

Company announcement

Release date 4 September 2023

Interim accounts released; trading status update

Phoslock Environmental Technologies (ASX: PET) today released audited financial results for the half year ended 30 June 2023. The Appendix 4D and interim report accompany this announcement.

Key financial results	Half Year 2023	Half Year 2022
Revenues	\$1.0 million	\$1.3 million
Gross Profit	\$0.5 million	\$0.7 million
Underlying EBIT ¹	(\$3.6 million)	(\$5.3 million)
NPAT ²	(\$5.2 million)	(\$6.5 million)
Net Operating Cash Flow	(\$3.5 million)	(\$4.5 million)

1. Underlying EBIT (Earnings before interest and tax) is a financial measure which is not prescribed by Australian Accounting Standards ('AAS') and represents the profit or loss under AAS adjusted for the add back of income tax, finance costs and certain non-cash income and expense items that are deemed to not have an ongoing affect to the underlying performance of the business. The Company believes that presenting Underlying EBIT provides a better understanding of its financial performance by facilitating a more representative comparison of financial performance between financial periods.
2. Net Profit/(Loss) after Tax

Revenue for the period was \$1,002,000, which was down 20% on the \$1,258,000 generated in the prior corresponding period. The decrease was primarily as a result of project delays converting to contracts and a slower than expected ramp-up of new projects. Gross profit was \$531,000 for the six months (6 months to 30 June 2022: \$715,000). The gross profit margin was 53%, down from the prior period's 56% as a result of increased sales to distribution partners and fluctuating freight rates within the period. Underlying EBIT for the period was a loss of \$3,636,000 compared to a loss of \$5,311,000 in the prior corresponding period.

As foreshadowed in the Company's announcement of 31 August 2023, the interim accounts have been prepared on a non-going concern basis.



Trading Status

The securities of the Company were involuntarily suspended from quotation by the ASX on 14 August 2023. The Company securities will remain suspended until such time as ASX is satisfied with its compliance with Listing Rule 12.2.

The Company will engage with ASX in relation to the suspension, having regard both to Listing Rule 12.2 as well as the other matters concerning the Company's activities and future which were referenced in the Company's announcements to the ASX on 15 August 2023 and 31 August 2023, and will advise the market of updates in due course.

This announcement has been approved by the Managing Director and Chairman

Mr David Krasnostein AM
Chairman

Mr Lachlan McKinnon
Managing Director & CEO

Matthew Parker
Company Secretary

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Further information:

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About PET

Phoslock Environmental Technologies Limited (ASX: PET) specialises in water treatment products to remediate nutrient polluted fresh waterbodies including, lakes, rivers, canals, municipal and private ponds, recreational and drinking water reservoirs.

Headquartered in Melbourne, PET also has offices in Shanghai and the UK, sales resources in China, ANZ, Europe and the US. PET also has registered entities in Canada, USA and Belgium, and manufacturing operations based in Changxing, China. PET is represented by licensees, distributors and agents in numerous other countries including HydroScience in Brazil.

Phoslock® is a proprietary and unique water treatment product that permanently binds excess phosphorus in the water column and sediments.

Phosflow is a proprietary and unique water remediation product that removes excess phosphorus in flowing water applications.

Phoslock is certified for use in drinking water in North America, Europe, Brazil, Australia, and China. Along with Phoslock, PET also supplies zeolites and specialised solutions that address water pollution issues.

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