ACN 093 977 336



Rule 4.2A.3

Appendix 4D

Half Year Report for the six months ended on 31 December 2023

Name of entity

AERIS ENVIRONMENTAL LTD ABN: 19 093 977 336

Half year report for the six months ended on 31 December 2023 (comparatives for the six months ended on 31 December 2022).

Results for announcement to the market

Revenue from ordinary activities	Up	49.1%	to	1,610,968
(Loss) from ordinary activities after tax attributable to members	Up	2.7%	to	(1,759,736)
Net (loss) for the period attributable to members	Up	2.7%	to	(1,759,736)
Dividends (distributions)	Amount secur	•	Frank	ed amount per security
Final and interim dividends	Nil	¢		Nil ¢
Previous corresponding period	Nil	¢		Nil ¢

Brief Explanation of Figures

Refer to attached 31 December 2023 Half Year Financial Report.

The Group applies international accounting standards in compiling the financial reports of its subsidiary foreign entities.

Net tangible assets (NTA) per security with the comparative figure for the previous corresponding period:

Net Tangible Assets

31 Dec 202331 Dec 2022Net tangible assets per ordinary share0.005 cents0.02 cents

Audit Qualification or Review

The financial statements were subject to review by the Auditors and the Review Report is attached as part of Half Year Report.

Other Comments

Refer to the attached 31 December 2023 Half Year Report.

Robert J Waring Company Secretary

23 February 2024

This Report was authorised by the Board of Directors.



23 February 2024

Company Announcements Office Australian Securities Exchange

Aeris Half Year Report

In accordance with ASX Listing Rule 4.2A, Aeris Environmental Ltd (Aeris or the Company) presents its financial results for the half year ended 31 December 2023.

Financial Results

The first half of the year continued to show ongoing improvement in the key financial metrics. Revenue for the Company from activities for the first half of the 2023-24 financial year to 31 December 2023 was \$1,610,968 (2022 – \$1,080,806). Sales during the half year were up 49% on the prior corresponding period, driven by Aeris' new initiatives in energy efficiency and indoor air quality (IAQ). The Company's core product range in heating, ventilation, air-conditioning and refrigeration (HVAC&R), indoor environmental quality (IEQ) services, and corrosion protection products performed well. The quarter-on-quarter trend was pleasing, with the second quarter growing 23% over the first quarter of the half year.

Aeris' gross profit margin for the first half of the financial year was 56%, comparable to 53% in the previous half year, and it continued to improve quarter on quarter. The cash receipts from customers were \$1,716,849 for the half year (2022 – \$1,447,354). The Company was cash flow negative for the half year, generating a net negative operating cash flow of \$858,453 (2022 – negative \$1,366,021).

Operational Summary

The first half of the financial year saw increasing engagement by both enterprise and international customers to Aeris' expanded offerings in energy efficiency and IEQ. The Company continued its path of strengthening its solutions for enterprise customers motivated to improve their energy consumption patterns and IEQ profile. This activity aligned across Aeris' sales, marketing and technical activities.

The Company is focused on delivering disruptive energy efficiency, and IEQ products and services to the global enterprise market. As the world rapidly continues to escalate the importance of environmental, social and governance (ESG) targets, Aeris is positioning itself to be a valued partner in achieving those goals.

The Company's portfolio of products and services has expanded with a strong internet of things (IoT) capability, and Aeris is now positioning itself to support Scope 1 and 2 reporting, and the rapidly-growing demand for automated measurement and verification (M&V) capabilities. The Company will add devices and services complementary to its historical range, and a shortlist of further technologies is under assessment.

Aeris believes that providing accurate data about the built environment and measuring the relevant improvements that can be made will drive significant increases in product sales. The Company is working with a number of partners under an Energy Alliance to provide a seamless, integrated approach for its customers with a "one vendor" value proposition. Through the Energy Alliance, Aeris has positive engagement with a number of enterprise clients that recognise the investments and proactive programmes they will need to meet the reporting requirements to their key stakeholders, and, indeed, achieve improved ESG outcomes.

The Company remains net debt free, enjoys accelerating sales growth, and has a strong portfolio of differentiated products and services.



Commentary

HVAC&R

Energy efficiency and IAQ improvements are the twin benefits from Aeris' range of HVAC&R products and services, supporting ESG goals through reducing energy consumption by HVAC&R assets, and improving the health and safety of the built environment. This is accomplished by enabling the assets to run more efficiently, and through effective sanitisation of air and surfaces on a real time basis. There are many aspects to improving energy efficiency in HVAC&R applications that can be greatly assisted by IoT and cloud-based strategies. Work is being undertaken on the AerisView dashboard to extend its capabilities in these highly-impactful applications.

The Company believes that, through its activities with the Energy Alliance, it is well positioned to help its customers generate energy rebates (energy saving certificates) based on M&V rather than the historical "deemed" methodology. This will represent a growing market opportunity, particularly with enterprise customers.

Surface Hygiene

The mould remediation market continues to grow significantly, and Aeris' proprietary mould remediation products, such as Mould Pro, are steadily building brand awareness and repeat business with the commercial customer base. The Company's research and development (R&D) programme is focused, in respect of mould treatments, on providing end-to-end solutions, incorporating the feedback Aeris has received from leading mould remediators.

Specialty Services and Products

The Company's best-in-class portfolio of corrosion protection products is a strong contributor to recurring sales and the pipeline continues to grow for coil equipment manufacturers to add this premium offering to their products.

Aeris' IEQ Services team in Queensland enjoyed a busy first half of the financial year, tripling sales from the prior first half financial year, and sales increased consistently quarter-on-quarter. The adverse weather events in recent months are causing the Company to focus its activities on supporting customers and remediators in dealing with these difficult challenges.

