

29 April 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 March 2025 Quarterly Activities Report and attaches its Quarterly Cash Flow Report – Appendix 4C.

### **Highlights**

- **Revenue of \$674,783 in the March 2025 quarter.**
- **Gross margin of 57.86%, which is in the targeted range.**
- **Operating expenses continued to be well-controlled and were in the targeted range.**
- **Cash receipts totalled \$633,045, and cash and cash equivalents were \$860,731 on 31 March 2025.**
- **Initial first quarterly revenues from the AerisTech Joint Venture (JV) hardware and software sales, supporting Aeris' investment case for an ecosystem of products that improve bottom-line performance.**
- **Pilot partnership with top Australian financial institution, with AerisTech being used across four pilot sites, with installations completed in March 2025.**
- **Consumables segment gained momentum with revenue driven by weather events in Queensland and trials commenced for corrosion protection products in the United Arab Emirates (UAE).**

### **Financial Highlights**

The Company delivered quarterly revenue totalling \$674,783, with Aeris' gross margin for the quarter being 58%, an improvement on the previous corresponding period and above the targeted range.

Operating expenses continued to be well-controlled and were in the targeted range. The Company's cash receipts were \$633,045 for the March 2025 quarter, and cash and cash equivalents were \$860,731 on 31 March 2025.

### **AerisTech – Hardware and Software**

During the March 2025 quarter, AerisTech onboarded the Australian network of an international food group customer under a three-month pilot programme across three stores in Australia. As part of the agreement, AerisTech deployed hardware and software to aid in the collection and visualisation of occupancy counting, temperature monitoring, door sensors and energy consumption.

The installation of AerisTech's proprietary Syncromesh platform led to valuable insights on optimal asset performance and maintenance schedules. Results from these first installations have been highly encouraging, with substantial cost savings and operational efficiencies being observed. This demonstrates AerisTech's broad use case, and its ability to return cost and operational efficiencies within a short timeframe.

Additionally, this quarter AerisTech secured an initial agreement with a large Australian financial institution to install AerisTech's product across four pilot locations. Under this agreement, AerisTech received an upfront installation payment of \$42,000 to demonstrate how Syncromesh will assist with cost savings, energy consumption, occupancy metrics and aid emission reductions. As part of the installation process, multiple sensors have been deployed at each site, measuring energy consumption, indoor air quality, occupancy counting, door monitoring, and emergency light monitoring and testing.

The opportunity at the enterprise corporate level has been partially driven by regulatory changes in sustainability reporting for corporations, under the Corporations Act. As of 2025, regulatory requirements state that Australian companies have to report on energy efficiency metrics and targets. These climate-related obligations are required for 'Group 1'<sup>1</sup> companies from 2025 and highlight the favourable operating environment for AerisTech, as its smart building solutions are well-positioned to aid businesses with their reporting requirements in a scalable, cost-effective manner.

There is a significant increase in the demand for energy efficiency and carbon reporting, particularly in an era where energy costs are rising substantially faster than inflation. The AerisTech Syncromesh platform delivers actionable real time data, significant cost savings, and comparisons and benchmarking capabilities within large enterprise portfolios, all with a highly attractive return on investment (ROI).

AerisTech's focus is on a wireless smart building capability set, which is compatible with most lighting, and heating, ventilation and air-conditioning control systems, is easy to implement, and delivers an unparalleled ecosystem of capabilities tailored to the customer's requirements. Early customer feedback confirms that the Syncromesh ecosystem is superior to conventional control systems in its capabilities whilst being lower cost in its acquisition.

AerisTech is an incorporated JV operating through AerisTech Pty Ltd, which is 60% owned by Aeris and 40% by Cognian Technologies Ltd.

## Consumables

The consumables segment of the business continued to expand during the March 2025 quarter, with both domestic and international revenues growing from the previous quarter. Aeris' domestic revenue was particularly strong driven by the weather events in Queensland, which delivered a significant uptake in mould products.

Additionally, the Company has conducted several trials for a corrosion protection product at two different manufacturers in the UAE. Aeris is confident these trials will lead to product listings in the near future, and the process of applying to be a qualified supplier has commenced.

In China, following a successful trial of an industrial consumable product with a Budweiser factory, the Company has commenced the process of becoming a qualified supplier.

