29 October 2026

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 2026 Quarterly Activities Report and attaches its Quarterly Cash Flow Report – Appendix 4C.

The Company will be providing a comprehensive update on its activities at the forthcoming Aeris Annual General Meeting (AGM) to be held on 26 November 2026.

Highlights

- Successful fundraising of $1,500,000, before costs, announced on 20 October 2026, through a placement of 34,090,908 new fully paid ordinary shares at $0.044 per share.
- AerisTech's Syncromesh Omni building intelligence platform launch is receiving strong and positive market response, and resulting commitments, in terms of both its enterprise platform, and its plug and play Omni offering.
- The Company's solution for institutional banking customers is proving to meet and, indeed, exceed required specifications, and is addressing higher efficiencies, privacy requirements and an outstanding return on investment (ROI).
- Orders for mould remediation products were secured for multiple brewery sites in China in September 2026, with further orders scheduled for delivery in the December 2026 quarter.
- Corrosion protection sales to a major original equipment manufacturer (OEM) in the Middle East were recognised in the quarter, with further purchase orders for related products received in September 2026 to be fulfilled in the December 2026 quarter.
- Online consumables sales grew 43% compared to the June 2026 quarter.
- Revenue for the quarter was $684,000, broadly in line with the prior corresponding period (PCP) of $699,000, with a gross margin of 53%, which is in line with the PCP and forecast range.
- Operating expenses continued to be well-controlled and were in the targeted range.
- Cash receipts totalled $932,000 for the quarter, with cash and cash equivalents of $840,000 as at 30 September 2026.

Financial Highlights

In October 2026 Aeris successfully closed a placement to a group of sophisticated investors that has significant interest in the market for building intelligence, and brings with them a strong network in the global property and banking sectors. The Company raised $1,500,000, before costs, through the placement of 34,090,908 new fully paid ordinary shares at $0.044 per share. Corporate advisory services were provided in connection with the placement and a fee of 2,045,455 shares was paid for the services.

Aeris delivered quarterly revenue totaling $684,000, which was broadly in line with the PCP, and enjoyed an order pipeline in its coatings range that required additional production and will be fulfilled in the subsequent quarter. The Company's gross margin for the quarter was 53%, in line with the PCP margin of 53% and within the targeted range. Operating expenses continued to be well-controlled, were in the targeted range and are being further addressed. Aeris' cash receipts were $932,000 for the September 2026 quarter, and cash and cash equivalents were $840,000 as at 30 September 2026, after the receipt of a research and development (R&D) tax incentive refund of $438,000 during the quarter.

AerisTech Syncromesh Ecosystem

AerisTech commenced a major launch of its proprietary Syncromesh Omni "plug and play" building intelligence platform into the tier one electrical wholesale channel. This offering is focused on a multi-billion-dollar large-scale global market opportunity for building intelligence, supported by regulatory drivers, including Australian climate reporting requirements and United States (US) Local Law 97. This global market is growing strongly at a rate of over 20% per annum, as the majority of buildings worldwide increasingly require cost efficient implementation of building intelligence. The Syncromesh platform delivers an integrated wireless solution, with both a rapid ROI, and an expansion capability that is being recognised by leading contractors and integrators as cutting-edge innovation.

AerisTech is pleased that engagement with contractors and integrators has exceeded expectations during this launch phase, and the pipeline of enterprise customers is growing strongly. Positive feedback is being received from a broad section of banking, hospitality, property, quick service restaurants and large infrastructure customers. The response is that the Syncromesh solution delivers a market-leading capability together with the flexibility to solve priority needs in a fully-integrated and secure environment.

In the US, channel partner H4 Enterprises baselined energy consumption at three sites during the quarter and continued to build its pipeline into US Federal facilities. In the United Kingdom (UK), the Syncromesh channel partner secured the first stage of a substantial commercial project.