Australia and New Zealand

The largest opportunity in Aeris' home market is delivering energy cost savings to the commercial customer base. The Company has some specific competitive advantages with respect to generating savings from HVAC&R assets and improving IEQ, and is working with enterprise clients to develop a broader scope of services that deliver on the identified stakeholder needs of both costs and reporting requirements.

ESG performances are mandated to commence disclosure reporting in 2024 for larger companies and serve to be a services motivator along with the current landscape of high energy prices. HVAC&R, lighting and thermal loads on assets typically contribute over 65% of energy consumption, and continue to be important targets for efficiency improvements. Aeris' sales of this product range doubled from quarter-on-quarter in the first half of the financial year.

International

The Company's wholly-owned subsidiary in China generated direct sales towards the end of the first half of the financial year, with December 2023 initiating a significant enterprise customer. The calendar year outlook for China from a macro perspective looks more promising than the previous year and shortlisted distributors are evaluating Aeris' recently-registered products.

Demand from international customers and distributors is trending positively, and, for key markets and products, the Company is now leveraging additional technology to expand the range of offered products and support.



Finance and Operations

Aeris' revenue for the first half of the financial year was \$1,610,968, up from \$1,080,806 in the prior corresponding period. Notably, second quarter revenue was up 23% over first quarter revenue. The gross margin of 56% for the half year improved from 53% in the prior half and is within the Company's budgeted range. R&D expenditure was 43% lower than the previous half. Total operating expenses were reduced by 2% from the previous half.

Aeris' cash receipts were \$1,716,849 for the half year ended 31 December 2023 (31 December 2022 – \$1,447,354). Cash and cash equivalents were \$1,698,267 at 31 December 2023 (30 June 2023 – \$2,599,996).

Summary

The Company today is actively positioning itself as an integrated partner in products, services and consulting to the energy efficiency and IEQ markets. Aeris is achieving an improving rate of sales growth compared to the prior corresponding period, with a positive momentum quarter-on-quarter. Aeris' programmes of customer engagement enable the Company to produce both capital sale and annuity income in a marketplace that is being increasingly driven by all enterprise stakeholders. Aeris' strategy is to address these challenges in an integrated fashion whilst producing meaningful and actionable enterprise-wide data for the Company's customers.

Aeris' operating expenses continue to be tightly controlled and remains net debt free.

The Company is developing the integration of innovative third-party products and services to enable end-to-end solutions for energy efficiency and IEQ. Aeris sees clear opportunities in the evolving landscape of government subsidies and reporting requirements, to offer customers practical solutions to optimise their investments in generating cost savings, their access to subsidies and their compliance with the changing regulations.

Aeris Environmental Ltd

Maurie Stang Andrew Just

Chairman Chief Executive Officer

This Report was authorised by the Board of Directors.

About Aeris Environmental Ltd

The Company markets environmentally-friendly technology that drives energy usage reductions, and measurable improvements in air quality, surface hygiene and asset performance. Aeris' whole-of-system approach ensures that systems perform better, are safer, last longer and cost less to run.

The Company's products solve real world problems more effectively than conventional products and services. Combining Aeris' unique product formulations with world-leading device technology, the Company provides carbon reductions through reduced energy needs, cleaner air to breathe, safer surfaces, and long-term protection of assets and surfaces from corrosion, biofilm and pathogens.

ABN 19 093 977 336



CORPORATE DIRECTORY

ABN 19 093 977 336

DIRECTORS Maurie Stang, Non-Executive Director and Chairman

Steven Kritzler, Non-Executive Director Abbie Widin, Non-Executive Director Jenny Harry, Non-Executive Director

CHIEF EXECUTIVE OFFICER Andrew Just

COMPANY SECRETARY Robert Waring

REGISTERED OFFICE Level 1, 5/26-34 Dunning Avenue

Rosebery, NSW 2018

SHARE REGISTER Computershare Investor Services Pty Ltd

STOCK EXCHANGE LISTING Aeris Environmental Ltd shares are listed on the Australian Securities Exchange

ASX code: AEI

BANKERS ANZ Banking Group

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DIRECTORS' REPORT

The Directors present their report on the consolidated entity consisting of Aeris Environmental Ltd (the Company) and its controlled entities together with the consolidated financial report for the half year ended 31 December 2023.

DIRECTORS AND CHIEF EXECUTIVE OFFICER

The names and details of the Company's Directors in office during the half year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Maurie Stang (Non-Executive Director and Chairman) Steven Kritzler (Non-Executive Director) Abbie Widin, (Non-Executive Director) Jenny Harry (Non-Executive Director)

PRINCIPAL ACTIVITIES

Andrew Just (Chief Executive Officer)

The principal activities of the consolidated entity during the course of the financial period were the:

- research, development, commercialisation of proprietary technologies and global distribution of HVAC/R Hygiene, anti-corrosion and disinfectant products:
- provision of HVAC/R Hygiene and Remediation Technology, Indoor Air Quality and Corrosion Protection services.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the nature of activities of the consolidated entity during the period.

SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

In the opinion of the Directors, no matters or circumstances have arisen since 31 December 2023 that have significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in future financial years.

REVIEW OF OPERATIONS

The total ordinary revenue for the half-year to 31 December 2023 was \$1,610,968 (31 December 2022: \$1,080,806). The net loss before tax for the half-year to 31 December 2023 was \$1,861,821 (31 December 2022: \$1,978,029).

LEAD AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

The Auditor's Independence Declaration is set out in the attached statement from UHY Haines Norton and forms part of the Directors' Report for the half year ended 31 December 2023.

DIVIDENDS

No dividends were proposed, declared or paid during the half year period and up to the date of this report (2022: Nil).

This report is made in accordance with a resolution of the Directors pursuant to section 306(3)(a) of the Corporations Act 2001.