## Related-Party Transactions

Payments to Aeris' related parties and their associates during the quarter were: Non-Executive Directors' fees, totalling \$71,000, paid to Maurie Stang (\$25,000), Jenny Harry (\$17,000), Abbie Widin (\$15,000) and Steven Kritzler (\$14,000). Property outgoings, rent, corporate overheads,

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<sup>1</sup> Under the requirements, Group 1 companies meet two of three thresholds, being:

- Consolidated revenue  $\geq$  \$500 million
- Consolidated assets  $\geq$  \$1 billion
- Employees  $>$  500

OR

- NGER reporter above NGER reporting threshold in s13(1)(a) of the NGER Act

distribution, administration expenses and other charges of \$182,000 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 \$87,000 were paid to Novapharm Research (Australia) Pty Ltd, of which Non-Executive Directors Maurie Stang and Steven Kritzler are directors. Product purchases of \$9,000 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. During June 2024, three loan facilities of \$1,500,000 each were entered into with two Directors (Maurie Stang and Steven Kritzler) and one of the Company's shareholders (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 2026 and \$3,491,466 of the \$4,500,000 facility has been drawn down as of 31 March 2025.

## Summary

The Company's third quarter activity focused on progressing the AerisTech JV, with seven pilot sites returning data that provided valuable insights on operational efficiencies. These actionable insights provide a clear pathway to improving the bottom line for customers and are demonstrating a compelling ROI profile of less than 18 months. Customer feedback has been consistent and positive, reinforcing the view that the Syncromesh ecosystem is unique, scalable, and delivers capabilities for both compliance and cost savings that are unmatched in today's market.

The milestones ahead for Aeris are targeted to deliver an expanding distributor and contractor network, developing the Company's international capabilities and growing Aeris' customer pipeline both in the enterprise and mid-level markets. Importantly, the Company is confirming real synergy between the data-driven Syncromesh environment and the energy efficiency, indoor air quality and corrosion protection core business of Aeris. In the Company's dealings with both the C-suite and facilities management at the enterprise level, Aeris can deliver integrated systems and enhancement programmes targeting not only compliance requirements, but also real improvement in the performance of assets, all the while delivering a healthier and safer work environment for staff and customers.

## For more information, please contact:

### **Aeris Environmental Ltd**

Andrew Just  
Chief Executive Officer  
[info@aeris.com.au](mailto:info@aeris.com.au)

Melanie Singh  
Investor Relations  
[melanie@nwrcommunications.com.au](mailto:melanie@nwrcommunications.com.au)

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

## About Aeris Environmental Ltd

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

The Company's ecosystem of products allows customers to measure, verify and act on their carbon footprint via a range of products, including hardware, software and consumables. Aeris' 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")

**31 March 2025**

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1 Cash flows from operating activities</b>		
1.1 Receipts from customers	633	1,973
1.2 Payments for		
(a) research and development	(131)	(446)
(b) product manufacturing and operating costs	(239)	(1,004)
(c) advertising and marketing	(85)	(223)
(d) staff costs and Directors' fees	(380)	(1,246)
(e) administration and corporate costs	(656)	(2,193)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	6	19
1.5 Interest and other financial costs	(3)	(13)
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)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(856)</b>	<b>(2,932)</b>

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>2 Cash flows from investing activities</b>		
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)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	-	(5)
<b>3 Cash flows from financing activities</b>		
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	633	2,808
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)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	633	2,808

<b>4 Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	1,084	990
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(856)	(2,932)
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)	633	2,808
4.5 Effect of movement in exchange rates on cash held	-	-
<b>4.6 Cash and cash equivalents at end of period</b>	<b>861</b>	<b>861</b>

### Consolidated statement of cash flows

<b>5 Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Cash on hand and at bank	861	1,084
5.2 Term Deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Deposits at call	-	-
<b>5.5 Cash and cash equivalents at end of quarter (item 4.6)</b>	<b>861</b>	<b>1,084</b>

<b>6 Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1 Aggregate amount of payments to related parties and their associates included in item 1	349
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

	<b>Total facility \$A'000</b>	<b>Amount drawn \$A'000</b>
7.1 Loan facilities	4,500	3,500
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	4,500	3,500
7.5 Unused financing facilities available at quarter end		1,000

- 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 \$1,500,000 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 2026.

## 8 Estimated cash available for future operating activities

	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(856)
8.2 Cash and cash equivalents at quarter end (item 4.6)	861
8.3 Unused finance facilities available at quarter end (item 7.5)	1,000
8.4 Total available funding (item 8.2 + item 8.3)	1,861
8.5 Estimated quarters of funding available	2.174

(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: **29 April 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.