Consumables

Corrosion protection led the Company's Consumables division during the quarter, with $157,000 worth of sales to a major OEM in the Middle East and further purchase orders for related products received in September 2026 to be fulfilled in the December 2026 quarter for $50,000. Since quarter-end further orders have been received from customers in the US and Asia.

In China, orders for 1,260 litres of Mould Stop Paint were secured for brewery sites in September 2026, with a further 1,400 litres scheduled in the December 2026 quarter. China's regulatory environment continues to favour Aeris' lower-impact products, with the Hazardous Chemicals Safety Law in force since 1 May 2026, and the National Food Safety Standard tightening hygiene and mould control requirements from September 2026. The Company is also assessing new product certification requirements for interior wall coatings introduced in China in October 2026.

Online sales continued to build in Australia and the US, growing by 43% quarter on quarter. September 2026 sales were affected by temporary stock availability constraints, with inventory continuity being a focus for the coming quarter. At a trade show in October 2026 management met approximately 30 high-potential accounts and a campaign to further key accounts commenced in mid-October 2026.

Related-Party Transactions

Payments to Aeris' related parties and their associates during the quarter were: Non-Executive Directors' fees totalling $78,000, being paid to Maurie Stang ($25,000), Jenny Harry ($19,000), Abbie Widin ($18,000) and Steven Kritzler ($16,000). Property outgoings, rent, corporate overheads, distribution, administration expenses and other charges of $211,000 were paid to Regional Corporate Services Pty Ltd, of which Non-Executive Director Maurie Stang is a director. Contract R&D, and other expenses, of $9,000 were paid to Novapharm Research (Australia) Pty Ltd, of which Non-Executive Directors Maurie Stang and Steven Kritzler are directors. Product purchases of $17,000 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. Product purchases and distribution fees of $8,000 were paid to Teknik Lighting Solutions Pty Ltd, of which Non-Executive Director Maurie Stang has an indirect beneficial interest through a trust.

As at 30 September 2026 the Company's total loan facilities are $10,169,000, with capitalised interest of $984,000 bringing a total loan of $11,153,000. Interest payments totalling $281,000 were made in cash during the quarter to Non-Executive Director Maurie Stang ($115,000), Non-Executive Director Steven Kritzler ($56,000) and a substantial shareholder of Aeris, Bernard Stang ($110,000). Each loan is an unsecured facility that attracts 10% interest per annum, and any amount of the facility can be repaid without penalty. Interest for the September 2026 quarter was paid in cash; interest is otherwise capitalised, including from 1 October 2026. The terms of these loans are currently under review and it is anticipated that the updated terms will be of benefit to the Company's shareholders. The renegotiated terms will be included in the presentation released to the market in connection with Aeris' upcoming AGM. The maturity date of the loan facilities is 27 June 2027. The loan balances, inclusive of the capitalised interest as at 30 September 2026, are $4,544,000 for Non-Executive Director Maurie Stang, $2,232,000 for Non-Executive Director Steven Kritzler and $4,377,000 for substantial shareholder Bernard Stang. As partial consideration for the loan facilities of $10,000,000, the lenders will receive options in the Company 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

The September 2026 quarter achieved a satisfactory gross margin of 53% and each business unit demonstrated growth compared to the PCP.

Aeris' launch of the Syncromesh Omni building intelligence platform into the tier one electrical wholesale market is a pivotal development for the Company. The positive market response is further validation of not only the opportunity, but the fact that the proprietary Syncromesh platform is an emerging leader with capabilities and performance now recognised as being market disruptive, with projects being actively delivered across Australia, the US and the UK.

AerisTech now has two significant platforms in the building intelligence market, addressing both the enterprise project market and the broad electrical wholesale market. Customer engagement is growing strongly in both markets, and Aeris is currently attracting contractors and integrators with a view to delivering projects at scale going forward.

The Company is working on a number of strategic initiatives, which will be addressed at the AGM on 26 November 2026.