Maurie Stang

Non-Executive Director and Chairman

Sydney, 23 February 2024

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half-year ended 31 December 2023

	Notes	December 2023 \$	December 2022 \$
Ordinary revenue	2	1,610,968	1,080,806
Cost of sales	_	(709,316)	(508,390)
Employee benefits expense		(908,436)	(760,204)
Occupancy expense	3	(96,799)	(190,686)
Depreciation and amortisation expense	3	(50,364)	(58,885)
Other general and administration	3	(1,031,093)	(741,738)
Sales, marketing and travel		(146,373)	(192,647)
Distribution expense		(299,531)	(220,248)
Product registration, patents, trade marks and R&D expenditure	3	(203,827)	(354,965)
Financial expense		(27,050)	(31,072)
Loss before income tax expense		(1,861,821)	(1,978,029)
Income tax expense relating to ordinary activities		102,086	263,816
Loss after income tax expense for the half-year		(1,759,736)	(1,714,213)
Other Comprehensive Income			
Items that may be reclassified subsequently to profit or loss		(4.540)	(4.404)
Foreign currency translation loss		(4,549)	(1,131)
TOTAL COMPREHENSIVE LOSS FOR THE HALF YEAR		(1,764,285)	(1,715,344)
Loss for the half-year attributable to:			
Owners of Aeris Environmental Ltd		(1,759,736)	(1,714,213)
Non-controlling interest		-	-
G .		(1,759,736)	(1,714,213)
Total comprehensive loss for the half-year attributable to:			
Owners of Aeris Environmental Ltd		(1,764,285)	(1,715,344)
Non-controlling interest		-	(1,110,011)
Ten controlling motoci		(1,764,285)	(1,715,344)
	_		-
EARNINGS PER SHARE	7	Cents	Cents
Basic loss per share		(0.72)	(0.70)
Diluted loss per share		(0.72)	(0.70)
Bilatou 1000 por oriaro		(0.72)	(0.70)

