



Company announcement

Release date 15 July 2026

June 2026 Quarterly Activities Report and Appendix 4C

Financial

The Company's cash position on 30 June was \$3.5 million, down \$787,000 during the quarter.

The cashflow deficit from operating activities in the June quarter was \$752,000, higher than the deficit of \$475,000 recorded in the June Quarter last year. Sales receipts were significantly lower while net operating outlays fell by a smaller amount.

Net operating outlays of \$1,253,000 included payments of \$175,000 for legal fees net of reimbursements from our insurer.

Quarterly cash flow data (\$000)

	Jun Q 2025	Sep Q 2025	Dec Q 2025	Mar Q 2026	Jun Q 2026
Sales receipts	823	562	1,095	466	501
Net operating outlays	-1,298	-1,513	-966	-1,242	-1,253
Cash from operations	-475	-952	+129	-776	-752
Cash from investing	-21	-39	-42	-16	-13
Cash from financing	-	-	-	-	-
Net cash flow	-496	-990	+87	-792	-765
Forex movements	-155	-27	-47	-100	-22
Cash position	6,181	5,164	5,205	4,313	3,526

Note that quarterly figures are volatile and caution should be taken in extrapolating such data

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

Progress continued on a number of fronts.

Sales volume in the quarter was 189 tonnes, a little lower than the 197 tonnes sold in the same period last year. Geographical sales segments for the quarter were Europe 72% and USA 24%, with minor sales in China and Australia.

Production totaled 710 tonnes, up significantly on the 356 tonnes achieved in the March quarter. The previous quarter plant recommissioning issues and equipment failures continued but to a lesser extent contributing to the increased production. The plant operated at 85% of capacity of 14 pallets per day compared to 65% of capacity in the previous quarter.

Product inventory at 30 June increased to 1,696 tonnes including China 756 tonnes. The inventory buildup is scheduled to continue in the September quarter to enable us to meet projected strong demand in Europe in the December quarter, if it occurs.

It has been confirmed that our Changxing subsidiary has approval to discharge a quantity of wastewater meeting a minimum quality threshold. This will allow us to increase production, if required, without significant capital expenditure as the plant can process a higher volume of waste water without additional treatment.

R&D efforts in China are on-going. Several tonnes of a product with a 10% lanthanum content were produced through the commercial plant, with its good P-binding and free La properties intact. Bulk samples for third party laboratory tests are being sent to USA and Europe for in-lake trials, and trials in China are also being considered. Furthermore, later in the quarter good results were achieved at lab scale with a formulation containing 15% lanthanum. Preparation is advanced toward a patent application for these products.

Corporate

Phoslock continues to address legacy legal matters, including the class action filed in the Federal Court by the Banton Group on behalf of certain shareholders. As previously announced, the mediation session held on 11 June was terminated without resolution. Proceedings will now continue in accordance with directions of the Court. 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 in Changxing, China, and has 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

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")

June 2026

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	501	967
1.2 Payments for		
(a) research and development	(17)	(37)
(b) product manufacturing and operating costs	(261)	(414)
(c) advertising and marketing	(20)	(46)
(d) leased assets	(86)	(230)
(e) staff costs	(409)	(778)
(f) administration and corporate costs	(459)	(990)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	2
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)	-	-
1.9 Net cash from / (used in) operating activities	(751)	(1,526)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	(10)	(10)
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	(3)	(19)
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
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)		
2.6	Net cash from / (used in) investing activities	(13)	(29)

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	4,313	5,205
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(751)	(1,526)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(13)	(29)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	(23)	(124)
4.6	Cash and cash equivalents at end of period	3,526	3,526

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	Bank balances	3,140	3,437
5.2	Call deposits	386	876
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,526	4,313

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	(37)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
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)	(751)
8.2 Cash and cash equivalents at quarter end (item 4.6)	3,526
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	3,526
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	5
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
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?	
Answer: N/A	
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?	
Answer: N/A	
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?	
Answer: N/A	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

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:15.July 2026.....

Authorised by:Managing Director.....
(Name of body or officer authorising release – see note 4)

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.