

## Company announcement

Release date 23 October 2025

# September 2025 Quarterly Activities Report and Appendix 4C

### ***Financial***

The Company's cash position on 30 September was \$5.2 million, down \$1.0 million during the quarter.

The cashflow deficit from operating activities approximated \$952,000, higher than the \$475,000 recorded in the June quarter and bringing the YTD deficit to \$2.4 million.

During the quarter sales receipts of \$562,000 were dominated by Brazil 66% and the USA 30%.

Operating cash outflows of \$1,517,000 included payments of \$340,000 for legal and related insurance matters (YTD these payments were \$1.1 million). In addition, there were abnormally high outlays on logistics as significant inventory was shipped from China to boost the position elsewhere. These outlays are currently expected to be lower in the final quarter.

In accordance with Listing Rule 4.7C, payments made to related parties and their associates included in item 6.1 of the Appendix 4C relate to directors' fees (including superannuation) paid to non-executive directors.

### ***Operations***

During the September quarter sales totaled 251t compared with 197t in the June quarter, taking the YTD total to 830t. The three largest regional contributors to sales in the quarter were Brazil 67%, USA 22% and Australia 8%.

The December quarter should see a further improvement; during the first two weeks of October an additional 190t of sales and purchase orders were recorded.

Product inventory at 30 September was 1,555t of which China accounted for 531t. Resumption of production is likely to occur in the March quarter 2026.

R&D efforts in China are continuing. Several experimental products with a 10% lanthanum content have been formulated at laboratory scale, taking various approaches, and are being assessed for their P-binding efficacy and safety. Initial results



are encouraging but it could take some months to determine whether these could become commercial products.

### ***Corporate***

The suspension on trading PET shares was lifted by ASX on 14 August.

Phoslock continues to address legacy legal matters, including a potential class action filed by the Banton Group on behalf of certain shareholders. The mediation process scheduled for the first week of September was deferred. While we cannot predict the outcome of these matters, we are fully committed to complying with all regulatory requirements and defending the company's interests.

**This announcement has been approved by the Chairman.**

**Mr Fred Bart**

Chairman

– end –

### **About PET:**

Phoslock Environmental Technologies Limited (ASX: PET) specialises in water treatment products to remediate polluted lakes, rivers, canals and drinking water reservoirs.

PET is headquartered in Sydney, has a factory and warehouse in Changxing, China, and offices in China, the UK/Europe and in the USA. The Company is represented by licensees, distributors and agents in other countries including HydroScience in Brazil and The Orion Companies in the USA.

PET's main manufactured product is Phoslock®, a lanthanum modified bentonite (LMB) that permanently binds excess phosphorus in the water column and sediments, and thus improves water quality and biodiversity. Phoslock does not harm living organisms and is certified for use in drinking water in North America, Europe, Brazil, Australia, and China.

[www.petwatersolutions.com](http://www.petwatersolutions.com)

## Appendix 4C

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

**Name of entity**

PHOSLOCK ENVIRONMENTAL TECHNOLOGIES LIMITED

**ABN**

88 099 555 290

**Quarter ended ("current quarter")**

September 2025

| <b>Consolidated statement of cash flows</b>               | <b>Current quarter<br/>\$A'000</b> | <b>Year to date<br/>(9 months)<br/>\$A'000</b> |
|---|------------------------------------|--|
| <b>331 Cash flows from operating activities</b>           |                                    |  |
| 1.1 Receipts from customers                               | 562                                | 2,039  |
| 1.2 Payments for  |                                    |  |
| (a) research and development                              | (5)                                | (67)   |
| (b) product manufacturing and operating costs             | (542)                              | (1,038)  |
| (c) advertising and marketing                             | -                                  | -  |
| (d) leased assets   | (31)                               | (365)  |
| (e) staff costs   | (329)                              | (1,060)  |
| (f) administration and corporate costs                    | (611)                              | (1,904)  |
| 1.3 Dividends received (see note 3)                       | -                                  | -  |
| 1.4 Interest received                                     | 5                                  | 18   |
| 1.5 Interest and other costs of finance paid              | -                                  | -  |
| 1.6 Income taxes paid                                     | -                                  | -  |
| 1.7 Government grants and tax incentives                  | -                                  | -  |
| 1.8 Other (provide details if material)                   | -                                  | -  |
| <b>1.9 Net cash from / (used in) operating activities</b> | <b>(951)</b>                       | <b>(2,377)</b>                                 |