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

CURRENT ASSETS 4 1,698,267 2,599,996 Trade and other receivables 550,417 688,761 Inventories 777,865 882,417 Other current assets 130,036 300,174 TOTAL CURRENT ASSETS 3,156,585 4,471,348 NON-CURRENT ASSETS 80,227 106,979 Plant and equipment 105,219 92,306 Right-of-use assets 80,227 106,979 Trade and other receivables - - TOTAL NON-CURRENT ASSETS 185,446 199,276 TOTAL ASSETS 3,342,031 4,670,624 CURRENT LIABILITIES 1,904,444 1,483,791 Trade and other payables 1,904,444 1,483,791 TOTAL CURRENT LIABILITIES 5,3732 62,378 TOTAL CURRENT LIABILITIES 2,101,660 1,667,168 NON-CURRENT LIABILITIES 5,2375 52,375 TOTAL NON-CURRENT LIABILITIES 5,2375 52,375 TOTAL NON-CURRENT LIABILITIES 2,154,035 1,719,543 NON-CURRENT LIABILITIE		Notes	December 2023 \$	June 2023 \$
Inventories	CURRENT ASSETS Cash and cash equivalents	4	1,698,267	2,599,996
Other current assets 130,036 300,174 TOTAL CURRENT ASSETS 3,156,585 4,471,348 NON-CURRENT ASSETS 92,306 Plant and equipment 105,219 92,306 Ighth-of-use assets 80,227 106,970 Trade and other receivables - - TOTAL NON-CURRENT ASSETS 185,446 199,276 TOTAL ASSETS 3,342,031 4,670,624 CURRENT LIABILITIES Trade and other payables 1,904,444 1,483,791 Lease liabilities 5 35,732 62,378 Provisions 161,483 120,999 TOTAL CURRENT LIABILITIES 2,101,660 1,667,168 NON-CURRENT LIABILITIES 5 52,375 52,375 Provisions 5 52,375 52,375 TOTAL LIABILITIES 2,154,035 1,719,543 NET ASSETS 1,187,996 2,951,081 EQUITY 62,520,726 62,520,726 Reserves 1,880,422 1,883,769 Accumulated losses <td< td=""><td>Trade and other receivables</td><td></td><td>550,417</td><td>688,761</td></td<>	Trade and other receivables		550,417	688,761
NON-CURRENT ASSETS 3,156,585	Inventories		777,865	882,417
NON-CURRENT ASSETS 105,219 92,306 Right-of-use assets 80,227 106,970 176de and other receivables	Other current assets		130,036	300,174
Plant and equipment 105,219 92,306 Right-of-use assets 80,227 106,970 Trade and other receivables - - TOTAL NON-CURRENT ASSETS 185,446 199,276 CURRENT LIABILITIES Trade and other payables 1,904,444 1,483,791 Lease liabilities 5 35,732 62,378 Provisions 161,483 120,999 TOTAL CURRENT LIABILITIES 2,101,660 1,667,168 NON-CURRENT LIABILITIES 5 52,375 52,375 Provisions - - - TOTAL NON-CURRENT LIABILITIES 5 2,375 52,375 TOTAL NON-CURRENT LIABILITIES 5 2,375 52,375 TOTAL LIABILITIES 2,154,035 1,719,543 NET ASSETS 1,809,422 1,809,422 Equity 62,520,726 62,520,726 Reserves 1,800,422 1,803,769 Accumulated losses (63,213,152) (61,453,414) Non-controlling interest - - -	TOTAL CURRENT ASSETS		3,156,585	4,471,348
Right-of-use assets 80,227 106,970 Trade and other receivables - - TOTAL NON-CURRENT ASSETS 185,446 199,276 TOTAL ASSETS 3,342,031 4,670,624 CURRENT LIABILITIES Trade and other payables 1,904,444 1,483,791 Lease liabilities 5 35,732 62,378 Provisions 161,483 120,999 TOTAL CURRENT LIABILITIES 2,101,660 1,667,168 NON-CURRENT LIABILITIES 5 52,375 52,375 TOTAL NON-CURRENT LIABILITIES 1,187,996 2,951,081 NET ASSETS 1,187,996 2,951,081 EQUITY Equity 62,520,726 62,520,726 Reserves 1,880,422 1,883,769 Accumulated losses (NON-CURRENT ASSETS			
Trade and other receivables -<	Plant and equipment		105,219	92,306
TOTAL NON-CURRENT ASSETS 185,446 199,276 TOTAL ASSETS 3,342,031 4,670,624 CURRENT LIABILITIES 1,904,444 1,483,791 Lease liabilities 5 35,732 62,378 Provisions 161,483 120,999 TOTAL CURRENT LIABILITIES 2,101,660 1,667,168 NON-CURRENT LIABILITIES 5 52,375 52,375 Provisions - - - TOTAL NON-CURRENT LIABILITIES 52,375 52,375 TOTAL NON-CURRENT LIABILITIES 52,375 52,375 TOTAL LIABILITIES 2,154,035 1,719,543 NET ASSETS 1,187,996 2,951,081 EQUITY Equity 62,520,726 62,520,726 Reserves 1,880,422 1,883,769 Accumulated losses (63,213,152) (61,453,414) Non-controlling interest - - -	Right-of-use assets		80,227	106,970
CURRENT LIABILITIES 3,342,031 4,670,624 CURRENT LIABILITIES 1,904,444 1,483,791 Lease liabilities 5 35,732 62,378 Provisions 161,483 120,999 TOTAL CURRENT LIABILITIES 2,101,660 1,667,168 NON-CURRENT LIABILITIES 5 52,375 52,375 Provisions - - - - TOTAL NON-CURRENT LIABILITIES 52,375 52,375 52,375 TOTAL NON-CURRENT LIABILITIES 52,375 52,375 52,375 TOTAL LIABILITIES 2,154,035 1,719,543 NET ASSETS 1,187,996 2,951,081 EQUITY Equity 62,520,726 62,520,726 Reserves 1,880,422 1,883,769 Accumulated losses (63,213,152) (61,453,414) Non-controlling interest - - -	Trade and other receivables			
CURRENT LIABILITIES Trade and other payables 1,904,444 1,483,791 Lease liabilities 5 35,732 62,378 Provisions 161,483 120,999 TOTAL CURRENT LIABILITIES 2,101,660 1,667,168 NON-CURRENT LIABILITIES 5 52,375 52,375 TOTAL NON-CURRENT LIABILITIES 5 52,375 52,375 TOTAL NON-CURRENT LIABILITIES 5 52,375 52,375 TOTAL LIABILITIES 2,154,035 1,719,543 NET ASSETS 1,187,996 2,951,081 EQUITY 62,520,726 62,520,726 Reserves 1,880,422 1,883,769 Accumulated losses (63,213,152) (61,453,414) Non-controlling interest - - -	TOTAL NON-CURRENT ASSETS		185,446	199,276
CURRENT LIABILITIES Trade and other payables 1,904,444 1,483,791 Lease liabilities 5 35,732 62,378 Provisions 161,483 120,999 TOTAL CURRENT LIABILITIES 2,101,660 1,667,168 NON-CURRENT LIABILITIES 5 52,375 52,375 Provisions - - - TOTAL NON-CURRENT LIABILITIES 52,375 52,375 52,375 TOTAL NON-CURRENT LIABILITIES 52,375 52,375 52,375 TOTAL LIABILITIES 2,154,035 1,719,543 NET ASSETS 1,187,996 2,951,081 EQUITY 62,520,726 62,520,726 Reserves 1,880,422 1,883,769 Accumulated losses (63,213,152) (61,453,414) Non-controlling interest - - -	TOTAL ASSETS		3,342,031	4,670,624
Trade and other payables 1,904,444 1,483,791 Lease liabilities 5 35,732 62,378 Provisions 161,483 120,999 TOTAL CURRENT LIABILITIES 2,101,660 1,667,168 NON-CURRENT LIABILITIES 5 52,375 52,375 Provisions - - - TOTAL NON-CURRENT LIABILITIES 52,375 52,375 TOTAL LIABILITIES 2,154,035 1,719,543 NET ASSETS 1,187,996 2,951,081 EQUITY 62,520,726 62,520,726 Reserves 1,880,422 1,883,769 Accumulated losses (63,213,152) (61,453,414) Non-controlling interest - - -				-,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
Lease liabilities 5 35,732 62,378 Provisions 161,483 120,999 TOTAL CURRENT LIABILITIES 2,101,660 1,667,168 NON-CURRENT LIABILITIES 5 52,375 52,375 Provisions - - - TOTAL NON-CURRENT LIABILITIES 52,375 52,375 TOTAL LIABILITIES 2,154,035 1,719,543 NET ASSETS 1,187,996 2,951,081 EQUITY 62,520,726 62,520,726 Reserves 1,880,422 1,883,769 Accumulated losses (63,213,152) (61,453,414) Non-controlling interest - - -			1 004 444	4 402 704
Provisions 161,483 120,999 TOTAL CURRENT LIABILITIES 2,101,660 1,667,168 NON-CURRENT LIABILITIES 5 52,375 52,375 Provisions - - - TOTAL NON-CURRENT LIABILITIES 52,375 52,375 TOTAL LIABILITIES 2,154,035 1,719,543 NET ASSETS 1,187,996 2,951,081 EQUITY Equity 62,520,726 62,520,726 Reserves 1,880,422 1,883,769 Accumulated losses (63,213,152) (61,453,414) Non-controlling interest - - - -	• •	5	• •	
NON-CURRENT LIABILITIES 2,101,660 1,667,168 NON-CURRENT LIABILITIES 5 52,375 52,375 Provisions - - - TOTAL NON-CURRENT LIABILITIES 52,375 52,375 TOTAL LIABILITIES 2,154,035 1,719,543 NET ASSETS 1,187,996 2,951,081 EQUITY Equity 62,520,726 62,520,726 Reserves 1,880,422 1,883,769 Accumulated losses (63,213,152) (61,453,414) Non-controlling interest - -		5	•	· ·
NON-CURRENT LIABILITIES Lease liabilities 5 52,375 52,375 Provisions - - - TOTAL NON-CURRENT LIABILITIES 52,375 52,375 TOTAL LIABILITIES 2,154,035 1,719,543 NET ASSETS 1,187,996 2,951,081 EQUITY Equity 62,520,726 62,520,726 Reserves 1,880,422 1,883,769 Accumulated losses (63,213,152) (61,453,414) Non-controlling interest - -				
Lease liabilities 5 52,375 52,375 Provisions - - - TOTAL NON-CURRENT LIABILITIES 52,375 52,375 TOTAL LIABILITIES 2,154,035 1,719,543 NET ASSETS 1,187,996 2,951,081 EQUITY Equity 62,520,726 62,520,726 Reserves 1,880,422 1,883,769 Accumulated losses (63,213,152) (61,453,414) Non-controlling interest - -	TOTAL CORRENT LIABILITIES		2,101,660	1,007,108
Provisions -				
TOTAL NON-CURRENT LIABILITIES 52,375 52,375 TOTAL LIABILITIES 2,154,035 1,719,543 NET ASSETS 1,187,996 2,951,081 EQUITY Equity 62,520,726 62,520,726 Reserves 1,880,422 1,883,769 Accumulated losses (63,213,152) (61,453,414) Non-controlling interest		5	•	52,375
TOTAL LIABILITIES 2,154,035 1,719,543 NET ASSETS 1,187,996 2,951,081 EQUITY Equity 62,520,726 62,520,726 Reserves 1,880,422 1,883,769 Accumulated losses (63,213,152) (61,453,414) Non-controlling interest - - -	Provisions			
NET ASSETS 1,187,996 2,951,081 EQUITY Equity 62,520,726 62,520,726 Reserves 1,880,422 1,883,769 Accumulated losses (63,213,152) (61,453,414) Non-controlling interest - - -	TOTAL NON-CURRENT LIABILITIES		52,375	52,375
NET ASSETS 1,187,996 2,951,081 EQUITY Equity 62,520,726 62,520,726 Reserves 1,880,422 1,883,769 Accumulated losses (63,213,152) (61,453,414) Non-controlling interest - - -	TOTAL LIABILITIES		2 154 035	1 710 543
EQUITY 62,520,726 62,520,726 Reserves 1,880,422 1,883,769 Accumulated losses (63,213,152) (61,453,414) Non-controlling interest - -	TOTAL LIABILITIES		2,134,033	1,719,543
Equity 62,520,726 62,520,726 Reserves 1,880,422 1,883,769 Accumulated losses (63,213,152) (61,453,414) Non-controlling interest - -	NET ASSETS		1,187,996	2,951,081
Equity 62,520,726 62,520,726 Reserves 1,880,422 1,883,769 Accumulated losses (63,213,152) (61,453,414) Non-controlling interest - -	EQUITY			
Reserves 1,880,422 1,883,769 Accumulated losses (63,213,152) (61,453,414) Non-controlling interest - -			62.520.726	62.520.726
Accumulated losses (63,213,152) (61,453,414) Non-controlling interest	• •			
Non-controlling interest	Accumulated losses			
TOTAL EQUITY 1,187,996 2,951,081	Non-controlling interest			
	TOTAL EQUITY		1,187,996	2,951,081