For more information, please contact:

Aeris Environmental Ltd Andrew Just
Chief Executive Officer
info@aeris.com.au

The Company's Quarterly Activities Report was authorised by its Disclosure Committee.

About Aeris Environmental Ltd

The Company is building a differentiated ecosystem for the smart building market, addressing the growing global demand for energy efficiency, carbon reporting and asset performance. Compared to conventional building management systems that depend on hard-wired infrastructure, vendor-specific protocols and costly rip-and-replace deployments, Aeris' patented Syncromesh platform is wireless, vendor-agnostic and retrofits into existing buildings, integrating with most lighting, heating, ventilation and air-conditioning, and control systems already on site.

The Company is further distinguished by the convergence of its proprietary internet of things (IoT) capability, Syncromesh and the cloud-native AerisView command centre, with a complementary range of specialty chemicals for disinfection, indoor air quality and corrosion protection. This combined offering is rare in the market, with most competitors active in only one of these domains. By pairing real-time IoT data with targeted chemical interventions, Aeris delivers a single, accountable solution for compliance, sustainability and asset productivity, which is highly scalable, low-disruption to install, and built around recurring Software as a Service and consumables economics.

Appendix 4C

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

Name of entity

Aeris Environmental Ltd

ABN	Quarter ended ("current quarter")
19 093 977 336	**30 September 2026**

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	932	932
1.2	Payments for		
	(a) research and development	(24)	(24)
	(b) product manufacturing and operating costs	(674)	(674)
	(c) advertising and marketing	(167)	(167)
	(d) staff costs and Directors' fees	(474)	(474)
	(e) administration and corporate costs	(939)	(939)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	11	11
1.5	Interest and other financial costs	(303)	(303)
1.6	Income tax refund received (including R&D tax offset)	438	438
1.7	Government grants and tax incentives	-	-
1.8	Others (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	(1,201)	(1,201)

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	(8)	(8)
(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	(8)	(8)

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	2,048	2,048
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,201)	(1,201)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(8)	(8)
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**	**840**	**840**

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	840	2,048
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)**	**840**	**2,048**

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	494
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	Amount drawn
		$A'000	$A'000
7.1	Loan facilities	10,169	10,169
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	10,169	10,169
7.5	Unused financing facilities available at quarter end		-

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.

As of 30 September 2026, Aeris' total loan facilities are $10,169,000, with capitalised interest of $984,000 bringing a total loan of $11,153,000. Interest payments totalling $281,000 were made in cash during the quarter to Non-Executive Director Maurie Stang ($115,000), Non-Executive Director Steven Kritzler ($56,000) and a substantial shareholder of the Company, Bernard Stang ($110,000). Each loan is an unsecured facility that attracts 10% interest per annum and any amount of the facility can be repaid without penalty. Interest for the September 2026 quarter was paid in cash; interest is otherwise capitalised, including from 1 October 2026. The maturity date of the loan facilities is 27 June 2027. The loan balances, inclusive of the capitalised interest as of 30 September 2026, are $4,544,000 for Non-Executive Director Maurie Stang, $2,232,000 for Non-Executive Director Steven Kritzler and $4,377,000 for substantial shareholder Bernard Stang. As partial consideration for the loan facilities of $10,000,000, the lenders 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 the ASX Listing Rules.

	8 Estimated cash available for future operating activities	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,201)
8.2	Cash and cash equivalents at quarter end (item 4.6)	840
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	840
8.5	**Estimated quarters of funding available**	0.699
	(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?

Yes, the Directors believe the Company will continue to generate the current level of cash flows from operations going forward.

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?

The Company completed a placement of $1,500,000 in October 2026. The Directors continue to explore funding options, including external unsecured facilities.

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?

The Directors believe that, with the additional funding considered, the business will be able to execute against its current strategy.

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 October 2026**

Authorised for release to the market by Aeris' Disclosure Committee.

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.