|  |      |      |
|--|------|------|
| <b>2. Cash flows from investing activities</b> |      |      |
| 2.1 Payments to acquire:                       |      |      |
| (a) entities                                   | -    | -    |
| (b) businesses                                 | -    | -    |
| (c) property, plant and equipment              | (27) | (40) |
| (d) investments                                | -    | -    |

| Consolidated statement of cash flows |   | Current quarter<br>\$A'000 | Year to date<br>(9 months)<br>\$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
|                                      | (e) intellectual property                             | (11)                       | (39)                                  |
|                                      | (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                                  | Cash flows from loans to other entities               | -                          | -                                     |
| 2.4                                  | Dividends received (see note 3)                       | -                          | -                                     |
| 2.5                                  | Other (provide details if material)                   | -                          | -                                     |
| <b>2.6</b>                           | <b>Net cash from / (used in) investing activities</b> | <b>(38)</b>                | <b>(79)</b>                           |

|             |   |          |          |
|-------------|---|----------|----------|
| <b>3.</b>   | <b>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  | -        | -        |
| 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</b> | <b>Net cash from / (used in) financing activities</b>                                   | <b>-</b> | <b>-</b> |

|           |  |       |         |
|-----------|--|-------|---------|
| <b>4.</b> | <b>Net increase / (decrease) in cash and cash equivalents for the period</b> |       |         |
| 4.1       | Cash and cash equivalents at beginning of period                             | 6,181 | 7,859   |
| 4.2       | Net cash from / (used in) operating activities (item 1.9 above)              | (951) | (2,377) |

| Consolidated statement of cash flows |   | Current quarter<br>\$A'000 | Year to date<br>(9 months)<br>\$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| 4.3                                  | Net cash from / (used in) investing activities<br>(item 2.6 above)  | (38)                       | (79)                                  |
| 4.4                                  | Net cash from / (used in) financing activities<br>(item 3.10 above) | -                          | -                                     |
| 4.5                                  | Effect of movement in exchange rates on<br>cash held                | (28)                       | (239)                                 |
| 4.6                                  | <b>Cash and cash equivalents at end of<br/>period</b>               | <b>5,164</b>               | <b>5,164</b>                          |

| 5.  | Reconciliation of cash and cash<br>equivalents<br>at the end of the quarter (as shown in the<br>consolidated statement of cash flows) to the<br>related items in the accounts | Current quarter<br>\$A'000 | Previous quarter<br>\$A'000 |
|-----|---|----------------------------|-----------------------------|
| 5.1 | Bank balances   | 3,584                      | 4,011                       |
| 5.2 | Call deposits   | 1,580                      | 2,170                       |
| 5.3 | Bank overdrafts   | -                          | -                           |
| 5.4 | Other (provide details)   | -                          | -                           |
| 5.5 | <b>Cash and cash equivalents at end of<br/>quarter (should equal item 4.6 above)</b>  | <b>5,164</b>               | <b>6,181</b>                |

**6. Payments to related parties of the entity and their associates**

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

| Current quarter<br>\$A'000 |
|----------------------------|
| 13                         |
| -                          |

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Payments in item 6.1 are included directors fees paid to Non-executive directors.

**7. Financing facilities**

*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.*

7.1 Loan facilities

7.2 Credit standby arrangements

7.3 Other (please specify)

7.4 **Total financing facilities**

| Total facility amount at quarter end<br>\$A'000 | Amount drawn at quarter end<br>\$A'000 |
|---|--|
| -   | -                                      |
| -   | -                                      |
| -   | -                                      |
| -   | -                                      |

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.

**8. Estimated cash available for future operating activities**

**\$A'000**

8.1 Net cash from / (used in) operating activities (Item 1.9)

(951)

8.2 Cash and cash equivalents at quarter end (Item 4.6)

5,164

8.3 Unused finance facilities available at quarter end (Item 7.5)

-

8.4 Total available funding (Item 8.2 + Item 8.3)

5,164

8.5 **Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**

**5**

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

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?

Answer: N/A

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?

Answer: N/A

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

Answer: N/A

## 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.

23 October 2025

Date: .....

Chairman

Authorised by: .....

## 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.