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2023

	Issued Capital \$	Accumulated Losses \$	Other Reserves \$	Non- controlling Interest \$	Total Equity \$
At 1 July 2023	62,520,726	(61,453,414)	1,883,769	-	2,951,081
Loss for the half year Other comprehensive income for the half year	-	(1,759,736)	-	-	(1,759,736)
Foreign currency translation differences	-	-	(4,549)	-	(4,549)
Total comprehensive loss for the half-year	-	(1,759,736)	(4,549)	-	(1,764,285)
Transaction with owners in their capacity as owners					
Shares issued to consultants		-	-	-	-
Exercise of performance rights		-	-	-	-
Director's fees paid by issue of ordinary shares	-	-	<u>-</u>	-	<u>-</u>
Share based payments	-	-	1,200	-	1,200
At 31 December 2023	62,520,726	(63,213,150)	1,880,420	-	1,187,996
At 1 July 2022	62,520,726	(57,793,453)	1,861,906	3,685	6,592,863
Loss for the half year Other comprehensive income for the half year	-	(1,714,213)	-	-	(1,714,213)
Foreign currency translation differences	-	-	(1,131)	-	(1,131)
Total comprehensive loss for the half-year	-	(1,714,213)	(1,131)	-	(1,715,344)
Transaction with owners in their capacity as owners					
Shares issued to consultants	-	-	-	-	-
Exercise of performance rights	-	-	-	-	-
Director's fees paid by issue of ordinary shares	-	-	-	-	-
Share based payments	-	-	(77,397)	-	(77,397)
Disposal of Investment in AC Pte Ltd	-	(6,220)	-	(3,685)	(9,905)
At 31 December 2022	62,520,726	(59,513,885)	1,783,378	-	4,790,219

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the half-year ended 31 December 2023

	December 2023	December 2022
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers (inclusive of GST)	1,716,849	1,447,354
Payments to suppliers and employees (inclusive of GST)	(2,590,461)	(2,941,796)
R&D tax offset received	-	117,660
Interest received	15,160	10,761
Other income		
Net cash used in operating activities	(858,453)	(1,366,021)
CASH FLOWS FROM INVESTING ACTIVITIES Purchase of fixed assets	(38,727)	(59,680)
Net cash used in investing activities	(38,727)	(59,680)
CASH FLOWS FROM FINANCING ACTIVITIES Net cash provided by financing activities	<u>-</u>	
Net decrease in cash held	(897,180)	(1,425,701)
Cash at the beginning of the half-year	2,599,996	5,303,142
Effects of exchange rate changes on cash and cash equivalents	(4,549)	(1,131)
Cash at the end of the half-year	1,698,267	3,876,309

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2023

1 Statement of Accounting Policies

(a) Financial Reporting Framework

This Half Year Financial Report is a general purpose financial report that has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standard AASB 134 *Interim Financial Reporting*, Australian Accounting Interpretations and authoritative pronouncements of the Australian Accounting Standards Board. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 "Interim Financial Reporting".

