In the UAE, successful trials of the Company's new corrosion protection solutions resulted in an initial order of \$346,000 from a major Middle Eastern OEM of air-conditioning coils. This milestone supports Aeris' international expansion and the commercial rollout of its AerisGuard Performance Corrosion Coating. This OEM is now purchasing a broader range of products from the Company and is promoting the Aeris protected product line as a premium offering, with ongoing quarterly demand anticipated.

The Company is introducing its advanced coil coating technology to heating, ventilation and air-conditioning (HVAC) coil OEMs internationally, receiving positive feedback and strong interest. The market for corrosion protected coils is currently growing at a significant rate, and this order highlights the high-quality performance, reliability and relevance of Aeris' solutions for harsh environments, such as the Middle East, where environmental factors pose serious risks to HVAC system performance and longevity.

As previously announced, the Company invested in a new generation of eco-friendly specialty chemical disinfectants. This new range of products demonstrates substantial benefits over legacy competitive technologies, and is proving compelling, with several enterprise customers in the process of transitioning away from legacy products that have various occupational health and safety, and efficacy, challenges.

In Asia, Aeris secured certification and qualification with a major enterprise beverage group following successful plant trials, demonstrating the benefits of its new specialty hard surface disinfectants. This approval paves the way for potential rollout across the customer's several other sites in the APAC region. Additionally, an enterprise food manufacturer placed an initial \$20,000 order for the Company's sanitiser and enzyme range, with quarterly demand for product expected.

In response to record rainfall events in Queensland during the year, demand for Aeris' proprietary range of mould remediation products and services has significantly increased. This growth reflects the effectiveness of the Company's solutions and supports Aeris' continued expansion into this market.

Related-Party Transactions

Payments to the Company's related parties and their associates during the quarter were: Non-Executive Directors' fees totalling \$77,000 paid to Maurie Stang (\$25,000), Jenny Harry (\$19,000), Abbie Widin (\$17,000) and Steven Kritzer (\$16,000). Property outgoings, rent, corporate overheads, distribution, administration expenses and other charges of \$239,000 were paid to Regional Corporate Services Pty Ltd, of which Non-Executive Director Maurie Stang is a director. Contract research and development, and other expenses, of \$76,000 were paid to Novapharm Research (Australia) Pty Ltd, of which Non-Executive Directors Maurie Stang and Steven Kritzer are directors. Product purchases of \$58,000 were paid to EnviroGuard Technologies Pty Ltd, of

which Non-Executive Director Maurie Stang is a director. Non-Executive Director Steven Kritzler has an indirect beneficial interest in EnviroGuard Technologies Pty Ltd through a trust.

In June 2025, three additional new 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 Aeris' shareholders (Bernard Stang – \$1,000,000). An amount of \$500,000 from Non-Executive Director Steven Kritzler's loan facility, established in June 2024, has been rolled over, making the total of his current undrawn loan facility as \$1,000,000. Each loan is an unsecured facility that attracts 10% interest per annum and can be repaid without penalty if the Company secures alternative funding. The maturity date of the loan facilities is 28 June 2027. The loan balances, inclusive of capitalised interests, as at 30 June 2025 are \$2,028,922 for Non-Executive Director Maurie Stang, \$1,853,522 for Aeris' shareholder Bernard Stang and \$1,042,931 for Non-Executive Director Steven Kritzler. As at 30 June 2025 \$2,500,000 of the loan facilities is left undrawn.

Summary

The Company is focussed on solving key enterprise challenges in energy, carbon performance and improving the built environment. Aeris is demonstrating synergy between the generation of internet of things (IoT) data and its specialty chemical range, delivering energy efficiency gains, enhanced indoor air quality, improved biological safety in the work environment along with asset longevity and protection.

The Syncromesh IoT ecosystem attained through the AerisTech joint venture (JV) has received positive feedback from customers and increasing commercial orders. The Company continues to invest in advancing the platform, specifically the cloud-based AerisView command centre, to generate ongoing software as a service (SaaS) revenues from both direct and channel sales. One of AerisTech's key strengths is its ability to support multi-site customers seeking standardisation, efficiency and carbon reporting compliance.

Aeris' strategy is to develop an ecosystem compatible with current building automation standards, a wide range of commercial sensors and flexibility to provide an onramp to the Syncromesh platform tailored to customers' needs. With over 80% of commercial buildings globally yet to adopt advanced digital systems, the multibillion-dollar total addressable market presents a significant growth opportunity for AerisTech's cost-effective, scalable solutions.

The strategic progress achieved with the implementation of Syncromesh lays the groundwork to unlock future growth, expanding the Company's solutions from a consumables-focused business to a scalable technology-led model with diversified income streams and recurring revenue.

Andrew Just, Aeris Environmental Ltd's Chief Executive Officer, commented:

"Q4 FY25 demonstrated sound progress in multiple sectors of the Company's local and international activities, with a parallel positive momentum in both our specialty products and our new JV. Syncromesh technology gained significant traction both in product development milestones and customer engagement. Commercial clients have been engaged across industrial, finance and aged care verticals, generating both capital sales and ongoing SaaS revenues.

From an international markets perspective, substantial gains were achieved in the corrosion protection sector, together with strong customer engagement in China. As previously announced, there has been significant investment in new generation products that are further differentiated, giving momentum to Aeris' specialty chemical business.

Q4 FY25 witnessed substantial progress in executing against the Company's growth strategy and it is well positioned to enjoy growth on multiple fronts in the coming year."



Aeris will be holding webinars both for trade and investors to focus on its emerging leadership in the smart buildings sector. Details will be provided via both the Company's website and database.

For more information, please contact:

Aeris Environmental Ltd

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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.



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 June 2025

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
1 Cash flows from operating activities		
1.1 Receipts from customers	1,151	3,124
1.2 Payments for		
(a) research and development	(142)	(587)
(b) product manufacturing and operating costs	(585)	(1,589)
(c) advertising and marketing	(87)	(310)
(d) staff costs and Directors' fees	(454)	(1,700)
(e) administration and corporate costs	(1,295)	(3,489)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	5	24
1.5 Interest and other financial costs	(2)	(15)
1.6 Income tax refund received (including R&D tax offset)	-	201
1.7 Government grants and tax incentives	-	-
1.8 Others (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,409)	(4,341)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 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	-	(5)
(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	-	(5)
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	1,431	4,239
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	1,431	4,239

4 Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	861	990
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,409)	(4,341)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	(5)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	1,431	4,239
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of period	883	883

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	883	861
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)	883	861

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	450
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	3,000	500
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	3,000	500
7.5 Unused financing facilities available at quarter end		2,500

- 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 were three facilities of up to \$1,000,000 each that have been entered into with two Directors (Maurie Stang and Steven Kritzler) and one Shareholder (Bernard Stang). Each loan is an unsecured facility that attracts 10% interest and can be repaid without penalty if Aeris secures alternative funding. The loan maturity date is 28 June 2027.

8 Estimated cash available for future operating activities

	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,409)
8.2 Cash and cash equivalents at quarter end (item 4.6)	883
8.3 Unused finance facilities available at quarter end (item 7.5)	2,500
8.4 Total available funding (item 8.2 + item 8.3)	3,383
8.5 Estimated quarters of funding available	2.401

(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 July 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.