The Half Year Financial Report should be read in conjunction with the annual financial report of Aeris Environmental Ltd as at 30 June 2023. It is also recommended that the Half Year Financial Report be considered together with any public announcements made by the Company during the half year ended 31 December 2023 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

The Half Year Financial Report does not include all notes of the type normally included within the annual financial report, and therefore cannot be expected to provide as full an understanding of the financial performance, financial position, and financing and investing activities of the Group as the full Financial Report.

The Half Year Financial Report has been prepared on the basis of historical costs and does not take into account changing money values or fair values of assets

Going Concern

The Group made operating losses of \$1,861,821 before tax for the half-year to 31 December 2023 (2022: \$1,978,029). The net assets position has decreased from \$2,951,081 as at 30 June 2023 to \$1,187,996 on 31 December 2023. Net cash burn from operating activities for the half year ended 31 December 2023 was \$858,453 (31 December 2022: net cash burn of \$1,366,021).

The cash balance as at 31 December 2023 was \$1,698,267 (30 June 2023: \$2,599,996).

The above matters may give rise to a material uncertainty that may cast significant doubt over the Group's ability to continue as a going concern. Therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business at the amounts stated in the financial report. However, the Directors believe that the Group will be able to continue as a going concern due to the following mitigating factors in relation to the material uncertainty.

The Directors have prepared detailed cash flow projections for the period of 12 months from the date of signing this Report. The sales outlook for the Company is markedly improved from previous year, with a conservative sales budget still yielding significant growth. Several new products have been introduced and more new products are being considered for addition to the portfolio. The Group's December 2023 Sales were at the highest level for 24 months which was also well above budget for the period.

However, the Group is dependent on capital raisings to continue to operate. The Group has investigated the funding options including a capital raise in 2024. Further, in the event of the Group not raising sufficient funds to meet its current cash flow forecasts, the Group will need to further reduce its expenditure accordingly to be able to pay its debts as and when they are due. Consequently, the Group's financial statements have been prepared on a going concern basis, which contemplates the realisation of assets and satisfaction of liabilities and commitments in the normal course of business. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities should the Group be unable to continue as a going concern.

(b) Changes in Accounting Policies

The accounting policies that have been adopted in the preparation of this Financial Report have been consistently applied by the entities in the consolidated group and are consistent with those in the June 2023 Financial Report.

The Consolidated Entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to their operations and effective for the current half year.

An assessment has been performed and determined that during the half year ended 31 December 2023, no significant adjustments were required in relation to the adoption of these new standards.

The adoption of all other new and revised Standards and Interpretations has not resulted in any changes to the Group's accounting policies and has no effect on the amounts reported for the current or prior periods.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2023

		December	December
		2023	2022
2	Revenue	\$	\$
	Revenue from sales and services	1,538,037	1,016,970
	Financial revenue	13,524	14,908
	Other revenue	59,408	48,928
	Total revenue	1,610,968	1,080,806
3	Expenses		
	Loss from ordinary activities before income tax expense includes:		
	Depreciation and amortisation	50,364	58,885
	Product registration, patents, trade marks and R&D expenditure	203,827	354,965
	Rental and occupancy expenses	96,799	190,686
	Impairment loss (included in other general and administration expenses)	349,112	43,995
		December	June
		2023	2023
		\$	\$
4	Cash and Other Financial Assets		
	Cash and Cash Equivalents		
	Cash at bank and on hand	521,368	136,575
	Deposits on call	1,176,900	2,463,421
		1,698,267	2,599,996
5	Current and non-current lease assets and liabilities		
	Land and Buildings - Right-of-use	160,455	160,455
	Less: Accumulated Depreciation	(80,227)	(53,485)
		80,227	106,970

The Group had recognised 'Right-of-Use Asset' and associated 'Lease Liability' in the 2023 financial year for the office space leased in Townsville and Sydney following AASB 16 for accounting of leases.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2023

6 Segment Reporting

The Group has identified its reporting segments based on the internal reports that are reviewed and used by the executive management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The reportable segments are based on aggregated operating segments determined by the similarity of the revenue stream and products sold, and/or the services provided in Australia and internationally, as these are the sources of the Group's major risks, and have the most effect on the rates of return.

The executive management reviews revenue, cost of goods sold, operating expenses, profit before tax, assets and liabilities for the following segments:

- (a) Australian Operations sale of Aeris products and services from Australia; and
- (b) International Operations sales and services on account of international operations.

Intersegment Transactions

Intersegment transactions are made at arm's length and are eliminated on consolidation.

Intersegment Receivables, Payables and Loans

Intersegment loans are initially recognised at the consideration received and are eliminated on consolidation.

Operating Segment Information of the Consolidated Entity:

For half year ended 31 December 2023	Australia	International	Inter-segment eliminations	Consolidated
	\$	\$	\$	\$
Revenue				
Sales	1,444,321	147,239	(53,523)	1,538,037
Other income	72,977	91,346	(91,392)	72,932
Total revenue	1,517,298	238,585	(144,915)	1,610,968
Expenses				
Cost of goods sold	644,335	118,505	(53,523)	709,316
Operating expenses	2,598,495	314,748	(149,770)	2,763,473
Total expenses	3,242,830	433,252	(203,293)	3,472,790
Loss before tax	(1,725,532)	(194,667)	58,378	(1,861,821)
For half year ended 31 December 2022	Australia	International	Inter-segment eliminations	Consolidated
For half year ended 31 December 2022	Australia \$	International	Ū	Consolidated
Revenue	\$	\$	eliminations	\$
Revenue Sales	\$ 921,661	\$ 95,309	eliminations	\$ 985,247
Revenue	\$	\$	eliminations	\$
Revenue Sales Other income Total revenue	\$ 921,661	\$ 95,309	eliminations	\$ 985,247
Revenue Sales Other income Total revenue Expenses	\$ 921,661 63,149 984,810	\$ 95,309 687 95,995	(31,723) - (31,723)	\$ 985,247 63,836 1,049,082
Revenue Sales Other income Total revenue	\$ 921,661 63,149	\$ 95,309 687	eliminations \$ (31,723)	\$ 985,247 63,836
Revenue Sales Other income Total revenue Expenses	\$ 921,661 63,149 984,810	\$ 95,309 687 95,995	(31,723) - (31,723)	\$ 985,247 63,836 1,049,082
Revenue Sales Other income Total revenue Expenses Cost of goods sold	\$ 921,661 63,149 984,810 475,500	\$ 95,309 687 95,995 32,890	(31,723) - (31,723) (31,723)	\$ 985,247 63,836 1,049,082 476,667

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2023

6 Segment Reporting (continued)

Segment Assets and Liabilities	Assets	Assets	Liabilities	Liabilities
	31/12/2023 \$	30/06/2023 \$	31/12/2023 \$	30/06/2023 \$
Australia	4,518,763	5,730,308	4,899,058	4,491,270
International	1,250,260	1,310,039	5,164,292	5,155,667
Total	5,769,024	7,040,347	10,063,350	9,646,937
Intersegment elimination	(2,426,992)	(2,369,723)	(7,909,315)	(7,927,394)
Consolidated	3,342,031	4,670,624	2,154,035	1,719,543

7 Earnings Per Share	December 2023 \$	December 2022 \$
Basic loss per share (cents)	(0.72)	(0.70)
Diluted loss per share (cents)	(0.72)	(0.70)
Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	245,644,551	245,644,551
Weighted average number of ordinary shares outstanding during the year used in calculation of diluted EPS	245,644,551	245,644,551
Options and rights eligible for conversion into ordinary shares in future		
Options	550,000	550,000
Rights	150,000	150,000
·	700,000	700,000

Options and rights eligible for conversion into ordinary shares in future have an anti-dilutive effect, hence diluted EPS is same as basic EPS.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2023

8 Related Party Transactions

A number of specified Directors, or their personally-related entities, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

A number of these entities transacted with the Company in the reporting period. The terms and conditions of those transactions were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to unrelated entities on an arms-length basis. Details of these transactions are shown below:

(a)	Regional Corporate Service Pty Ltd	December 2023	December 2022
	The company and its controlled entities incurred cost for services provided by Regional Corporate Service Pty Ltd.	\$	\$
	Office and administration expenses	92,791	-
	Rent	12,377	-
	Distribution expenses	44,057	-
	Corporate services	200,236	
		349,461	-
	The company and its controlled entities provided services and sold products to	7044	
	Regional Corporate Service Pty Ltd.	7,214	
		December	June
		2023	2023
		\$	\$
	Balance receivable at the end of the reporting period *	-	22.112
	Balance payable at the end of the reporting period *	266,826	23,148
	Mr M Stang is director and shareholder of Regional Corporate Service Pty Ltd.		
(b)	Regional Health Care Group Pty Ltd	December	December
(~)	9	2023	2022
	The company and its controlled entities incurred cost for services provided by	\$	\$
	Regional Health Care Group Pty Ltd.	•	Ψ
	Office and administration expenses	745	74,520
	Rent	745	•
		-	14,783
	Distribution expenses	-	22,855
	Corporate services	-	35,035
		745	175,299
	The company and its controlled entities provided services and sold products to		
	Regional Health Care Group Pty Ltd.	34	10,957
		December	June
		2023	2023
	Delegan received by a title and of the armount of t	\$	\$
	Balance receivable at the end of the reporting period *		
	Balance payable at the end of the reporting period *	99,867	102,078
	Since 01 May 2023, Mr M Stang is no longer director and shareholder of Regional Health	h Care Group Pty Ltd.	
(c)	Novapharm Research (Australia) Pty Ltd and its Controlled Entities	December	December
(-)		2023	2022
	The Company and its controlled entities incurred cost for services provided by	\$	\$
	Novapharm Research (Australia) Pty Ltd for research and development and other	*	Ψ
	operational expenses	71,888	110 722
	operational expenses		119,722
		71,888	119,722

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2023

8 Related Party Transactions (continued)

	The Company and its controlled entities provided supply chain services to		
	Novapharm Research (Australia) Pty Ltd	10,377	11,057
		December 2023	June 2023
		\$	\$
	Balance receivable at the end of the reporting period *	151	5,483
	Balance payable at the end of the reporting period *	57,775	28,050
	Mr M Stang and Mr S Kritzler are directors and shareholders of Novapharm Research (Aust	ralia) Pty Ltd.	
(d)	Enviroguard Technologies Pty Ltd	December	December
		2023	2022
	The Company and its controlled entities purchased products from Enviroguard Technologies Pty Ltd	\$	\$
		66,928	-
		66,928	<u> </u>
		December	June
		2023	2023
		\$	\$
	Balance receivable at the end of the reporting period *	<u>-</u>	<u>-</u>
	Balance payable at the end of the reporting period *	51,702	-
	Mr M Stangis director of Enviroguard Technologies Pty Ltd.		
(e)	Ensol Systems Pty Ltd	December	December
		2023	2022
	The Company and its controlled entities incurred cost for operational services provided by	\$	\$
	Ensol Systems Pty Ltd.	<u> </u>	5,150 5,150
			5,130
	The Company and its controlled entities provided administrative services to		
	Ensol Systems Pty Ltd.	<u>-</u>	-
		December 2023	June 2023
		\$	\$
	Balance receivable at the end of the reporting period *	-	-
	Balance payable at the end of the reporting period *	-	-

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2023

8 Related Party Transactions (continued)

(f)	Teknik Lighting Solutions Pty Ltd	December 2023	December 2022
	The Company and its controlled entities incurred marketing and operational cost	\$	\$
	through Teknik Lighting Solutions Pty Ltd	ν 1,196	φ 109
	through reknik Lighting Solutions Fty Ltd	1,196	109
		1,190	109
	The Company and its controlled entities provided administrative services to		
	Teknik Lighting Solutions Pty Ltd		
	Tokink Lighting Goldtions I ty Eta		
		December	June
		2023	2023
		\$	\$
	Balance receivable at the end of the reporting period *	-	Ψ -
	Balance payable at the end of the reporting period *	_	127
	Data too payasio at the one of the reporting ported		121
	Mr M Stang is the shareholder of Teknik Lighting Solutions Pty Ltd		
()	Domiliat Divil tel	December	Dagamhar
(g)	Ramlist Pty Ltd	December 2023	December
	The Company and its controlled antition incur avanage for rest and utility outgoings	2023 \$	2022 \$
	The Company and its controlled entities incur expenses for rent and utility outgoings through Ramlist Pty Ltd.	•	
	tillough Kamiist Pty Ltd.	3,555 3,555	8,533 8,533
		3,333	0,333
		December	June
		2023	2023
		\$	\$
	Balance receivable at the end of the reporting period *	•	Ψ
	Balance payable at the end of the reporting period *	649	1,347
	Data too payasio at the one of the reporting ported	0.0	1,011
	Mr M Stang is a director and shareholder of Ramlist Pty Ltd		
(h)	Vectus Biosystems Limited	December	December
(h)	vectus biosystems Limited	2023	2022
	The Company and its controlled entities incurred accounting services through	\$	\$
	Vectus Biosystems Limited	Ψ	6,907
	vectus biosystems Elimited		6,907
			0,907
	The Company and its controlled entities provided accounting services to	_	_
	Vectus Biosystems Limited		
	Vocado Biodystomo Emiliod		
		December	June
		2023	2023
		\$	\$
	Balance receivable at the end of the reporting period *	* -	Ψ -
	Balance payable at the end of the reporting period *	-	2,442
	payable at the one of the reporting period		<u> ۲</u> , ۱۳۲۷

Mr M Stang is Non-Executive Director and shareholder of the Company.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 31 December 2023

8 Related Party Transactions (continued)

(i)	Gryphon Capital Pty Ltd	December	December
		2023	2022
	The company and its controlled entities provided marketing services and sold products	\$	\$
	to Gryphon Capital Pty Ltd		9,479
			9,479
		December	June
		2023	2023
		\$	\$
	Balance receivable at the end of the reporting period *	-	-
	Balance payable at the end of the reporting period *	-	-
	Mr M Stang is director and shareholder of Gryphon Capital Pty Ltd.		
(j)	Stangcorp Pty Ltd	December	December
(j)	Stangcorp Pty Ltd	December 2023	December 2022
(j)	Stangcorp Pty Ltd		
(j)	Stangcorp Pty Ltd The company and its controlled entities sold products to Stangcorp Pty Ltd		2022
(j)			2022 \$
(j)			2022 \$ 158
(j)		2023 \$ 	2022 \$ 158 158
(j)		2023 \$ - - December	2022 \$ 158 158 June
(j)	The company and its controlled entities sold products to Stangcorp Pty Ltd	2023 \$ - - December	2022 \$ 158 158 June 2023
(j)		2023 \$ - - December	2022 \$ 158 158 June 2023

Mr M Stang is director and shareholder of Stangcorp Pty Ltd.

9 Events Subsequent to the Reporting Date

There have been no matters or circumstances, which have arisen since 31 December 2023 that have significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 31 December 2023, of the consolidated entity;
- (b) the results of those operations; or
- (c) the state of affairs, in the financial years subsequent to 31 December 2023, of the consolidated entity.

^{*} Outstanding balances at the end of the reporting period (31 December 2023 and 30 June 2023) are unsecured, interest-free and settlement occurs in cash.

DIRECTORS' DECLARATION

Directors' Declaration

In the Directors' opinion:

- the attached financial statements and notes thereto comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- 2 the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and
- 3 there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the Directors

Maurie Stang

Non-Executive Director and Chairman

Sydney, 23 February 2024



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Auditor's Independence Declaration Under Section 307C of the Corporations Act 2001

To the Directors of Aeris Environmental Ltd

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2023, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Aeris Environmental Ltd and the entities it controlled during the financial period.

Franco Gjannuzzi

Partner

Sydney

23 February 2024

UHY Haines Norton

Chartered Accountants



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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Aeris Environmental Ltd

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Aeris Environmental Ltd ("the company"), and the entities it controlled during the half-year (together "the Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2023, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, a statement of significant accounting policies, other selected explanatory notes, and the directors' declaration.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Aeris Environmental Ltd is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Emphasis of Matter - Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the half-year financial report, which discloses that the Group's ability to continue as a going concern. The matters described in Note 1 of the half-year financial report, indicate a material uncertainty that may cast doubt on the Group's ability to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the half-year financial report. Our conclusion is not modified in respect of this matter.





Responsibility of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Franco Giannuzzi

Partner

Sydney

Dated: 23 February 2024

UHY Maines Norton

Chartered Accountants



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